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Section 1

**BINGHAM RIDGE
INSTRUCTION SHEET**

TO PURCHASER:

You are hereby advised that the Condominium Act provides as follows:

- (A) At least nine business days before a condominium unit is conveyed or nine business days before the Purchase Agreement becomes a binding agreement, the developer shall have provided to the prospective purchaser copies of the following documents relative to the condominium project:
- ✓ (1) The recorded Master Deed including Condominium Bylaws and Subdivision Plans;
 - (2) An executed copy of the Purchase Agreement;
 - (3) A Condominium Buyer's Handbook containing, in a prominent location and in boldface type, the name, telephone number and address of the person designated by the Michigan Department of Consumer and Industry Services to respond to complaints;
 - (4) A Disclosure Statement;
 - (5) Articles of Incorporation of the Condominium Association; and
 - (6) Condominium Association Bylaws.

The calculation of the nine business day period shall include the day on which the above listed documents are received, if that day is a business day.

- (B) This time limit may be waived in exceptional cases, by a purchaser who has been provided all of the aforementioned documents and waives in writing the purchaser's right to the protection provided by the advance review time. The form shall include an explanation of the right of withdrawal. This exemption may be revoked as to future sales by the administrator upon a finding of violation of the provisions of this Act or rules promulgated under this Act.
- (C) The form signed by a purchaser, acknowledging receipt of the documents, is prima facie evidence that the documents were received and understood by purchaser. A separate instrument sheet, advising the Co-Owners of this section shall be provided to the Co-Owners contemporaneously with the documents required in subsection (A).
- (D) In addition to other liabilities and penalties, a developer who violates this section is subject to Section 115 of the Condominium Act.

McKeough Land Company, Inc., Developer

Section 2

DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIPS

Before you disclose confidential information to a real estate licensee regarding a real estate transaction, you should understand what type of agency relationship you have with that licensee.

Michigan law requires real estate licensees who are acting as agents of sellers or buyers of real property to advise the potential sellers or buyers with whom they work of the nature of their agency relationship.

Seller's Agents

A seller's agent, under a listing agreement with the seller, acts solely on behalf of the seller. A seller can authorize a seller's agent to work with subagents, buyer's agents, and/or transaction coordinators. A subagent is one who has agreed to work with the listing agent, and who, like the listing agent, acts solely on behalf of the seller. Seller's agents and subagents will disclose to the seller known information about the buyer, which may be used to the benefit of the seller.

Buyer's Agents

A buyer's agent, under a buyer's agency agreement with the buyer, acts solely on behalf of the buyer. Buyer's agents and subagents will disclose to the buyer known information about the seller, which may be used to benefit the buyer.

Dual Agents

A real estate licensee can be the agent of both the seller and the buyer in a transaction, but only with the knowledge and informed consent, in writing, of both the seller and the buyer.

In such a dual agency situation, the licensee will not be able to disclose all known information to either the seller or the buyer.

The obligations of a dual agent are subject to any specific provisions set forth in any agreement between the dual agent, the seller and the buyer.

Licensee Disclosure

I hereby disclose that the agency status of the licensee named below is:

- ☒ **Seller's Agent**
☐ Buyer's Agent
☐ Dual Agent
☐ None of the above

Affiliated Licensee Disclosure

Only the licensee's broker and a named supervisory broker have the same agency relationship as the licensee named below. If the other party in a transaction is represented by an affiliated licensee, then the licensee's broker and all named supervisory brokers shall be considered disclosed consensual dual agents.

All affiliated licensees have the same agency relationship as the licensee named below.

Further, this form was provided to the buyer or seller before disclosure of any confidential information.

Licensee: _____ Date: _____

Licensee: _____ Date: _____

Acknowledgment

By signing below, the parties confirm that they have received and read the information in this agency disclosure statement and that this form was provided to them before the disclosure of any confidential information specific to the potential sellers or buyers.

Potential Buyer/Seller (circle one): _____ Date: _____

Potential Buyer/Seller (circle one): _____ Date: _____

DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIPS

Before you disclose confidential information to a real estate licensee regarding a real estate transaction, you should understand what type of agency relationship you have with that licensee.

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Buyer's Agents

A buyer's agent, under a buyer's agency agreement with the buyer, acts solely on behalf of the buyer. Buyer's agents and subagents will disclose to the buyer known information about the seller, which may be used to benefit the buyer.

Dual Agents

A real estate licensee can be the agent of both the seller and the buyer in a transaction, but only with the knowledge and informed consent, in writing, of both the seller and the buyer.

In such a dual agency situation, the licensee will not be able to disclose all known information to either the seller or the buyer.

The obligations of a dual agent are subject to any specific provisions set forth in any agreement between the dual agent, the seller and the buyer.

Licensee Disclosure

I hereby disclose that the agency status of the licensee named below is:

- ☒ **Seller's Agent**
☐ Buyer's Agent
☐ Dual Agent
☐ None of the above

Affiliated Licensee Disclosure

Only the licensee's broker and a named supervisory broker have the same agency relationship as the licensee named below. If the other party in a transaction is represented by an affiliated licensee, then the licensee's broker and all named supervisory brokers shall be considered disclosed consensual dual agents.

All affiliated licensees have the same agency relationship as the licensee named below.

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Licensee: _____ Date: _____

Licensee: _____ Date: _____

Acknowledgment

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Potential Buyer/Seller (circle one): _____ Date: _____

Potential Buyer/Seller (circle one): _____ Date: _____

Section 3

SELLER'S DISCLOSURE STATEMENT FOR VACANT LAND ONLY

Note: This Disclosure Statement is for vacant land only. Sellers of residential property must use the form required under the Seller Disclosure Act, MCL 565.951; MSA 26.1286(51) (MAR FORM H).

SIZE AND LOCATION OF PROPERTY: Site condominium premises totals approximately 26.9 acres. Lots range in size from 0.50 acres to 1.02 acres. Located in Section 31, Bingham Township, Leelanau County, Michigan.

PURPOSE OF STATEMENT: This disclosure statement contains information concerning the Property known by Seller. Unless otherwise advised, the Seller does not possess any expertise concerning soil conditions, zoning and other land use regulations, environmental conditions or related matters. **THIS STATEMENT IS NOT A WARRANTY OF ANY KIND BY THE SELLER OR BY ANY AGENT REPRESENTING THE SELLER IN THE TRANSACTION, AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS THE BUYER MAY WISH TO OBTAIN.**

SELLER'S DISCLOSURE: The Seller discloses the following information with the knowledge that even though this is not a warranty, the Seller hereby specifically makes the following representations based on the Seller's knowledge at the time of signing this document. The Seller authorizes its agent to provide a copy of this statement to any prospective buyer in connection with the Property. The following representations are made solely by the Seller and are not the representations of the Seller's agent.

INSTRUCTIONS TO THE SELLER: (1) complete this form yourself; (2) fill in all blanks; (3) report known conditions affecting the Property; (4) if some items do not apply to your Property, write N/A (not applicable); (5) if you don't know the answer to a particular question, check unknown; and (6) attach additional pages with your signature if additional space is required.

1. HAS THE PROPERTY BEEN SURVEYED? **YES.** (A) IF SO, IS A COPY AVAILABLE? **YES.**
2. IS SELLER AWARE OF ANY PRIOR PROPERTY DIVISIONS OR SPLITS INVOLVING THIS PROPERTY SINCE MARCH 31, 1997? **NO.**
3. ZONING CLASSIFICATION OF PROPERTY: **RESIDENTIAL.**
4. IS SELLER AWARE OF ANY ENCROACHMENTS, EASEMENTS, ZONING VIOLATIONS OR NON-CONFORMING USES? **YES - EASEMENTS (SEE TITLE COMMITMENT AND CONDOMINIUM DOCUMENTS).**
5. IS SELLER AWARE OF ANY MINERAL RIGHTS IN THE PROPERTY HELD BY ANY PERSON OR ENTITY OTHER THAN THE SELLER? **NO. SELLER RETAINING ALL MINERALS. NON-DRILLING CONVENANT.**
6. IS SELLER AWARE OF ANY FLOODING, DRAINAGE OR GRADING PROBLEMS? **NO.**
7. HAS PROPERTY EVER HAD A "PERC TEST"? **YES. SOIL EVALUATION BY HEALTH DEPT.**
(A) IF SO, IS A COPY AVAILABLE? **YES.**
8. IS SELLER AWARE OF ANY UNDERGROUND STORAGE TANKS EITHER PRESENTLY ON THE PROPERTY OR WHICH HAVE BEEN PREVIOUSLY REMOVED FROM THE PROPERTY? **NO.**
9. IS SELLER AWARE OF ANY GROUND WATER CONTAMINATION? **NO.**
10. IS SELLER AWARE OF ANY OTHER ENVIRONMENTAL CONTAMINATION ON THE PROPERTY? **NO.**
11. HAS SELLER RECEIVED NOTICE OF ANY ENVIRONMENTAL REGULATION OR ENVIRONMENTAL CONDITION (SUCH AS A WETLAND DETERMINATION) WHICH WOULD PROHIBIT OR RESTRICT USE OF THE PROPERTY? **NO.**

If the answer to any of the above questions is yes, or if there is any other material information that the Buyer should be aware of, please explain: **SEE LOT INFORMATION STATEMENT AND CONDOMINIUM DOCUMENTS.**

Seller certifies that the information contained in this statement is true and correct to the best of the Seller's knowledge as of the date of Seller's signature.

BUYER SHOULD OBTAIN PROFESSIONAL ADVICE AND INSPECTIONS OF THE PROPERTY TO MORE FULLY DETERMINE THE CONDITION OF THE PROPERTY.

The Seller has owned the property since **June 21, 2002**, and makes representation only since that date. If prior to closing, the Seller becomes aware that any of the information contained in this disclosure form is incorrect, Seller will immediately disclose the changes to Buyer. In no event shall the parties hold the Broker or the Broker's Agent liable for any representations not directly made by the Broker or Broker's Agent.

SELLER(S): Chris G. McCrumb
Chris G. McCrumb, General Manager
McKeough Land Company, Inc.

DATE: 6/13/2003

BUYER HAS READ AND ACKNOWLEDGES RECEIPT OF THIS STATEMENT.

BUYER(S): _____

DATE: _____

DATE: _____

DISCLAIMER: This form is provided as a service of the Michigan Association of REALTORS®. Please review both the form and details of the particular transaction to ensure that each section is appropriate to the transaction. The Michigan Association of REALTORS® is not responsible for use or misuse of the form, for misrepresentation, or for warranties made in connection with the form.

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PURPOSE OF STATEMENT: This disclosure statement contains information concerning the Property known by Seller. Unless otherwise advised, the Seller does not possess any expertise concerning soil conditions, zoning and other land use regulations, environmental conditions or related matters. **THIS STATEMENT IS NOT A WARRANTY OF ANY KIND BY THE SELLER OR BY ANY AGENT REPRESENTING THE SELLER IN THE TRANSACTION, AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS THE BUYER MAY WISH TO OBTAIN.**

SELLER'S DISCLOSURE: The Seller discloses the following information with the knowledge that even though this is not a warranty, the Seller hereby specifically makes the following representations based on the Seller's knowledge at the time of signing this document. The Seller authorizes its agent to provide a copy of this statement to any prospective buyer in connection with the Property. The following representations are made solely by the Seller and are not the representations of the Seller's agent.

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If the answer to any of the above questions is yes, or if there is any other material information that the Buyer should be aware of, please explain: **SEE LOT INFORMATION STATEMENT AND CONDOMINIUM DOCUMENTS.**

Seller certifies that the information contained in this statement is true and correct to the best of the Seller's knowledge as of the date of Seller's signature.

BUYER SHOULD OBTAIN PROFESSIONAL ADVICE AND INSPECTIONS OF THE PROPERTY TO MORE FULLY DETERMINE THE CONDITION OF THE PROPERTY.

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SELLER(S): 
Chris G. McCrumb, General Manager
McKeough Land Company, Inc.

DATE: 6/13/2003

BUYER HAS READ AND ACKNOWLEDGES RECEIPT OF THIS STATEMENT.

BUYER(S): _____

DATE: _____

DATE: _____

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Section 4

CONSENT TO SUBMISSION

NOW COMES Mercantile Bank of West Michigan, a Michigan banking corporation, whose address is 216 North Division Avenue, Grand Rapids, Michigan 49503 ("Mortgagee"), and does hereby consent and agree to the submission of the property described on Exhibit "A" attached hereto and made a part hereof, or a part thereof, as a condominium project (Bingham Ridge) in accordance with the statute in such case provided.

IN WITNESS WHEREOF the undersigned has executed this Consent to Submission as of this 13 day of JUNE, 2003.

SIGNED IN THE PRESENCE OF: **Mercantile Bank of West Michigan**

Kathleen M. Arbones
Kathleen M. Arbones (typed name of witness)

By: Mike Webster
Mike Webster

Janelle Wietsma
Janelle Wietsma (typed name of witness)

Its: Vice President

State of Michigan
County of Kent } ss

On this 13th day of June, 2003, before me, a Notary Public within and for said County and State aforesaid, personally appeared Mike Webster, to me known to be the Vice President, of Mercantile Bank of West Michigan, a Michigan banking corporation, and who executed the foregoing instrument and acknowledged the same to be his free act and deed on behalf of said banking corporation.

Elizabeth M. Rider
(typed name of notary public)

Prepared in the Law Office of:
When Recorded, Return to:

Notary Public, County of Kent
My commission expires 01/19/05

LOUIS P. TOCCO, ESQ.
LOUIS P. TOCCO, P.L.C.
13709 S. West Bayshore Drive
Traverse City, Michigan 49684
LTOCCO@TRAVERSE.COM
(231) 995-9100

ELIZABETH M. RIDER, Notary Public
Kent County, State of Michigan
My Commission Expires on 1/19/2005

EXHIBIT "A"

Part of the East One-half of the Northwest One-quarter of Section 31, Township 29 North, Range 11 West, more fully described as: Commencing at the North One-quarter Corner of said Section 31; thence South $89^{\circ}56'37''$ West, along the North line of said Section 31, 1336.80 feet to the West One-eighth line of said Section 31; thence South $00^{\circ}23'35''$ East, along said West One-eighth line, 478.47 feet to the Point of Beginning; thence North $89^{\circ}56'42''$ East, 198.00 feet; thence North $00^{\circ}22'55''$ West, 22.50 feet; thence North $89^{\circ}56'37''$ East, 437.83 feet to the Westerly line of the recorded Plat of Whispering Hills Subdivision; thence South $00^{\circ}15'10''$ East (previously recorded as South $00^{\circ}16'16''$ East, per said Plat), along said Westerly line, 667.89 feet to the Northwest Corner of the recorded Plat of Whispering Hills Subdivision No. 2; thence South $00^{\circ}03'18''$ West, 99.97 feet (previously recorded as South $00^{\circ}01'30''$ West, 100.00 feet, per said Plat); thence South $31^{\circ}11'25''$ West, along the West line of said recorded Plat, 466.92 feet (previously recorded as South $31^{\circ}14'54''$ West, 466.68 feet, per said Plat); thence South $89^{\circ}50'28''$ East, continuing along said Plat line, 150.00 feet (previously recorded as South $89^{\circ}45'26''$ East, 150.00 feet, per said Plat); thence South $06^{\circ}27'00''$ West, continuing along said Plat line, 147.14 feet (previously recorded as South $06^{\circ}31'43''$ West, 147.18 feet, per said Plat); thence Southeasterly, continuing along said Plat line, on the arc of a 653.12 foot radius curve to the left, 201.98 feet (long chord is equal to South $87^{\circ}08'56''$ East, 201.18 feet) (previously recorded as arc of a 653.12 foot radius curve to the left, 201.93 feet (long chord is equal to South $87^{\circ}07'02''$ East, 201.13 feet), per said Plat); thence South $29^{\circ}54'06''$ West, continuing along said Plat line, 79.74 feet (previously recorded as South $30^{\circ}01'07''$ West, 79.69 feet, per said Plat); thence Northwesterly, continuing along said Plat line, on the arc of a 719.12 foot radius curve to the right, 178.90 feet (long chord is equal to North $85^{\circ}09'34''$ West, 178.44 feet) (previously recorded as an arc of a 719.12 foot radius curve to the right, 178.75 feet (long chord is equal to North $85^{\circ}07'10''$ West, 178.29 feet), per said Plat); thence South $22^{\circ}09'39''$ West, continuing along said Plat line, 265.68 feet (previously recorded as South $22^{\circ}13'40''$ West, 265.74 feet, per said Plat); thence South $00^{\circ}05'27''$ East, continuing along said Plat line, 332.25 feet (previously recorded as South $00^{\circ}01'49''$ East, 331.87 feet, per said Plat); thence North $89^{\circ}29'11''$ East, continuing along said Plat line, 203.70 feet (previously recorded as North $89^{\circ}37'12''$ East, 203.59 feet per said Plat); thence South $06^{\circ}34'22''$ West, 33.33 feet; thence South $89^{\circ}32'32''$ West, 199.81 feet; thence South $00^{\circ}05'05''$ East, 240.77 feet to the East-West One-quarter line of said Section 31; thence South $89^{\circ}36'30''$ West, along said East-West One-quarter line, 399.14 feet to the West One-eighth line of said Section 31; thence North $00^{\circ}23'35''$ West, along said West One-eighth line, 2209.59 feet to the Point of Beginning. Said parcel contains 26.9 acres of land, more or less.

TAX CERTIFICATION

LEELANAU COUNTY, LELAND, MICHIGAN 6/13/03

by certify, that according to our records, all taxes
ned to this office are paid for five (5) years
preceding the 13th day of 6/2003. This does not
include taxes in the process of collection by Township,
Cities or Villages, Board of Review changes, Michigan
Tax Tribunal changes, or changes due to Homestead
exemptions or corrections.

Victoria Kirt Leelanau County Treasurer

Barbara Kirt

65P

Leelanau Register of Deeds

Recording Fees:

206.00

SUE Date 06/13/2003

Time 14:30:47

MD 116

01 738/38

MASTER DEED

FOR

BINGHAM RIDGE

MASTER DEED, Made as of this 13th day of June, 2003, by McKEOUGH LAND
COMPANY, INC., an Illinois corporation duly qualified to transact business in the State of
Michigan, of 104 South Union Street, Suite 212, Traverse City, Michigan 49684
(hereinafter referred to as the "Developer");

WITNESSETH:

WHEREAS, the Developer is the owner of lands herein described and desires to
establish the same together with the appurtenances thereto as a condominium project
under the provisions of Act 59 of the Public Acts of 1978, as amended, by recording this
Master Deed together with the Condominium Bylaws attached hereto as Exhibit "A" and
the Condominium Subdivision Plans attached hereto as Exhibit "B", both of which are
incorporated herein by reference and made a part hereof.

NOW, THEREFORE, the Developer does hereby establish **BINGHAM RIDGE** by
recording of this Master Deed as a condominium project and does declare that

001-021-026-10
618-30

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BINGHAM RIDGE, hereinafter referred to as the "Condominium", shall be henceforth held, conveyed, encumbered, leased, occupied, improved and in any other manner utilized, subject to the provisions of said Act and to the covenants, conditions, restrictions, uses, limits and affirmative obligations set forth in this Master Deed and Exhibits "A" and "B" hereunder, all of which shall be deemed to run with the land. In furtherance of the establishment of said Condominium, it is provided as follows:

I.

TITLE AND NATURE

The Condominium Project shall be known as **BINGHAM RIDGE**, Leelanau County Condominium Subdivision Plan No. 116. The Condominium Project is established in accordance with Act 59 of the Public Acts of 1978, as amended. The bylaws attached hereto as Exhibit "A" are hereby incorporated herein by reference. The Condominium Subdivision Plans attached hereto as Exhibit "B" are hereby incorporated herein by reference.

II.

LEGAL DESCRIPTION

The land on which the Condominium Project is located and which is established by this Master Deed is situated in the Township of Bingham, County of Leelanau and State of Michigan, and described as follows, viz.:

Part of the East One-half of the Northwest One-quarter of Section 31, Township 29 North, Range 11 West, more fully described as: Commencing at the North One-quarter Corner of said Section 31; thence South 89°56'37" West, along the North line of said Section 31, 1336.80 feet to the West One-eighth line of said Section 31; thence South 00°23'35" East, along said West One-eighth line, 478.47 feet to the Point

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of Beginning; thence North 89°56'42" East, 198.00 feet; thence North 00°22'55" West, 22.50 feet; thence North 89°56'37" East, 437.83 feet to the Westerly line of the recorded Plat of Whispering Hills Subdivision; thence South 00°15'10" East (previously recorded as South 00°16'16" East, per said Plat), along said Westerly line, 667.89 feet to the Northwest Corner of the recorded Plat of Whispering Hills Subdivision No. 2; thence South 00°03'18" West, 99.97 feet (previously recorded as South 00°01'30" West, 100.00 feet, per said Plat); thence South 31°11' 25" West, along the West line of said recorded Plat, 466.92 feet (previously recorded as South 31°14'54" West, 466.68 feet, per said Plat); thence South 89°50'28" East, continuing along said Plat line, 150.00 feet (previously recorded as South 89°45'26" East, 150.00 feet, per said Plat); thence South 06°27'00" West, continuing along said Plat line, 147.14 feet (previously recorded as South 06°31'43" West, 147.18 feet, per said Plat); thence Southeasterly, continuing along said Plat line, on the arc of a 653.12 foot radius curve to the left, 201.98 feet (long chord is equal to South 87°08'56" East, 201.18 feet) (previously recorded as arc of a 653.12 foot radius curve to the left, 201.93 feet (long chord is equal to South 87°07'02" East, 201.13 feet), per said Plat); thence South 29°54'06" West, continuing along said Plat line, 79.74 feet (previously recorded as South 30°01'07" West, 79.69 feet, per said Plat); thence Northwesterly, continuing along said Plat line, on the arc of a 719.12 foot radius curve to the right, 178.90 feet (long chord is equal to North 85°09'34" West, 178.44 feet) (previously recorded as an arc of a 719.12 foot radius curve to the right, 178.75 feet (long chord is equal to North 85°07'10" West, 178.29 feet), per said Plat); thence South 22°09'39" West, continuing along said Plat line, 265.68 feet (previously recorded as South 22°13'40" West, 265.74 feet, per said Plat); thence South 00°05'27" East, continuing along said Plat line, 332.25 feet (previously recorded as South 00°01'49" East, 331.87 feet, per said Plat); thence North 89°29'11" East, continuing along said Plat line, 203.70 feet (previously recorded as North 89°37'12" East, 203.59 feet per said Plat); thence South 06°34'22" West, 33.33 feet; thence South 89°32'32" West, 199.81 feet; thence South 00°05'05" East, 240.77 feet to the East-West One-quarter line of said Section 31; thence South 89°36'30" West, along said East-West One-quarter line, 399.14 feet to the West One-eighth line of said Section 31; thence North 00°23'35" West, along said West One-eighth line, 2209.59 feet to the Point of Beginning. Said parcel contains 26.9 acres of land, more or less.

Together with a non-exclusive easement to be used for the purpose of building an access road to a proposed development on the land lying to the north of the subject easement. The road shall be paved and built according to the Bingham Township standards for a private road serving more than 12 lots. Easement is also to be used for the purposes of

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underground utilities (including but not limited to natural gas, electricity, telephone, and cable television), drainage and/or retention, as well as signage and landscaping relating to the proposed development. Said easement is described as that part of the North 1/2 of the Southwest 1/4 of Section 31, Town 29 North, Range 11 West, Bingham Township, Leelanau County, Michigan, the road easement more fully described as follows:

Commencing at the West 1/4 corner of said Section 31; thence North 89° 36' 30" East, 947.93 feet along the East-West 1/4 line of said Section 31 to the centerline of County Road 641; thence South 30° 46' 00" East, 23.18 feet along said centerline to the Point of Beginning; thence North 89° 36' 30" East, 126.59 feet; thence North 00° 23' 35" West, 20.00 feet; thence North 89° 36' 30" East, 379.14 feet; thence South 00° 05' 05" East, 66.00 feet; thence South 89° 36' 30" West, 165.65 feet; thence South 83° 58' 31" West, 244.99 feet; thence South 28° 58' 31" West, 54.79 feet to said centerline of County Road 641; thence North 30° 46' 00" West, 136.54 feet along said centerline to the Point of Beginning of said Road Easement. Said Road easement contains 0.83 acres.

Subject to all agreements, covenants, easements, right-of-ways, reservations, exceptions, conditions and restrictions contained in prior conveyances or otherwise, if any, and further subject to the following. The Developer hereby reserves and excepts, unto itself, its successors and assigns, all oil, gas and minerals, if any; Developer covenants that there shall be no drilling operations on the Premises hereinabove described pursuant to the foregoing reservation.

THE ABOVE-DESCRIBED PREMISES ARE CONVEYED SUBJECT TO THE RESTRICTIVE COVENANTS STATED HEREINAFTER IN ARTICLE VIII.

III.

DEFINITIONS

The following terms, whenever utilized in this Master Deed, Condominium Bylaws, Articles of Incorporation, Bylaws of Association of Co-Owners, Purchase Agreement, instruments of conveyance including amendments to Master Deed, and in any other document or instrument without limitation shall be defined as follows, viz.:

A. **The Act** means the Michigan Condominium Act, being Act No. 59 of the Public Acts of 1978 as amended.

B. **Association** shall mean the person designated in the condominium documents to administer the Condominium Project.

C. **Condominium Bylaws** means Exhibit "A" hereto, being the Bylaws setting forth the substantive rights and obligations of the Co-Owners and required by the Act to be recorded as part of the Master Deed.

D. **Consolidating Master Deed** means the final amended Master Deed which shall describe the Condominium as a completed Condominium Project and shall reflect the entire land area after contraction of the Condominium from time to time and/or the results of conversion of the Condominium from time to time under Article X and/or Article IX, respectively hereof, and all units and common elements therein, and which shall express percentages of value pertinent to each unit as finally readjusted. Such consolidating Master Deed, when recorded in the office of the Leelanau County Register of Deeds, shall supersede any previously recorded Master Deed for the Condominium.

E. **Lot or Unit** shall each mean the space within the boundaries of a single unit in the Condominium as such area and space may be described on Exhibit "B" hereto, and shall have the same meaning as the term "unit" is defined in the Act.

F. **Condominium Documents** wherever used means and includes this Master Deed and Exhibits "A" and "B" hereto, the Articles of Incorporation, Bylaws and the Rules and Regulations, if any, of the Association.

G. **Condominium Project, Condominium or Project** means **BINGHAM RIDGE** as a condominium project established in conformity with the provisions of the Act.

H. **Condominium Subdivision Plan** means Exhibit "B" hereto.

I. **Co-Owner** means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which owns one or more units in the Condominium Project. A land contract vendor and a land contract vendee are jointly and severally liable as the Co-Owner of a unit in this Project notwithstanding that the land contract vendee of a unit in this Project may be treated as the Co-Owner for all purposes relating to the Project. The term "owner", wherever used, shall be synonymous with the term "Co-Owner".

J. **Condominium Premises** means and includes the land and the buildings, all improvements and structures thereof, and all easements, rights and appurtenances belonging to the Condominium Project and described in Article II above.

K. **Common Elements** where used without modification shall mean both the general and limited common elements described in Article IV hereof.

L. **Percentage of Value** means the percentage assigned to each individual condominium unit in the condominium Master Deed.

M. **Developer** is McKEOUGH LAND COMPANY, INC., an Illinois corporation duly qualified to transact business in the State of Michigan.

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N.

Architectural Control Committee shall mean the committee appointed in accordance with the provisions of Article VI, Sections (1) through (8) of the Condominium Bylaws.

O.

Improvement shall mean every building of any kind, fence or wall, or other structure or recreational facility which may be erected or placed within any unit, any drainage system that may be established thereon, any driveway or landscaping thereon, or the water or septic systems or any part thereof within any unit.

Terms not defined herein, but defined in the Act, shall carry the meaning given them in the Act unless the context clearly indicates to the contrary. Whenever any reference herein is made to one gender, the same shall include a reference to any and all genders where such a reference would be appropriate; similarly, whenever a reference is made herein to the singular, a reference shall also be included to the plural where such a reference would be appropriate.

IV.

COMMON ELEMENTS

The common elements of the Project described in Exhibit "B" attached hereto and the respective responsibilities for maintenance, decoration, repair or replacement thereof are as follows:

A. The general common elements are:

1. The land described in Article II hereof, including the open space areas and pedestrian easement, the stormwater retention areas located within the commons areas, the Project signage, and all roadways, outlots, if any, and access

easements, excepting the space within each unit boundary as shown on Exhibit "B" attached hereto.

2. Such other elements of the Project not herein designated as general or limited common elements which are not within the boundaries of a unit, and which are intended for common use or necessary to the existence, upkeep and safety of the Project.

B. The costs of maintenance, repair and replacement of all general common elements described above shall be borne by the Association. Notwithstanding the fact that stormwater retention areas and/or drainage easement facilities as depicted on Exhibit "B" hereto are located within the boundaries of certain units, the costs of maintenance, repair and replacement of these facilities, whether located within the commons areas or within the boundaries of units, shall be borne by the Association. In the event that the Association fails to maintain the general common element open space areas as required herein and the Association fails to conduct such required maintenance within three (3) months of the filing of official notice from Bingham Township, the Township may opt to conduct such maintenance and assess the Association for the cost of same.

C. The Developer has not requested the Leelanau County Road Commission nor the Michigan Department of Transportation to accept any of the herein designated general common element roadways, outlots, if any, or access easements as public roads as set forth on Exhibit "B" attached hereto. As such, the roadways, outlots, if any, and access easements will be private and the Leelanau County Road

Commission, the Michigan Department of Transportation and Bingham Township will have no obligation to build, repair or maintain the roadways, outlots, if any, and access easements in any manner until such time, if ever, as the Condominium Association, the Developer or a successor developer dedicates the roadways, outlots, if any, and/or access easements to the public. Nothing herein shall obligate the Condominium Association, the Developer or a successor developer to dedicate the roadways, outlots, if any, and/or access easements to the public as a public road. The Association shall grade, drain, and otherwise maintain the roadways, outlots, if any, and/or access easements in accordance with any requirements of the Bingham Township Zoning Ordinance. If repairs and maintenance are not made within six (6) months of the filing of official notice from Bingham Township, the Township may bring the road up to the design standards of the ordinance and assess the Association for the cost of all improvements plus an administrative fee in the amount of 25% of the total costs. There shall be easements over the herein designated general common element roadways, outlots, if any, and access easements in favor of the public for emergency purposes and for the purpose of ingress and egress by other public vehicles for the provision of public services deemed necessary by public officials. The Co-Owners shall refrain from prohibiting, restricting, limiting or in any manner interfering with the normal ingress and egress and use by any of the other Co-Owners; normal ingress and egress and use shall include use by family, guests, invitees, vendors, tradespersons, delivery persons and others having a need to utilize the roadways, bound for or returning from any of the lots.

D. There are no limited common elements in the Condominium Project as shown on Exhibit "B" attached hereto.

E. Any maintenance, repair or replacement (the cost of which is to be borne by the Co-Owner or Co-Owners) may be performed by or under the direction of the Association and the cost may be assessed against the responsible Co-Owner or Co-Owners as provided in the Condominium Bylaws.

F. No Co-Owner shall use his unit or the common elements in any manner inconsistent with the purposes of the Project or in any manner which will interfere with or impair the rights of any other Co-Owner in the use and enjoyment of his unit or the common elements.

V.

UNIT DESCRIPTION AND PERCENTAGE OF VALUE

A. Each unit in the Project is described in this paragraph with reference to the Subdivision and Site Plan of the Project attached hereto as Exhibit "B". Each unit shall include all that area and space contained within the boundary for each unit as shown on Exhibit "B" hereto. No Co-Owner shall be permitted to partition, split or otherwise subdivide a unit.

B. The percentage of value assigned to each unit is set forth in Subparagraph "D" below. The percentage of value assigned to each unit shall be determinative of the proportionate share of each respective Co-Owner in the expenses and proceeds of administration of the Association and in the common elements of the Condominium. At meetings of the Association, each respective Co-Owner shall have

one vote for each Condominium unit owned when voting by number and one vote, the value of which equals the total of the assigned percentages of value for each Condominium unit owned, when voting by percentage of value. The total value of the Project is one hundred (100%) percent. The percentage of value allocated to each unit may be changed only with the unanimous consent of all of the Co-Owners expressed in an amendment to this Master Deed, duly approved and recorded except as provided in Articles IX and X hereof.

C. The determination of the percentage of value which should be assigned was made after reviewing the comparative characteristics of each unit in the Project and concluding that location, size, value and allocable expenses of maintenance were the proper determining factors to be considered.

D. Each unit shall be assigned an equal percentage of value.

VI.

EASEMENTS

There shall be easements to, through and over those portions of the land, structures, buildings, improvements, and walls in favor of the Association located within any lot or common element area for the installation and placement of and/or continuing maintenance and repair of all utilities (including stormwater retention facilities and/or drainage easement facilities) and all common elements in the Condominium. There shall be easements to, through and over those certain general common elements beneath each of the units in the Project in favor of each respective Co-Owner for the installation and placement of and/or continuing maintenance and repair of water well

facilities located beneath the Co-Owner's unit which facilities service the structures permitted on the Co-Owner's unit.

Article VII.

EASEMENTS RETAINED BY DEVELOPER

A. The Developer reserves for the benefits of itself, its successors and assigns, and that certain land described in Article X hereinafter, perpetual easements for the unrestricted use (including, by way of inclusion and not limitation, the installation of and/or relocation of roads, driveways, walkways, rights-of-way, utilities or utility facilities, and retention basins and facilities, of any kind or nature) of all roads and/or easements, driveways, walkways and general common elements in the Condominium for the purposes of ingress and egress to and from all or any portion of the parcel described in Article II or any portion or portions thereof, and any other land contiguous to the Condominium Premises which may be now owned or hereafter acquired by the Developer (including its owners whether shareholders or members, if applicable) or its successors. All expenses of maintenance, repair, replacement and resurfacing of any roads referred to in this Article shall be shared by this Condominium and any developed portions of any other land contiguous to the Condominium Premises which may be now owned or hereafter acquired by the Developer or its successors whose closest means of access to a public road is over such road or roads. The Co-Owners of this Condominium shall be responsible from time to time for payment of a proportionate share of said expenses which share shall be determined by multiplying such expenses times a fraction, the numerator of which is the number of units, in this Condominium,

and the denominator of which is comprised of the number of such units plus all of the units and/or lots added on any other land contiguous to the Condominium Premises which may be now owned or hereafter acquired by the Developer or its successors whose closest means of access to a public road is over such road(s).

B. The Developer also hereby reserves for the benefit of itself, its successors and assigns, the current and future owners of that certain land described in Article X hereinafter, all future owners of the land described in Article II or any portion or portions thereof and any other land contiguous to the Condominium Premises which may be now owned or hereafter acquired by the Developer (including its owners whether shareholders or members, if applicable) or its successors, perpetual easements to utilize, tap, tie into, and/or extend and enlarge all utility mains located on the Condominium Premises, including, but not limited to, electric, water, telephone, cable television, gas, and storm and sanitary sewer mains/basins, if any. In the event Developer, its successors or assigns, utilizes, taps, ties into, extends or enlarges any utilities located on the Condominium premises, it shall be obligated to pay all of the expenses reasonably necessary to restore the Condominium premises to their state immediately prior to such utilization, tapping, tying in, extension or enlargement. 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 has become unnecessary. This may occur, by way of example but 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.

C. All easements reserved by the Developer shall be assignable and shall be binding upon all parties, their heirs, successors and assigns.

VIII.

RESTRICTIVE COVENANTS

The land described in Article II above shall be subject to the restrictions described in Articles VI and VII of the Condominium Bylaws attached hereto as Exhibit "A", which restrictions shall run with the land and shall be binding on all heirs, successors and assigns of said land; said restrictions, notwithstanding Article XI hereafter or any other provision of this Master Deed or its Exhibits, shall not be modified, amended nor altered without the express written consent of the Developer.

By way of inclusion and not limitation, the following restrictions shall run with the land described in Article II hereof equally as if said restrictions had been provided in said Articles VI and VII of the Condominium Bylaws. The Association shall conduct routine maintenance of the stormwater retention areas and attendant stormwater management facilities within the Project to continually meet the specifications of the stormwater plan approved by the Leelanau County Drain Commissioner's Office. If the Association fails to conduct the required maintenance on the stormwater facilities, the Drain Commissioner's Office reserves the right to request that said maintenance be completed. The Association shall conduct routine maintenance of the stormwater

retention areas and other stormwater management facilities within thirty (30) days of receipt of written notification that action is required, unless other acceptable arrangements are made with the Leelanau County Drain Commissioner, and shall conduct emergency maintenance within thirty-six (36) hours of written notification; in the event that the Association shall fail to act within these time frames, the Leelanau County Drain Commissioner may perform the needed maintenance and assess the costs therefor against the Association. The Leelanau County Drain Commissioner and the Commissioner's successors, assigns and transferees (the "Commissioner") are hereby granted a perpetual and permanent easement in, over, under and through the property described in Article II hereinabove, which easement may not be amended nor revoked except with the written approval of the Commissioner or his or her successors or assigns (any attempted modification without such prior written approval shall be void and without any legal effect), and which contains the following terms and conditions and grants the following rights:

A. The easement shall be for the purpose of developing, establishing, constructing, repairing, maintaining, deepening, cleaning, widening and performing any associated construction activities and grading in connection with, any type of drainage facilities or storm drains, in any required size, form, shape or capacity;

B. The Commissioner shall have the right to sell, assign, transfer or convey this easement to any other governmental unit;

C. No owner in the Condominium shall build or convey to others any permission to build any permanent structures on any drainage facilities or storm drains within said easement;

D. No owner in the Condominium shall build or place on any drainage facilities or storm drains within the area covered by the easement any type of structure, fixture or object, or engage in any activity or take any action, or convey any property interest or right, that would in any way either actually or threaten to impair, obstruct, or adversely affect the rights of grantee under the said easement;

E. The Commissioner and his or her agents, contractors and designated representative shall have right of entry on, and to gain access to, the easement property;

F. All owners in the Condominium release the Commissioner and its successors, assigns or transferees from any and all claims to damages in any way arising from or incident to the construction and maintenance of a drain or sewer or otherwise arising from or incident to the exercise by the Commissioner of his or her rights under the said easement, and all owners covenant not to sue the Commissioner for any such damages, except for damages caused by the negligence of Commissioner.

Further, by way of inclusion and not limitation, the following restrictions shall run with the land described in Article II hereof equally as if said restrictions had been provided in said Article VI of the Condominium Bylaws. No unit shall be used for other than single family residential use. Dwellings shall have no more than four (4) bedrooms unless

otherwise approved by the Leelanau County Health Department in advance. Permits for the installation of wells and sewage disposal systems shall be obtained from the Leelanau County Health Department prior to any construction on a lot. All dwellings shall be serviced by a potable water supply system. All wells on individual lots shall be drilled by a well driller licensed by the State of Michigan to a depth of 420 feet above sea level using U.S.G.S. datum. Upon completion of the well, the owner shall be responsible for having the water tested for nitrates by a certified laboratory with the results submitted to the Health Department. A complete well log form for each well shall be submitted to the Health Department within 60 days following completion of the well. The site development plan approved by the Health Department, with an approval date of June 12, 2003, shows initial and replacement drainbed or drainfield locations for each unit. The drawing also shows grading plans for drainbed areas and trench elevations for drainfields. This drawing will be used in issuing future well and septic permits, along with the design requirements as stated below in the following restrictions. Units 2, 4, 8, 9, 11, 13, 14, 15, 20, 21, 22, 23 and 24 will need drainbed areas prepared as shown on the site drawing. Unit 5 initial and reserve drainbed areas have had site preparation completed. Drainbeds will be placed in these areas. Unit 5 (initial) will need over-excavation of soils to medium sand and stone at approximately 8 feet. Unit 5 (reserve) will need over-excavation to medium sand and stones at approximately 7 feet in the western one-half. Sand fill will be added to keep drainbeds shallow. Unit 6 initial and reserve drainbed areas have had site preparation completed. Drainbeds will be placed in these areas. Unit 6 (initial) will need over-excavation of soils to medium sand as

approximately 9 feet. Unit 6 (reserve) will need over-excavation to medium sand at approximately 11 feet. Sand fill will be added to keep drainbeds shallow. Unit 7 initial and reserve drainbed areas have had site preparation completed. Drainbeds will be placed in those areas. Unit 11 (initial) drainbed area will need soils over-excavated to approximately 4 feet. Unit 16 (initial) drainbed area has had site preparation completed. A drainbed will be placed in this area. Soils will need to be over-excavated 3 feet below the drainbed stone and replaced with sand. Unit 16 (reserve) drainbed area will need three (3) 2 foot wide cross trenches to approximately 8 feet that will be filled with sand. Unit 17 (initial) drainbed area will need soils over-excavated to approximately 5 feet. Unit 18 has a trench drainfield installed to service a four bedroom home maximum. This drainfield will be used with the installation of a septic tank. Unit 19 (initial) drainbed area has had site preparation completed. A drainbed will be placed in this area. Test holes showed some buried topsoil that will need to be removed at the time of drainbed installation. Unit 20 (initial) drainbed area will need to be over-excavated to approximately 6 feet. Units 3 (reserve), 8 (reserve), 12 (initial and reserve), 15 (reserve), 17 (reserve), 18 (reserve) and 24 (reserve) have trench drainfields. Trenches shall be placed in the location and at the elevations shown on the approved site plan. At the time of permit issuance, an applicant will be responsible for staking the trenches following the contours. Small equipment and/or hand labor may be required for installation. Some units may need low pressure distribution to get sewage effluent from the dwelling to the drainbed or drainfield. Stormwater movement or retention on each unit shall not interfere with initial and reserve drainbed areas.

Notwithstanding the amendment provisions contained in Article XI below, no amendment of the Condominium Documents shall be permitted to modify the foregoing provisions or their stated purposes without the prior approval of the Leelanau County Health Department or its duly authorized successor(s) in interest.

Finally, by way of inclusion and not limitation, the following restrictions shall run with the land described in Article II hereof equally as if said restrictions had been provided in said Article VI of the Condominium Bylaws. Developer agrees to hold Bingham Township, its officers and employees, harmless from liability for personal injury or property damage directly caused by the Township's authorization of the improvements within the Project. The Project shall at all times conform with the conditions and requirements of the site plan approval granted by the Bingham Township Board and with the Bingham Township Zoning Ordinance.

IX.

CONVERTIBLE AREA

The Condominium Project contains convertible area. The convertible area in the Condominium Project consists of all of the units and common elements in the Condominium Project whether or not so designated as such in the Condominium Subdivision Plan attached hereto as Exhibit "B". The convertible area may be utilized to change the size and shape of unsold units (including the relocation of boundaries between adjoining units) and the general or limited common elements. No additional condominium units may be created within such convertible area. Additional common elements may be created within such convertible area and/or unsold units and common

elements may be eliminated from the Project. The Developer reserves the right to change the assignment of specific limited common elements to certain lots, to create or remove general and/or limited common elements within this convertible area and to designate general and/or limited common elements therein which may subsequently be assigned as limited common elements. There may be no restrictions as to what improvements may be made on the convertible area and there is no restriction as to the location of any improvements that may be made on any portions of the convertible area. The conversion of any convertible area, as hereinbefore described, must occur, if ever, not later than six (6) years after the date of the initial recording of this Master Deed.

Pursuant to the foregoing, and any other provisions of this Master Deed to the contrary notwithstanding, the conversion of any convertible area in the Condominium Project shall be given effect by an appropriate amendment or amendments to this Master Deed in the manner provided by law, which amendment or amendments shall be prepared by and at the discretion of the Developer or its successors or assigns. The percentages of value set forth in Article V hereof shall be adjusted proportionately in the event of such conversion in order to preserve a total value of one hundred (100%) percent for the entire project resulting from such amendment or amendments to this Master Deed. The precise determination of the readjustments in percentages of value shall be made within the sole judgment of Developer. Such readjustments, however, shall reflect a continuing reasonable relationship among percentages of value based upon the relative size of the various units and their anticipated allocable expenses of

maintenance. In connection with any such amendment(s), Developer shall have the right to change the nature of any common element or unit previously included in the Project for any purpose reasonably necessary to achieve the purposes of this Article, including, but not limited to, the connection of roadways, pathways and sidewalks, if any, in the Project to any roadways, pathways and sidewalks, if any, that may be located on, or planned for the Project, and to provide access to any unit that is located on, or located in the Project. All of the Co-Owners and mortgagees of units and 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 or amendments 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 or remaining units which Developer or its successors or assigns may determine to be necessary in conjunction with such amendment or amendments. All such interested persons irrevocably appoint Developer or its successors or assigns as agent and attorney for the purpose of execution of such amendment or amendments to this Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be effected without the necessity of re-recording the entire Master Deed or the Exhibits thereto and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits hereto; PROVIDED, HOWEVER, that a Consolidating Master Deed, when recorded, shall supersede the previously recorded Master Deed and all amendments thereto. Nothing herein contained, however, shall in any way obligate Developer (or its successors or

assigns) to convert in any way the Condominium Project as established by this Master Deed.

Notwithstanding the foregoing, no change in the convertible area may be made that results in a violation of Township Zoning Ordinance requirements or zoning permit requirements or conditions.

X.

CONTRACTION OF CONDOMINIUM

A. Right to Contract

The Condominium Project is a contractible condominium project, as that term is defined in the Act. The Condominium Project established pursuant to this initial Master Deed, and consisting of twenty-four (24) units, may contain in its entirety no less than zero (0) units.

The Developer, for itself and its successors and assigns, hereby explicitly reserves the right to contract the Condominium Project without the consent of any of the Co-Owners. This right may be exercised without any limitations whatsoever, except as expressly provided in this Article X. The land, all or any portion of which may be removed from the Condominium Project, consists of all of the land of the Condominium Project whether or not so designated as such in the Condominium Subdivision Plan attached hereto as Exhibit "B" and is described in Article II (herein referred to as the "Contraction Property").

B. Restriction upon Contraction

Contraction of the Condominium Project shall occur without restriction

under the following conditions:

1. The Developer's right to elect to contract the Project shall expire on that date six (6) years after the date of the initial recording of this Master Deed (unless such right is otherwise permitted under the Act).
2. All or any portion of the Contraction Property may be removed, but none of it must be subtracted.
3. There is no limitation as to what portion of the Contraction Property may be removed, and any portions subtracted may or may not be contiguous to each other or to the Condominium Project as it exists at the time of any contraction.
4. Portions of the Contraction Property may be removed from the Condominium Project at different times.
5. The order in which portions of the Contraction Property may be removed is not restricted, nor are there any restrictions fixing the boundaries of those portions of the Contraction Property that may be subtracted.
6. The maximum number of condominium units on the Contraction Property that may be removed is twenty-four (24).
7. There is no restriction upon the number of condominium units that may be removed from any portion of the Contraction Property.

8. The Condominium Project shall be contracted by a series of successive amendments to this initial Master Deed, each removing additional land from the Condominium Project as then constituted.

9. By this Master Deed, the Developer also reserves the right to create easements within any portion of the original Condominium Project for the benefit of the Contraction Property, required, in Developer's sole discretion, due to the contraction of the Condominium Project.

10. All contraction must be carried out in accordance with the provisions of the Act.

C. Procedure for Contraction

Pursuant to the foregoing, and any other provisions of this Master Deed to the contrary notwithstanding, the number of units and the amount of real property in the Condominium Project may, at the sole 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 date of the initial recording of this Master Deed, be decreased by the removal from this Condominium Project of all or any portion of the Contraction Property and the elimination of condominium units thereon. Such decrease in size of this Condominium Project shall be given effect by an appropriate amendment or amendments to this Master Deed in the manner provided by law, which amendment or amendments shall be prepared by and at the discretion of the Developer or its successors or assigns. The percentages of value set forth in Article V hereof shall be adjusted proportionately in the event of such contraction in order to preserve a total value of one hundred (100%)

percent for the entire project resulting from such amendment or amendments to this Master Deed. The precise determination of the readjustments in percentages of value shall be made within the sole judgment of Developer. Such readjustments, however, shall reflect a continuing reasonable relationship among percentages of value based upon the relative size of the various units and their anticipated allocable expenses of maintenance. Such amendment or amendments to the Master Deed shall also contain, pursuant to the rights reserved to the Developer in Article IX, such further definitions, re-definitions or modifications of general or limited common elements within any portion of the original Condominium Project as may be necessary, in Developer's sole discretion, to adequately describe and service the units remaining in the Condominium Project due to the contraction resulting from such amendment(s). In connection with any such amendment(s) and pursuant to the rights reserved to the Developer in Article IX, Developer shall have the right to change the nature of any common element or unit previously included in the Project for any purpose reasonably necessary to achieve the purposes of this Article, including, but not limited to, the relocation of roadways, pathways and sidewalks, if any, in the Project to provide access to any unit that is located in the Project. All of the Co-Owners and mortgagees of units and 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 or amendments 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 remaining units which Developer or its successors or assigns may determine to be

necessary in conjunction with such amendment or amendments. All such interested persons irrevocably appoint Developer or its successors or assigns as agent and attorney for the purpose of execution of such amendment or amendments to this Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be effected without the necessity of re-recording the entire Master Deed or the Exhibits thereto and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits hereto; PROVIDED, HOWEVER, that a Consolidating Master Deed, when recorded, shall supersede the previously recorded Master Deed and all amendments thereto. Nothing herein contained, however, shall in any way obligate Developer (or its successors or assigns) to reduce the Condominium Project within the boundaries established by this Master Deed.

XI.

AMENDMENT



The Condominium Documents may be amended for a proper purpose, without consent of Co-Owners, mortgagees and other interested parties, as long as the amendments do not materially alter or change the rights of the Co-Owners, mortgagees, or other interested parties.

The Condominium Documents may be amended for a proper purpose, even if the amendment will materially alter or change the rights of the Co-Owners, mortgagees or other interested parties with the approval of two-thirds of the votes of the Co-Owners i.e. two-thirds of all Co-Owners entitled to vote as of the record date for such vote. A

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Co-Owner's unit dimensions may not be modified without his consent. Co-Owners shall be notified of proposed amendments.

A person causing or requesting an amendment to the Condominium Documents shall be responsible for costs and expenses of the amendment except for amendments based upon a vote of a prescribed majority of Co-Owners or based upon the advisory committee's decision, the costs of which are expenses of administration.

A Master Deed amendment dealing with the addition or modification of units or the physical characteristics of the Project shall comply with the standards prescribed in the Act for preparation of an original condominium.

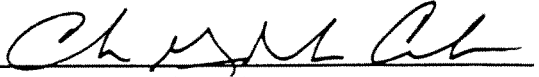
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IN WITNESS WHEREOF, the Developer has caused this Master Deed to be
executed as of the day and year first above written.

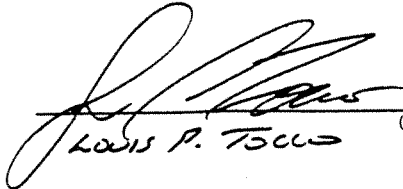
SIGNED IN THE PRESENCE OF:

DEVELOPER:

McKEOUGH LAND COMPANY, INC., an
Illinois corporation duly qualified to transact
business in the State of Michigan

By: 
Chris G. McCrumb

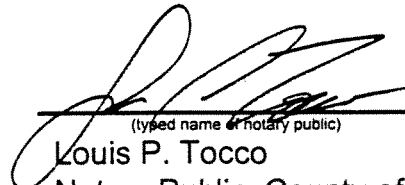
Its: General Manager


LOUIS P. TOCCO (typed name of witness)

(typed name of witness)

STATE OF MICHIGAN } ss
County of Leelanau

On this 13th day of June, 2003, before me, a Notary Public in and for said County and State, personally appeared Chris G. McCrumb, the General Manager of McKEOUGH LAND COMPANY, INC., an Illinois corporation duly qualified to transact business in the State of Michigan, to me personally known, who, being by me duly sworn, did say that he is the General Manager of said corporation, the Developer of said Condominium Project, and he acknowledged that he has executed said instrument as his free and voluntary act and deed on behalf of said corporation.


(typed name of notary public)
Louis P. Tocco
Notary Public, County of Leelanau
My commission expires: 01/01/04

Prepared in the Law Office of:
When Recorded, Return to:

LOUIS P. TOCCO, ESQ.
LOUIS P. TOCCO, P.L.C.
13709 S. West Bayshore Drive
Traverse City, Michigan 49684
LTOCCO@TRAVERSE.COM
(231) 995-9100

M7481

Section 5

CONDOMINIUM BYLAWS

BINGHAM RIDGE

ARTICLE I

ASSOCIATION OF CO-OWNERS

Section 1. BINGHAM RIDGE shall be administered by an Association of Co-Owners which shall be a non-profit corporation, hereinafter called the "Association" organized under the laws of the State of Michigan.

Section 2. The Association shall be organized to manage, maintain, and operate the Condominium in accordance with the Master Deed, these Bylaws, the Articles of Incorporation and Bylaws of the Association and the laws of the State of Michigan. The Association may provide for independent management of the Condominium Project.

Section 3. Membership in the Association and voting by the 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.

(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 vote for each Condominium unit owned when voting by number and one vote, the value of which shall equal the total of the percentages allocated to the units owned by such Co-Owner as set forth in Article V of the Master Deed, when voting by value. Voting shall be by number except in those instances when voting is specifically required to be in value. Notwithstanding any other provision herein contained, voting shall be by number unless a majority of the percentages of value elects to vote on a given matter by percentage of value, in which case voting on that matter shall be by percentage of value.

(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 8 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 sub-paragraph (e) below or by a proxy given by such individual representative. The Developer shall be entitled to vote each unit which it owns and with respect to which it is paying full annual assessments. Notwithstanding anything herein to the contrary, a purchaser of a unit by means of a land contract shall be designated the owner of that unit and entitled to the vote for that unit.

(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 each person, firm, corporation, partnership, association, trust or other entity who is the Co-Owner. Such notice shall be signed and dated by the Co-Owner. The individual representative designated may be changed by the Co-Owner at any time by filing a new notice in the manner herein provided.

(f) There shall be an annual meeting of the members of the Association commencing with the First Annual Meeting held as provided in Section 8 of this Article I. Other meetings may be provided for in the Bylaws of the Association. Notice of the time, place and subject matter of all meetings shall be given to each Co-Owner by mailing the same to each individual representative designated by the respective Co-Owner at least ten (10) days prior to said meeting.

(g) The presence, in person or by proxy, of three-fifths (3/5) of the Co-Owners in number and in value shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required 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 a 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 vote 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 (50%) percent in number (or percentage of value when voting by percentage of 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

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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.

Section 4. The Association shall keep detailed books of account showing all expenditures and receipts of administration 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 or reviewed at least annually by qualified independent accountants; provided, however, that such accountants need not be certified public accountants, nor does such audit need to be a certified audit. Any institutional holder of a first mortgage lien on any unit in the Condominium shall be entitled to receive a copy of such annual audited or reviewed financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefor. The costs of any such audit or review 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 Co-Owners, prospective purchasers and prospective mortgagees interested in the Project, to inspect the same during reasonable hours.

Section 5. 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 thereto elected by the Developer prior to the First Annual Meeting of the members of the Association.

Section 6. The Association Bylaws shall provide for 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 (60%) percent of all Co-Owners in number.

Section 7. 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 when 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 reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the director(s) 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 indemnification which it has approved, the Board of Directors shall notify all Co-Owners thereof.

Section 8. The First Annual Meeting of the members of the Association may be convened by the Board of Directors and may be called at any time after conveyance of legal or equitable title to a unit to a non-developer Co-Owner but in no event later than one hundred twenty (120) days after such event. The date, time and place of such First Annual Meeting shall be set by the Board of Directors, and at least ten (10) days written notice thereof shall be given to each Co-Owner. Thereafter, an annual meeting shall be held each year on such date as is specified in the Association Bylaws. The Board of Directors shall establish an Advisory Committee of non-developer members upon the passage of: (a) one hundred twenty (120) days after legal or equitable title to one-third (1/3) of the condominium units that may be created has been conveyed to non-developer Co-Owners; or (b) one (1) year after the first conveyance of legal or equitable title to a condominium unit to a non-developer Co-Owner, whichever first occurs. The Advisory Committee shall meet with the Board of Directors to facilitate communication with the non-developer members and to aid in transferring control from the Developer to non-developer members. The Advisory Committee shall be composed of not less than one (1) nor more than three (3) non-developer members, who shall be appointed by the Board of Directors in any manner it selects, and who shall serve at the pleasure of the Board of Directors. The Advisory Committee shall automatically dissolve after a majority of the Board of Directors is comprised of non-developer Co-Owners. The Advisory Committee shall meet at least quarterly with the Board of Directors. Reasonable notice of such meetings shall be provided to all members of the Committee, and such meetings may be open or closed, in the discretion of the Board of Directors.

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 owned or possessed in common by the Co-Owners, and personal property taxes based thereon shall be treated as expenses of administration.

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 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.

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 shall be established in the budget and must be funded by regular payments as set forth in Section 4 below rather than by special assessments. At a minimum, the reserve fund shall be equal to ten (10%) percent 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 mailed to each Co-Owner, 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 or future assessments. Should the Board of Directors at any time determine, in the sole discretion of the Board of Directors, that the assessments levied are or may prove to be insufficient:

- (1) to provide for 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 \$1,000.00 annually; or
- (4) to provide for the costs 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. Special assessments referred to in this paragraph shall not be levied without the prior approval of more than sixty (60%) percent 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 equal semi-annual installments, commencing with acquisition of legal or equitable title to a unit. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. Assessments in default shall bear interest at the rate of seven (7%) percent per annum until paid in full. Each Co-Owner (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. Each Co-Owner, and every other person who, from time to time, has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement, and further, 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. Notwithstanding anything to the contrary, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of 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 semi-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 in recordable form, executed by an authorized representative of the Association and shall set forth the following: (1) the name of the Co-Owner of record thereof, (2) the legal description of the Condominium unit or units to which the notice applies, (3) the amounts due the Association of Co-Owners at the date of notice, exclusive of interest, costs, attorney fees and future assessments. The notice shall be recorded in the office of the Register of Deeds in the county in which the Condominium 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. The expenses incurred in collecting unpaid assessments, including interest, costs (including collection and late charges), fines, 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(s). 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 may also discontinue the furnishing of any services to a Co-Owner in default upon seven (7) days' written notice to such Co-Owner of its intent to do so. A Co-Owner in default shall not be entitled to vote at any meeting of the Association so long as such default continues. A receiver may be appointed in an action for foreclosure of the assessment lien and may be empowered to take possession of the Condominium unit, if not occupied by the Co-Owner, and to lease the Condominium unit and to collect and apply the rental therefrom. The Co-Owner of a Condominium unit subject to foreclosure, and any purchaser, grantee, successor or assignee of the Co-Owner's interest in the unit, is liable for assessments chargeable to the unit that become due before the expiration of the period of redemption together with interest, advances made by the Association for taxes or other liens to protect its lien, costs and attorney fees incurred in their collection.

Section 7. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any unit in the Project which comes into possession of the unit, pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged unit which accrue prior to the time such holder comes into possession of the unit except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all units including the mortgaged unit, if required by the Association, and except for assessments that have priority over the first mortgage.

Section 8. The Developer shall be responsible for payment of the full Association maintenance assessment, and all special assessments, for all units it owns.

Section 9. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with the Act.

Section 10. A construction lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to the Act. Pursuant to Section 111 of the Act, the purchaser of any Condominium unit may request a statement of the Association as to the outstanding amount of any unpaid assessments, interest, late charges, fines, costs and attorney fees. Upon receipt of a written request to the Association accompanied by a copy of the right to acquire a unit, the Association shall provide a written statement of such unpaid assessments, interest, late charges, fines, costs and attorney fees as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least five (5) days prior to the closing of the purchase of such unit, shall render any unpaid assessments, interest, late charges, fines, costs and attorney fees 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, interest, late charges, fines, costs and attorney fees constitute a lien upon the unit and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record.

ARTICLE III

ARBITRATION

Section 1. Disputes, claims or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between 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 and in effect from time to time hereafter shall be applicable to 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.

INSURANCE

Section 1. The Association shall only carry liability insurance, and worker's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the common elements of the Condominium Project.

Section 2. All such insurance shall be purchased by the Association for the benefit of the Association and the Co-Owners and their mortgagees as their interests may appear and all premiums for insurance carried by the Association shall be an expense of administration.

Section 3. Each Co-Owner shall obtain all necessary insurance coverage at his own expense upon his unit. It shall be each Co-Owner's responsibility to obtain insurance coverage for his unit, including any structures constructed thereon and his personal property located within his unit or elsewhere in the Condominium Project, 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.

Section 4. All common elements of the Condominium Project shall be insured against fire and other perils covered by standard extended coverage endorsement in an amount equal to the maximum insurable replacement value as determined annually by the Board of Directors of the Association.

Section 5. The proceeds of any insurance policies 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 6. 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 worker's compensation insurance, if applicable, pertinent to the Condominium Project and the common elements appurtenant thereto with such insurer as may, from time to time, provide such insurance to the Condominium Project.

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, the property shall be rebuilt or repaired if any unit in the Condominium is tenantable, unless it is determined 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 (75%) percent 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.

Section 3. If the damage is only to 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 construction and repair shall be that of the Association.

Section 4. Each Co-Owner shall be responsible for the reconstruction, repair and maintenance of his unit. Notwithstanding anything contained herein to the contrary, the Association shall be responsible for the maintenance (not including grass cutting), repair and replacement of the stormwater retention areas/drainage easements as depicted on Exhibit "B" whether general common elements or located within the boundaries of certain units (regarding their functionality as retention basins and/or drainage easements only and not as to their aesthetic or landscaping qualities which are the responsibility of each respective Co-Owner).

Section 5. The Association shall be responsible for the reconstruction, repair, and maintenance of the general common elements, including roadways and access easements, and any incidental damage to a unit caused by the reconstruction, repair or maintenance thereof. Immediately after a casualty causing damage to property for which the Association has a responsibility for maintenance, repair and reconstruction, the

Association shall obtain reliable and detailed estimates of the cost to replace, reconstruct or repair the damaged property and if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all Co-Owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair.

Section 6. The Act shall control upon any taking by eminent domain.

Section 7. Nothing contained in the Condominium Documents shall be construed to give a Condominium unit owner or any other party priority over any rights of first mortgagees of Condominium units pursuant to their mortgages and 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

DEVELOPMENT/CONSTRUCTION

No lot, outlot or common element shall be used, nor shall any structure be erected thereon or moved thereupon, unless the use thereof and location thereon satisfies the requirements of applicable zoning ordinances and Benzie-Leelanau District Health Department regulations which are in effect at the time of the contemplated use or the construction of any structure, unless approval thereof is obtained by a variance from the appropriate zoning authority.

Section 1. Site Development/Architectural Review Committee.

1.1 An Architectural Review Committee shall be established by the Developer and shall at all times consist of the Developer and no less than three nor more than five persons appointed by the Developer, until such time as Developer elects not to serve, at which time the Association shall appoint such members; all members appointed by the Association shall be lot owners. The Architectural Review Committee shall assist lot owners in complying with the development restrictions set forth in Articles VI and VII of these Bylaws.

1.2 Except as otherwise provided herein, a majority of the members of the Committee shall have the power to act on behalf of the Committee without the necessity of a meeting and without the necessity of consulting the remaining members of the Committee. The Committee may act only by written instrument setting forth the action taken and signed by the members of the Committee consenting to such action, provided further, however, that the Developer's consent shall be required for all

Committee action until such time as the Developer elects not to serve on the Committee.

1.3 If the Committee shall cease to exist or for any reason shall fail to function, the Board of Directors of the Association shall serve as the Committee, and in the absence of such a Board, the Committee shall be selected by a majority of the lot owners.

1.4 The Committee shall have no affirmative obligation to be certain that all of the restrictions contained herein are fully complied with and no member of the Committee shall have any liability, responsibility, or obligation, whatsoever, for any decision or lack thereof, in the performance of duties as a member of such Committee. The Committee and its members shall have only an advisory function, and the sole responsibility for compliance with all of the terms herein shall rest with the lot owners. Each lot owner agrees to save, defend, and hold harmless the Committee and each of its members on account of any activities of the Committee relating to such lot owner's lot or the improvements constructed or to be constructed thereon.

1.5 The Committee, if it observes deviations from or a lack of compliance with the provisions contained herein, shall report such deviations or lack of compliance to the Board of Directors of the Association for appropriate action.

Section 2. Architectural Review Committee Approval.

2.1 No lot owner shall construct, alter, or maintain any improvements on a lot until all of the following have been completed:

(a) The lot owner has submitted to the Committee five (5) complete sets of preliminary sketches showing floor plans, exterior elevations and an outline specification for materials and finishes;

(b) The Committee has approved the preliminary sketches;

(c) Upon approval of preliminary sketches, the lot owner has submitted to the Committee five (5) complete sets of plans and specifications therefor, in a form satisfactory to the Committee, showing insofar as is appropriate:

(1) The size, dimensions and style of the improvements, including, by way of illustration and not limitation, the dwelling and attached garage.

(2) The exterior design and building materials;

(3) The exterior color scheme;

(4) The location of the improvements on the lot, including, by way of illustration and not limitation, the dwelling and attached garage;

(5) The approximate location of the driveways, parking areas and landscaping (including location and construction of all fences or walls, recreational facilities, and utilities) and the types of materials to be used therefore; and

(6) The vegetation proposed to be removed or altered in order to accommodate construction, complete landscaping and enhance views.

(d) Such plans and specifications have been approved in writing by the Committee.

(e) An acknowledgment form is signed by both the lot owner and his contractor wherein each acknowledges that he has read and understands the provisions of the Master Deed and these Condominium Bylaws (including these development/construction restrictions).

2.2 Approval of the preliminary sketches and detailed plans and specifications described above may be withheld, not only because of the noncompliance with any of the restrictions and conditions contained herein (including the submission of an incomplete plan), but also because of the reasonable dissatisfaction of the Committee as to the location of the structure on the lot, color scheme, finish, design, proportions, shape, height, type or appropriateness of the proposed improvement or alteration, the materials used therein, the kind, shape or type of roof proposed to be placed thereon, or because of its reasonable dissatisfaction with any matters or things which, in the reasonable judgment of the Committee, would render the proposed improvement inharmonious or out of keeping with the objectives of the Developer or the improvements erected in the immediate vicinity of the lot. The Developer's intention is to insure that all designs adhere to the "natural" philosophy of architecture in such a manner so as to contribute to the overall beauty and naturalness of the Premises and, as related to the topography, so as to be a compatible, coherent part of the existing landscape, especially with respect to the enhancement and preservation of the views offered by the Project.

2.3 Any building, structure or improvement, including subsequent alterations or modifications, shall be erected or constructed in substantial conformity with the plans, specifications and site plan approved by the Committee.

2.4 If at any time a lot owner shall have submitted to the Committee plans and specifications in accordance with this section for a structure or alteration, and the Committee has neither approved such plans and specifications within fourteen (14) days from the date of submission nor notified the lot owner of its objection within such 14-day period, then such plans and specifications shall be deemed to have been approved by the Committee, provided that the plans conform to, or are in harmony with, these restrictions, the applicable zoning ordinance and the existing structures in Bingham Ridge, and further provided that no suit to enjoin the construction has been commenced prior to the completion of any improvements to the lot. In the event that a lot owner shall file revised plans and specifications for a structure or alteration with the Committee after receiving objections from the Committee with respect to original plans and specifications, and the Committee has neither approved them nor notified the lot owner of further objections within fourteen (14) days from the date of submission, then such revised plans and specifications shall be deemed to have been approved by the Committee.

Section 3. Character of Building.

3.1 The Developer recognizes that there can be an infinite number of concepts and ideas for the development of Units consistent with its plan for Bingham Ridge. The Developer wishes to encourage the formulation of new or innovative concepts and ideas. Nevertheless, for the protection of all lot owners, and for the preservation of the Developer's concept for the development of the Project, the Developer wishes to make certain that any development of a lot will maintain the natural beauty of the Project, blend man-made structures into the natural environment to the extent reasonably possible, and in general, will be consistent with its plan for Bingham Ridge, including the following:

(a) No building shall be erected on any lot except a single, private dwelling to be occupied by not more than one (1) family, for residential purposes only, with an attached two (2) or more car garage. Outbuildings and similar storage structures are not permitted on any lot. The area of the lot free of all buildings and structures shall constitute at least seventy-five percent (75%) of the total land area of each Lot.

shall be . . . Electrical utilities

(b) Each dwelling constructed on a lot shall have a minimum of 1,200 square feet of finished living area on the first floor above grade. The total above grade square footage of any attached garage constructed on a lot shall not exceed fifty percent (50%) of the above grade square footage of the primary dwelling constructed on that lot. In no event shall the total square footage of the attached garage be greater than 1,200 square feet nor less than 576 square feet.

(c) No building shall be constructed having a height that exceeds the following listed heights (in feet) above sea level:

lot 1	741	lot 13	708
lot 2	753	lot 14	709
lot 3	740	lot 15	729
lot 4	747	lot 16	753
lot 5	738	lot 17	754
lot 6	734	lot 18	736
lot 7	732	lot 19	737
lot 8	725	lot 20	730
lot 9	708	lot 21	727
lot 10	699	lot 22	723
lot 11	702	lot 23	713
lot 12	713	lot 24	716

(d) All dwellings shall have side-walls of not less than eight (8) feet in height and a roof pitch of not less than 7 – 12.

(e) All chimney chases, including, but not limited to, fireplaces, furnaces, heaters or stoves, shall be made of stone or masonry materials.

(f) Hip roofs are encouraged as an architectural design.

(g) Roofing materials are encouraged to be dark or earth-tone shades or other colors at the discretion of the committee. They shall be slate, cedar or 30-year plus textured shingles, or other materials of similar high quality.

(h) Mobile homes, factory built modular structures, double-wide mobile homes and any other factory built structures which have metal frames and/or titles (whether referred to as "modular" or not) shall not be permitted. Campers, basement homes, tents, shacks, garages, barns or other outbuildings shall not be used as a temporary or permanent residence. No exterior cinder block or cement block dwellings shall be permitted. Earth and berm type dwellings and dome-shaped structures shall not be permitted. Panelized structures are specifically permitted.

(i) All exteriors are encouraged to have earth tone colors, composed of premium quality vinyl siding, natural wood (e.g. redwood, cedar or logs), brick, masonry type sidings or stone. The exterior siding may be of such other materials that may be approved by the Committee. No aluminum will be allowed except for such uses as gutters, trim, soffits and fascia.

(j) Windows, all window frames, casings, sills and lintels will be of wood, vinyl or aluminum clad (painted).

(k) All construction materials shall satisfy all applicable building code requirements.

Section 4. Construction.

4.1 The setback of any dwelling, including overhangs, porches and decks, shall be a minimum of ten (10) feet from a sideline; decorative fencing is permitted within this area. The front setback (the setback from the private road right-of-way) shall be a minimum of forty (40) feet. The rear setback shall be a minimum of thirty (30) feet, except on Units 18, 22 and 23 where the rear setback shall be fifty (50) feet; no structures, overhangs, improvements (except decorative fencing and/or pools/hot tubs) or storage will be permitted in these areas. The setback from any common element (other than the private roads) shall be a minimum of ten (10) feet; no structures, improvements (except decorative fencing and/or pools/hot tubs) or storage shall be permitted in this area.

4.2 Lot owners are required to connect their respective driveways to the paved, private roadways and their respective utilities lines to the utility leads located within the utility easement areas.

4.3 All stumps, trees and brush, cut or cleared during construction on any lot must be removed from the Bingham Ridge Premises, except timber cut and saved for firewood. Prior to burning, a permit should be obtained from the local fire department.

4.4 No co-owner shall interfere with the natural surface drainage from other lots without the prior written consent from all potentially impacted lot owners.

4.5 The exterior of any improvement shall not remain incomplete for a period of longer than six (6) months from the date upon which the construction of the improvement was commenced without the approval of the Committee prior to the expiration of said period; all construction shall be pursued diligently to completion.

4.6 All land cuts caused by driveway installation or home construction must be stabilized with appropriate erosion control materials and in accordance with applicable permits.

4.7 Each owner shall be responsible for any damage to a common area or improvements which occurs as a result of construction on the owner's lot and all such damage shall be repaired within thirty (30) days of occurrence by the responsible lot

owner. In connection therewith, no heavy equipment is permitted on the roadway until Leelanau County "Frost Laws" are lifted each spring.

4.8 Any debris resulting from the construction or improvement or alteration of a lot shall be removed with all reasonable dispatch from the lot in order to prevent an unsightly or unsafe condition.

Section 5. Landscaping/Grade.

5.1 Natural groundcover, wood chips or other natural plantings that are indigenous to the wooded areas are encouraged.

5.2 The grade of the respective lots shall be maintained in harmony with the topography of the Project and with respect to adjoining lots.

5.3 In the interest of preserving the existing established condition of natural slopes, the owner shall maintain groundcover to prevent water and wind erosion to their lot.

5.4 All improvements shall be located so as to comply with the setback restrictions as described in Section 4.1 of this Article VI and as shown on Exhibit "B" attached hereto, and shall comply with all applicable zoning and building codes and/or ordinances.

5.5 The location of all improvements shall be designed and located so as to be compatible with the natural surroundings and with the other lots.

5.6 All foundation landscaping must be completed according to the submitted and approved site plan as required in Article VI, Section 2 herein, within six (6) months of completion of the building, and all yards must be seeded or sodded within six (6) months upon completion of the building and be properly maintained thereafter.

5.7 Any and all landscaping necessary to substantially restore the lot to, as is reasonably possible, its pre-construction status must be completed within twelve (12) months after the date of completion of the exterior of the improvement.

5.8 In particular areas of lots where a potential for view obstruction exists, landscaping elements should be limited to those whose height will not exceed twenty-four (24) inches.

*Not referring
to common area*

Section 6. Tree Preservation.

6.1 Existing trees that are located on the north, east and south boundaries of the Project and that are within the set-back areas of the lots and within the open space areas located there, shall remain as a buffer, with the following possible exceptions:

- (a) Trees may be removed if they are diseased, dead or dying.
- (b) Trees may be removed if they are a safety concern.
- (c) Trees may be thinned (no more than 50% of existing stand density) to enhance the aesthetics or usability of the lot or if said thinning is beneficial to the health of the tree stand in general.
- (d) Trees may be trimmed or removed if they block views of Lake Leelanau or the surrounding countryside, but not more than 50% of the existing tree stand density.

Section 7 View Restrictions

In recognition of the fact that the Bingham Ridge offers home sites with outstanding views of Lake Leelanau, the Developer hereby promulgates the following set of guidelines and restrictions in order to preserve for all Co-Owners, to the fullest extent possible, these valuable view corridors:

7.1 Identified Stands of Trees. Certain stands of trees in the Project are herein identified by the Developer as being aesthetically beneficial, while, at the same time, presenting no substantial current or future detriment to the view corridors of the Project. Said stands of trees exist on the north, east and south perimeter of the Project in stands of varying widths, as well as the existing single large tree located on lot 10. Said identified stands of trees are exempt from the limiting restrictions of this Section 7 and may be kept and maintained on any lot by the Co-Owner of said lot and may be kept and maintained on the general common element areas by the Association, at their option, except in such instance whereby any such tree may cause a material threat to the safety or operation of the Condominium Project.

7.2 Unidentified Stands of Trees. All other trees and vegetation in the Project, existing now or hereafter, other than the hereinabove mentioned identified stands of trees, shall be trimmed or removed (see Section 7.3 below for the procedure) in such a manner so as to protect and maintain the views of Lake Leelanau for all Co-Owners.

Unidentified stands of trees and vegetation in the general common element areas that may, from time to time, obstruct a Co-Owner's view may be trimmed or removed as reasonably necessary, by and at the expense of that Co-Owner, so as to protect and maintain his or her views. All lot owners shall be required to maintain brush and vegetation on their lots by having such brush and vegetation cut and/or mowed at least once annually.

Care should be taken by all Co-Owners when landscaping their lots, and during any landscaping program undertaken by the Association, so as not to obstruct the views of other Co-Owners. In particular areas where a potential for view obstruction exists, landscaping elements should be limited to those whose height will not exceed twenty-four (24) inches. The Architectural Review Committee shall give particular scrutiny to this standard when reviewing and approving plans submitted to them for approval and during any landscaping program undertaken by the Association.

Unidentified stands of trees and vegetation on the Project, including trees and vegetation added by any Co-Owner as a landscape element to his lot or added by the Association as a landscape element to the general common element areas shall be trimmed (or removed) by each Co-Owner or the Association, respectively, in a manner so as to protect and maintain the views from any other lot in the Project.

7.3 Procedures and Remedies for Relief. When a Co-Owner or the Association is notified, in writing, by any other Co-Owner than an unidentified tree or vegetation, whose height exceeds twenty-four (24) inches, is obstructing a view, the obstructing Co-Owner or Association shall permit, in writing, the obstructed Co-Owner to take prudent measures to trim or remove the obstructing tree or vegetation at the obstructed Co-Owner's expense. Such permission shall not be unreasonably withheld.

In the event such permission is not granted the obstructed Co-Owner by the obstructing Co-Owner or the Association, the matter shall be referred to the Committee for prompt consideration and resolution. The Committee, after careful consideration, may rule that the obstructing Co-Owner or the Association is in violation of this restriction and may resolve the matter through any remedy permitted by the Condominium Documents.

Trees on a lot or common element area may be trimmed or removed if they block views of Lake Leelanau or the surrounding countryside for residents in Whispering Hills, so long as the affected lot owner in Bingham Ridge and/or the Bingham Ridge Condominium Association grants the Whispering Hills resident permission in writing. The cost for said trimming or removal shall be borne by the resident in Whispering Hills. Not more than 50% of the original tree stand density may be removed.

Section 8. Miscellaneous

8.1 Decorative, split-rail fencing of the standard two rail variety and invisible fencing for animals shall be permitted. Metal and chain link fencing is specifically prohibited. Safety fencing surrounding in-ground swimming pools must be of wood, wrought iron, stone or other natural material construction, but in no case may be taller than the minimum required by code. All other types of fencing shall be prohibited anywhere on the Condominium Premises.

8.2 Screening, including but not limited to, vegetative screening, including hedges, or walls constructed of natural type materials (must be aesthetically related to the primary structure), shall be of no greater height than four (4) feet and shall in no instance obstruct other lot owner's views of Lake Leelanau or the surrounding countryside.

8.3 No external air conditioning unit shall be placed in or attached to a window or wall of any structure. No compressor or other component of an air conditioning system, heat pump or similar system shall be visible from any roadway within the Project. To the extent reasonably possible, external components of an air conditioning system, heat pump or like system shall be located so as to minimize any disruption or negative impact thereof on adjoining lots in terms of noise or view. This is to be accomplished by using landscape screening.

8.4 All garbage and refuse shall be promptly disposed of so that it will not be objectionable. No outside storage for refuse or garbage shall be maintained or used unless the same shall be properly concealed with vegetative screening.

8.5 No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage, or other waste shall be kept only in sanitary containers, which shall be kept out of view of the roadways within the Project. Garbage containers shall not be left at the road for more than 24 hours in any one week.

8.6 Carports are specifically prohibited.

8.7 No exposed concrete or concrete blocks shall be permitted on any exterior except for foundation walls which may be exposed to a maximum height of 18" above the finished ground level (grade). Any concrete or concrete block wall which exceeds eighteen (18) inches in height above finished grade must be covered with an approved exterior finish material.

8.8 All utilities, including, but not limited to, telephone, electric, natural gas and cable shall be underground from the private roads to all structures. Overhead

utility service is not permitted anywhere on the Project Premises for other than temporary uses.

8.9 Only satellite dishes of thirty-two (32) inches or less in diameter are allowed, and must be attached to the principal dwelling in a location that is as inconspicuous as reasonably possible.

8.10 No lot owner may be permitted to construct and/or use and operate their own external radio and/or television antenna without the approval of the Developer and/or the Association, as the case may be.

8.11 All driveways, aprons and parking areas must be stabilized with appropriate materials. For the purposes of emergency vehicle access, the areas cleared for driveway purposes must be at least sixteen (16) feet wide, with a driveway surface of at least twelve (12) feet, and have a clearance (height) of at least sixteen (16) feet. All driveways shall be constructed as a paved (asphalt or concrete), brick or stone surface.

8.12 Above-ground swimming pools will not be permitted. Each lot owner shall be solely responsible to insure limited access to any pool, hot tub or whirlpool and shall be solely responsible for constructing or installing all necessary (or required) safety measures. Pools, hot tubs and whirlpools must be constructed so that they drain in a manner approved by the Committee.

8.13 Outdoor clotheslines are specifically prohibited.

8.14 No lawn ornaments, sculptures or statues shall be placed or permitted to remain on any lot without the prior written approval of the Committee.

The Committee shall have the right to waive or vary any of the restrictions contained in this Article VI, with the exception of the height limitations, setbacks and tree preservation, in such cases as the Committee, in its sole judgment, shall deem to be in the best interest of those owning property in Bingham Ridge, as long as any such modified restriction is in substantial conformity with the Developer's intent for the Project. Height limitations may be increased, but only if all affected parties, both in Bingham Ridge and Whispering Hills, agree to the increase in writing, and so long as the increase meets current Bingham Township Zoning standards for height.

ARTICLE VII

DEVELOPMENT RESTRICTIONS

Section 1. No lot in Bingham Ridge shall be used for other than single-family residential purposes, and recreational uses incidental thereto, and the common elements shall be used only for purposes consistent with the use of single-family residences; not more than one single-family dwelling with attached garage shall be permitted on each lot.

Section 2. Camping, including the use of recreational vehicles, is permitted on a lot for not more than 3 consecutive days nor more than 12 days in any calendar year. Camping on lots shall be prohibited after January 1, 2005. Camping as addressed in this Section 2 does not apply to the typical "backyard" camping activities engaged in by children. Camping may require a permit from Bingham Township.

Section 3. Home occupations are permitted as long as they are operated entirely within the dwelling and excessive traffic and parking requirements are not generated. No signage relating to home businesses shall be permitted. Home occupations must comply with Bingham Township zoning standards.

Section 4. A lot owner, including the Developer, desiring to rent or lease a Condominium lot, shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form or otherwise agreeing to grant possession of a lot to a potential lessee and at the same time shall supply the Association with a copy of the exact lease form for its review for compliance with the Condominium Documents (if no lease form is to be used, then the Co-Owner or Developer shall supply the Association with the name and address of the potential lessee along with the rental amount and due dates under the proposed agreement); written approval must be obtained from the Board of Directors of the Association prior to renting. The term of such rental agreement or lease shall not exceed one year and any renewal or extension thereof shall only be granted with the approval of such Board of Directors. No lot owner may rent or lease a residence more than twice in any calendar year, for a minimum lease term of three (3) months. Tenants or non-Co-Owner occupants shall comply with all of the conditions of the Condominium Documents of the Condominium Project and all leases and rental agreements shall so state; in addition, a lessee shall be governed by such Rules and Regulations as prescribed by the Board of Directors of the Association. If the Association determines that the tenant or non-Co-Owner occupant has failed to comply with the conditions of the Condominium Documents and/or the Rules and Regulations as prescribed by the Board of Directors, 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 fifteen (15) days after receipt of such notice to investigate and correct the alleged breach by the tenant or

advise the Association that a violation has not occurred; (3) If after fifteen (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 both eviction against the tenant or non-Co-Owner occupant and, simultaneously, for money damages against the 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 to the general common elements caused by the Co-Owner or tenant in connection with the Condominium lot or the Condominium Project.

Section 5. No immoral, improper, unlawful or offensive activity shall be carried on in any lot or upon the common elements, limited or general, nor shall anything be done which may or becomes an annoyance or a nuisance to the Co-Owners of the Project, nor shall any unreasonably noisy activity be carried on in any lot 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 lot or on the common elements anything that will increase the rate of insurance on the Project without the written approval of the Association and the responsible 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 6. The common elements shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. In general, no activity shall be carried on nor condition maintained by a Co-Owner either on his lot or upon the common elements which spoils the appearance of Bingham Ridge.

Section 7. No Co-Owner shall use, or permit the use by any occupant, agent, employee, invitee, guest or member of his family of any firearms or other similar dangerous weapons, projectiles or devices anywhere on or about the Condominium Premises. Hunting is prohibited on the Project Premises.

Section 8. No travel trailers, motor homes, commercial vehicles (except light commercial vehicles used in the Co-Owner's employ), boat trailers, boats, camping vehicles, all-terrain vehicles, camping trailers, snowmobiles, snowmobile trailers, or vehicles other than automobiles may be parked or stored upon the Premises of the Project for extended periods of time (defined as more than thirty (30) days in any twelve (12) month period) except within a garage or permitted outbuilding.

Section 9. No signs or other advertising devices shall be displayed which are visible from the exterior of a lot or on the common elements, including "For Sale" signs, with the exception of garage/yard sale signs on the actual days of any such sales (as

permitted in Section 15 below) and real estate for sale signs on lots with existing homes.

Section 10. No animals of any kind shall be raised, kept or permitted upon the property or any part thereof other than usual household pets. Such animals are not to be kept, bred or raised for commercial purposes or in unreasonable numbers, and are to be reasonably controlled to avoid their being a nuisance to other lot owners. Dogs shall not be allowed to run free except within lots utilizing "invisible" fencing. All animals shall be subject to such rules and regulations as the Association shall from time to time adopt.

Section 11. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws, concerning the use of the common elements may be made and amended from time to time by any Board of Directors of the Association, including the First Board of Directors (or its successors elected by the Developer) prior to the First Annual Meeting of the entire Association held as provided in Article I, Section 8, of these Bylaws. 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 of each Co-Owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than seventy-five (75%) percent of all Co-Owners in number except that the Co-Owners may not revoke any regulation or amendment prior to said First Annual Meeting of the entire Association.

Section 12. The Association or its duly authorized agents shall have access to each lot (but not the improvements (buildings) constructed thereon) 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 lot 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 lot.

Section 13. Each Co-Owner shall maintain his lot and any limited common elements 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 lot which are appurtenant to or which may affect any other lot. 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 provision, in which case the responsible Co-Owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association may be assessed to and collected from the responsible Co-Owner in the manner provided in Article II hereof.

Section 14. None of the restrictions contained in this Article VII shall apply to the commercial activities or signs, 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 Incorporation and Bylaws as the same may be amended from time to time, or of any builder (with the express written consent of the Developer). For the purposes of this section, the development and sales period shall be deemed to continue so long as Developer owns any lot which he offers for sale or re-sale. Until all lots in the entire Project are sold by Developer, Developer shall have the right to maintain a sales office, a business office, a construction office, 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 so utilized to habitable status upon termination of use.

Section 15. No lot owner shall be permitted to conduct more than two (2) garage/yard sale per calendar year; any such sale must not be conducted for greater than three (3) consecutive days and may only be held on those days specified in advance by the Association.

Section 16. The speed limit on all private roadways for all vehicles except emergency vehicles shall be twenty (20) miles per hour.

Section 17. No elevated tanks of any kind shall be erected, placed or permitted on any lot except as specifically provided herein. Any tanks used in connection with a dwelling or a lot, including tanks for the storage of fuel, must be properly screened to sufficiently conceal them from the view of other Units and the roadway.

Section 18. Woodpiles shall be neatly stacked or properly screened.

Section 19. Lot owners are strongly encouraged to limit the use of tarps on their lot. Tarps, when in use, shall not be of such a size or color so as to compromise the aesthetics of the Project.

Section 20. No bug lights, so-called "bug zappers" or other similar bug elimination devices shall be erected or maintained on any lot.

Section 21. No outdoor property night-lights of any kind shall be permitted to cast its direct rays beyond any of the boundary lot lines of the lot in which it is installed or maintained. Properly shielded timed or automatic lighting devices will be permitted.

Section 22. As the Developer's intent is to preserve the wildlife and natural habitats of the area, each lot owner shall minimize its environmental impact and minimize the risk of environmental contamination or hazards to any common element or to his lot.

(a) No person shall use any common element or their lot as a dump or landfill or as a facility for waste treatment, storage or disposal.

(b) No person shall cause or permit the release or disposal of any petroleum products or hazardous substances on any common element or their lot.

(c) No person will conduct any operations or activity on the Project Premises in violation of any federal, state or local environmental law.

(d) Each lot owner shall not permit any condition to exist on the Project Premises in violation of any federal, state or local environmental law.

(e) Each lot owner shall immediately notify all appropriate governmental agencies of any release or threatened release of hazardous substances or petroleum products within any common element of the Project or his lot.

(f) Each lot owner shall immediately notify the Developer and the Association of any communication from any governmental agency regarding any release or threatened release of hazardous substances or petroleum products on or relating to any common element or his lot and upon request of the Developer or the Association, each lot owner shall provide the Developer with copies of all documents relating to such communications.

(g) No quarrying or mining operations of any kind nor any oil drilling, oil development or operating oil refining (except that utilizing "directional drilling") shall be permitted upon or in any lot or any of the common elements; oil wells, tanks, mineral excavations or shafts shall not be permitted upon or in any lot or any of the common elements. No derricks or other structures designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any lot or any of the common elements.

Section 23. Open Space Uses.

(a) The open space areas and recreational pathways within Bingham Ridge, are for pedestrian uses, including, but not limited to, hiking, biking and cross-country skiing by the Co-Owners and their guests only.

(b) The Association is permitted to utilize motorized vehicles on said open such areas in furtherance of any maintenance and/or repair activities.

(c) No motorized vehicles of any type will be allowed on the open space areas at any time except as permitted herein.

(d) The open space area between Units 1 and 2 shall be maintained as a recreational pathway for pedestrian use only. No motorized vehicles are allowed in this area, except as may be required for repair and maintenance.

(e) The open space area that is east of Units 8 and 9, which provides access to Whispering Hills Drive, shall be maintained as a recreational pathway for pedestrian use, emergency vehicle or emergency situation use only. It shall also be maintained with low vegetative growth so that emergency vehicles could utilize this area if necessary for ingress and egress to and from Whispering Hills Drive and S. Bingham Ridge Drive.

(f) The open space areas may be used to establish a septic system for a lot, so long as the system is compliant with all of the rules and regulations of the Benzie-Leelanau District Health Department. Costs related to the installation, maintenance, repair and replacement shall be borne by the lot owner(s) benefiting from said septic system.

Section 24. Exploration and removal of minerals is permitted if no surface activity or reduction of vertical support of the surface will occur.

The Committee shall have the right to waive or vary any of the restrictions contained in this Article VII in such cases as the Committee, in its sole judgment, shall deem to be in the best interest of those owning property in Bingham Ridge, as long as any such modified restriction is in substantial conformity with the Developer's intent for the Project.

ARTICLE VIII

MORTGAGES

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

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

Section 3. 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 IX

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 of this Article IX, these Bylaws may be amended by the Association at any regular annual meeting or a special meeting called for such purpose, by an affirmative vote of not less than two-thirds (2/3) of all Co-Owners in number i.e. two-thirds of all Co-Owners entitled to vote as of the record date for such vote.

Section 4. Prior to the First Annual Meeting of Members, these Bylaws may be amended by the First Board of Directors upon proposal of amendments by the 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 the 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 person actually receives a copy of the amendment.

ARTICLE X

COMPLIANCE

The Association of Co-Owners and all present or future Co-Owners, tenants, future 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 XI

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 XII

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, but without limiting, an action to recover sums due for damages, injunctive relief, foreclosure of lien, 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 recover the costs of the proceeding and reasonable attorney fees (not limited to statutory fees), as determined by the Court, but in no event shall any Co-Owner be entitled to recover such attorney fees.

(c) The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the common elements, 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 been first 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 II, Section 4, of the Association Bylaws. Thereafter, fines may be assessed only upon notice to the offending Co-Owners as prescribed in 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 Article II of these Bylaws. No fines 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 the subsequent violation.

Section 2. The failure of the Association or of any Co-Owner to enforce any right, provision, covenant or condition which may be granted by the Condominium

Documents shall not constitute a waiver of the right of the Association or of any such Co-Owner to enforce such right, 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 XIII

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.

Section 6

*Leelanau County Condominium
Subdivision Plan No. 116
Exhibit B to the Master Deed of*

BINGHAM RIDGE

*Bingham Township
Leelanau County, Michigan*

PROPERTY DESCRIPTION

A parcel of land situated in the Township of Singam, County of Leelanau, State of Michigan, and described as follows to-wit:

[illegible]

ACCESS ROAD EASEMENT

the southwest 1/4 of section 31, Town 29 North, Range 11 West, Bingnon Township, Leelanau County, Michigan; the road easement more fully described as follows:

East Road easement contains 0.23 acres.

ATTENTION: COUNTY REGISTER OF DEEDS
THE CONDOMINIUM SUBDIVISION PLAN NUMBER MUST BE ASSIGNED
IN CONSECUTIVE SEQUENCE. WHEN A NUMBER HAS BEEN ASSIGNED
TO THIS PROJECT, IT MUST BE PROPERLY SHOWN IN THE TITLE
SHEET 1 AND THE SURVEYORS CERTIFICATE, SHEET 1.

SHEET INDEX	
SHEET	SHEET TITLE
1	COVER SHEET
2	SURVEY PLAN
3	SITE PLAN - SOUTH
4	SITE PLAN - NORTH
5	UTILITY PLAN - SOUTH
6	UTILITY PLAN - NORTH

DEVELOPER

MCREDOUGH LAND COMPANY, INC
104 SOUTH UNION STREET SUITE, 212
TRAVERSE CITY, MI 49684


SURVEYOR'S CERTIFICATE

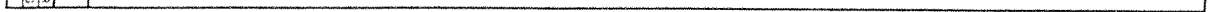
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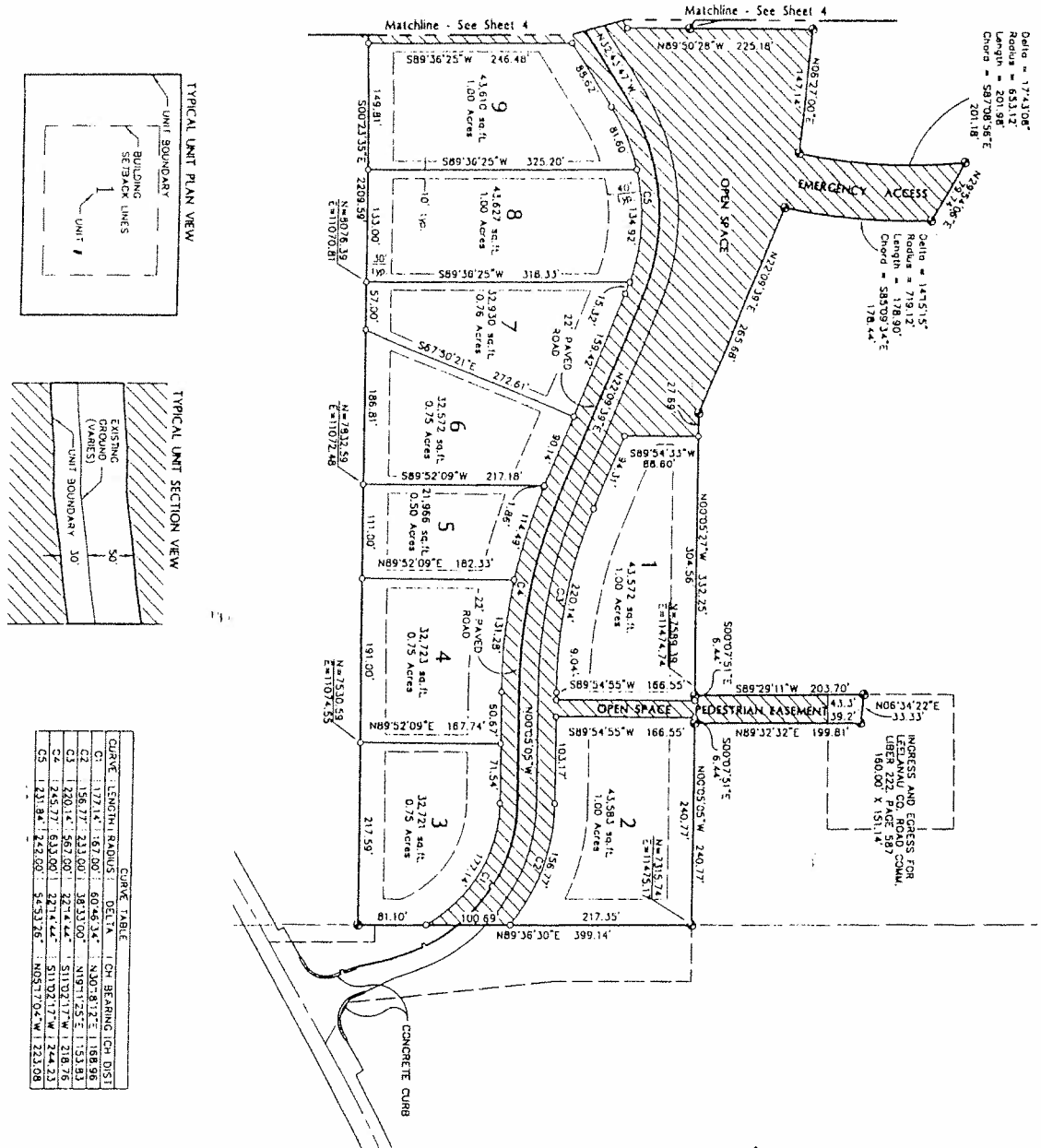
SURVEYOR

MICHAEL K. GEISERT
PROFESSIONAL SURVEYOR NO. 46665
WELLS/MANSFIELD, INC.
1212 VETERANS DRIVE
TRAVERSE CITY, MICHIGAN 49684



COVER SHEET	Printed: June 1, 2003
 Wells / Mansfield, Inc. 1713 Westing House • Denver City, Colorado 80202 Phone: (303) 957-7817 • Fax: (303) 957-7817	Sheet No. 1
Drawn: RMR/DVA A300/DEC 04 2701030	





BINGHAM RIDGE

SITE PLAN - SOUTH

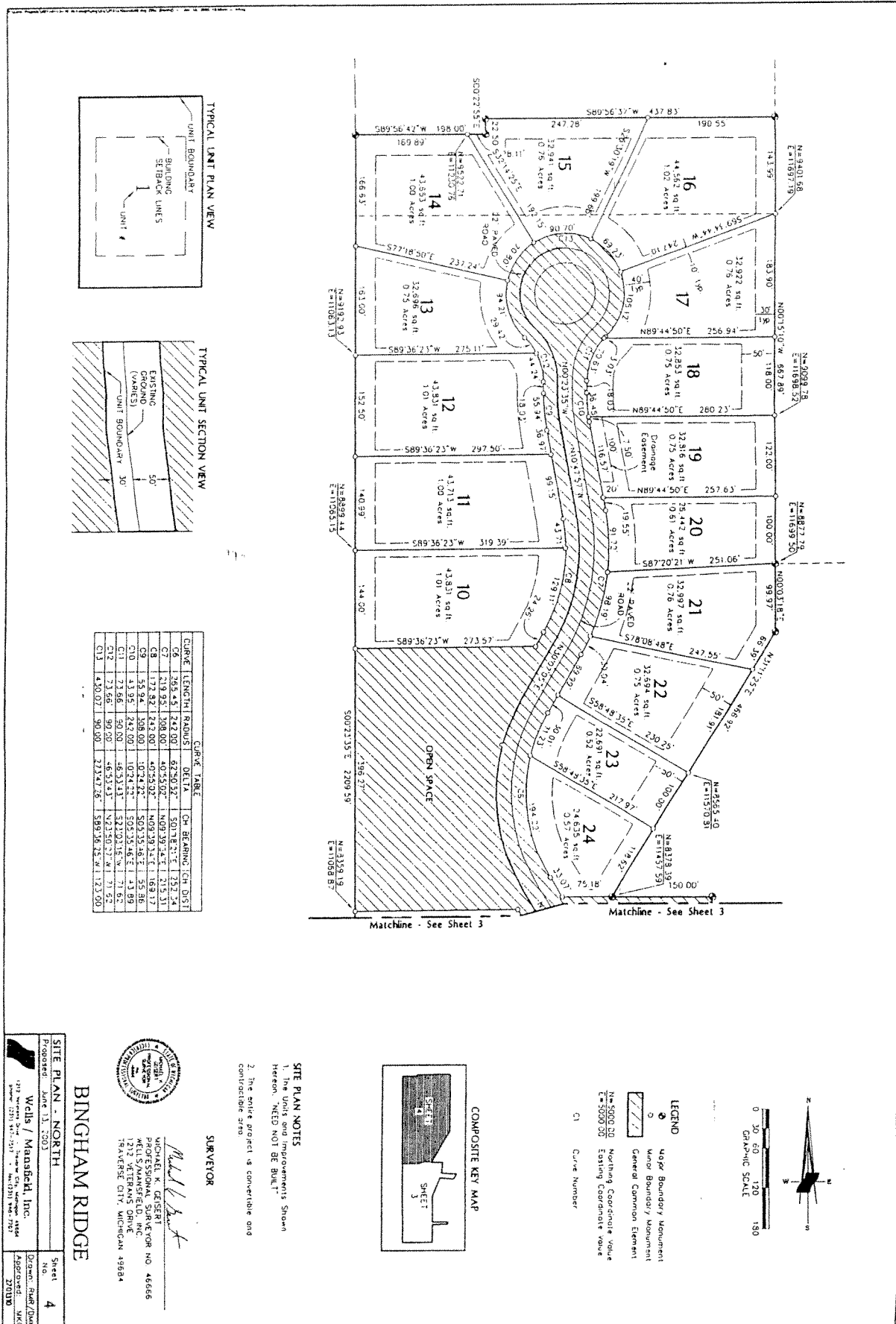
DESIGNED: June 13, 2003	SHEET NO. 3
Wells / Mansfield, Inc.	Drawn: 04/27/04
1212 VETERANS DRIVE, SUITE 200, ANN ARBOR, MI 48106-1000	APPROVED: MKC
2003	

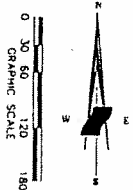
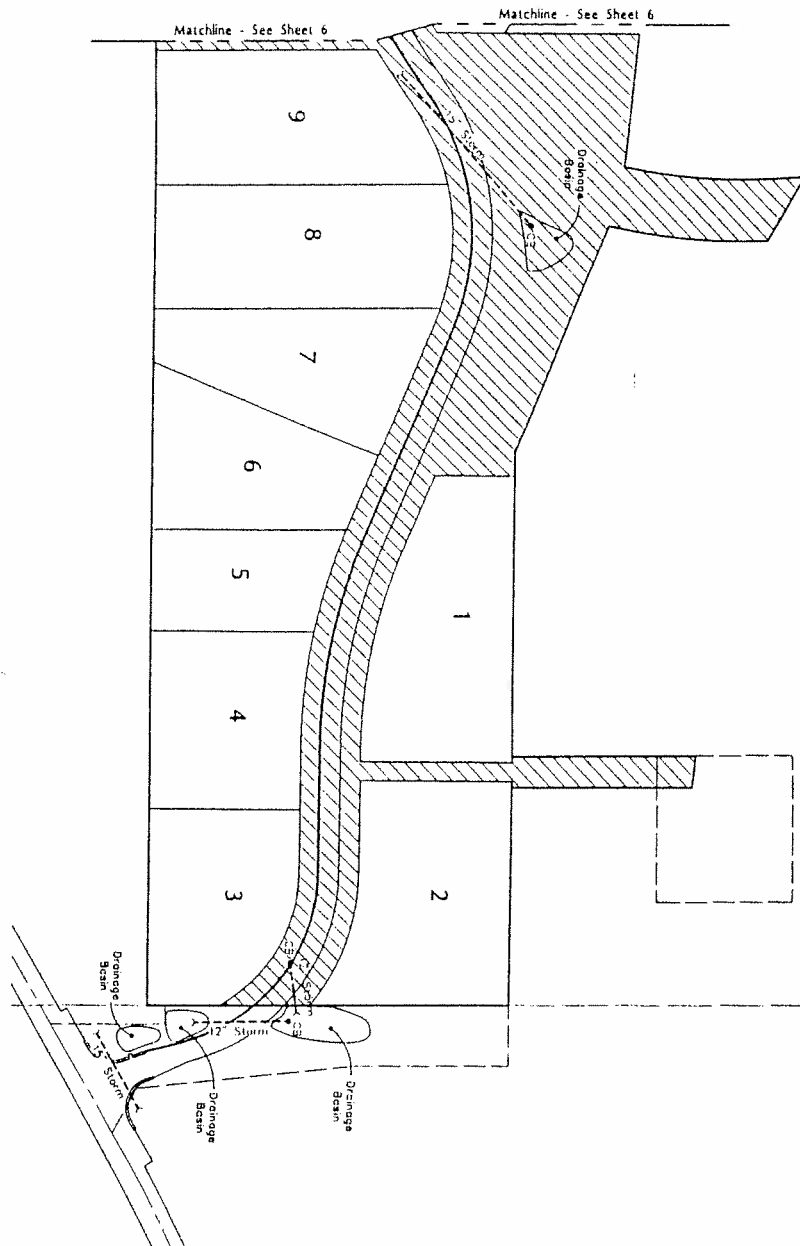


MICHAEL K. GENSTERT
PROFESSIONAL SURVEYOR NO. 4666
WELLS/MANSFIELD, INC.
1212 VETERANS DRIVE
ANN ARBOR, MI 48106-1000

SURVEYOR

- SITE PLAN NOTES**
- The Units and Improvements Shown Hereon, "NEED NOT BE BUILT"
 - The entire project is convertible and contractible area.





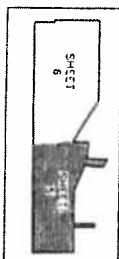
LEGEND

- CB Catch Basin or Slow Release Inlet
 SW Storm Sewer
 --- Storm Sewer or Culvert
 General Common Element

UTILITY PLAN NOTES

1. Utility Component:
 Gas: Michigan Consolidated Gas Co.
 Electric: Michigan Consolidated Gas Co.
 Telephone: Charter Telephone Co.
 Cable TV: Charter Communications
2. All utilities are to be placed within the easement shown on this plan, unless otherwise noted.
3. All utilities shown were located by field observations and/or plans provided by the Utility Component.

COMPOSITE KEY MAP



UTILITY PLAN NOTES

1. The improvements shown herein, NEED NOT BE BUILT.
2. The entire project is convertible and contractible area.

SURVEYOR



MICHAEL K. GILBERT
 PROFESSIONAL SURVEYOR NO. 46665
 WELLS/MANSFIELD, INC.
 1212 VETERANS DRIVE
 TAYLOR, MICHIGAN 48184

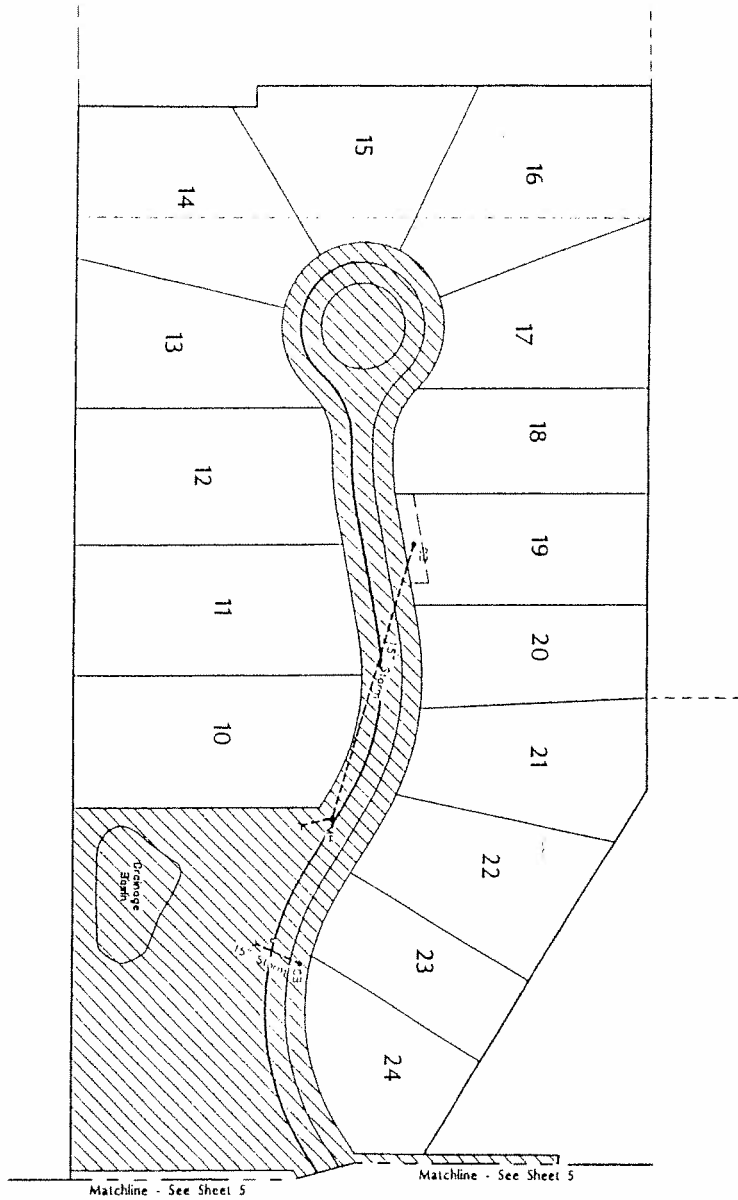
BINGHAM RIDGE

UTILITY PLAN - SOUTH

PROJECT: DATE: 11/2003

WELLS / Mansfield, Inc.
 1212 Veterans Drive, Taylor, Michigan 48184
 Phone: 313.281.1100 Fax: 313.281.1101

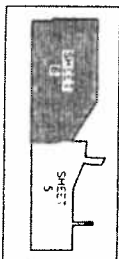
Sheet No. 5
 Drawn: JAG/DJK
 Approved: MGC
 2/2008



Matchline - See Sheet 5

Matchline - See Sheet 5

COMPOSITE KEY MAP



UTILITY PLAN NOTES

1. The improvements shown hereon, NEED NOT BE BUILT.
2. The entire project is convertible and negotiable.

SURVEYOR

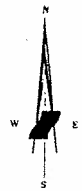


Michael K. Deserri
PROFESSIONAL SURVEYOR NO. 46666
1312 WILSON DRIVE
TRAVERSE CITY, MICHIGAN 49684

BINGHAM RIDGE

UTILITY PLAN - NORTH

DATE: JUNE 1, 2003	SHEET NO. 6
Wells / Mansfield, Inc.	DRAWN BY: JMD
1730 WILSON DRIVE, TRAVERSE CITY, MICHIGAN 49684	REVISIONS: 0000
PHONE: (616) 944-1100 FAX: (616) 944-1101	DATE: 06/01/03



0 20 40 120 160
GRAPHIC SCALE

LEGEND

- CS - Catch Basin or Slow Release Inlet
- WM - Storm Manhole
- SS - Storm Sewer or Culvert
- General Common Element

UTILITY PLAN NOTES

1. Utility Companies:
Gas: Michigan Consolidated Gas Co.
Electric: Dufferin Electric Co.-03.
Cable: Century Telephone Co.
Cable: V.../.../... Communications
2. All utilities are to be placed within the easements or general common elements as depicted on this plan, unless otherwise shown.
3. All utilities shown were located by field observations and/or plans provided by the Utility Companies.

Section 7

DISCLOSURE STATEMENT

FOR

BINGHAM RIDGE

Developer: McKEOUGH LAND COMPANY, INC.
104 South Union Street, Suite 212
Traverse City, Michigan 49684
(231) 933-7216

BINGHAM RIDGE, a site condominium, is a convertible and contractible residential land area condominium project which is located in the Township of Bingham, County of Leelanau and State of Michigan. The total number of units at Bingham Ridge will not be greater than twenty-four (24) lots.

The effective date of this Disclosure Statement is January 5, 2007.

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

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

I.

INTRODUCTION

Condominium development in Michigan is governed largely by a statute called the Michigan Condominium Act. This Disclosure Statement, together with copies of the legal documents pertaining to the creation and operation of Bingham Ridge, a site Condominium (which are referred to as the "condominium documents") are furnished to each purchaser pursuant to the requirement of the Michigan law that the Developer of a condominium project disclose to prospective purchasers the characteristics of the condominium units which are offered for sale.

"Condominium" is a form of real property ownership. Under Michigan law, a condominium unit (that part of the condominium individually owned and occupied) has the same legal attributes as any other form of real property and may be sold, mortgaged or leased, subject only to such restrictions as are contained in the condominium documents. The condominium units described herein are residential

units. Each unit has been designed and intended for separate ownership and use, and each unit has individual access to a common element of the condominium project.

Each co-owner receives a deed to his or her individual condominium unit. Each co-owner owns, in addition to his or her unit, an undivided interest in the common facilities (called "common elements") which service the project. Title to the common elements is included as part of, and is inseparable from, title to the individual condominium units. Each co-owner's proportionate share of the common elements is determined by the percentage of value assigned to his or her unit in the Master Deed.

All portions of the project not included within the units constitute the common elements. Limited common elements are those common elements which are reserved in the Master Deed for use by less than all co-owners. General common elements are all common elements other than limited common elements.

Except for the year in which the project is established, real property taxes and assessments will be levied individually against each unit at Bingham Ridge. These individual 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, the taxes and assessments for the units covered by the Master Deed are billed to the Association and are paid by the co-owners of such units in proportion to the percentages of value assigned to the units owned by them.

Of course, no summary such as the one contained in this Disclosure Statement can fully state all of the details of a condominium development. Each purchaser is, therefore, urged to review carefully all of the documents contained in the Bingham Ridge Purchaser's Information Booklet, as well as the other documents that have been delivered to the purchaser in connection with this project. Any purchaser having questions pertaining to the legal aspects of the project is advised to consult his or her own lawyer or other professional adviser.

II.

LEGAL DOCUMENTATION

A. **General.** Bingham Ridge was established as a condominium project pursuant to a Master Deed recorded in the office of the Leelanau County Register of Deeds. A copy of the Master Deed has been provided to you with this Disclosure Statement. The Master Deed includes the Condominium Bylaws as Exhibit "A" and the Condominium Subdivision Plan as Exhibit "B". All of these documents should be reviewed carefully by prospective purchasers.

B. **Master Deed.** The Master Deed contains a definition of terms used within the condominium project, the percentage of value assigned to each unit in the

condominium project, a general description of the units and general and limited common elements included in the project, and a statement regarding the relative responsibilities for maintaining the common elements.

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 the Association members for the purpose of paying the costs of operation of the condominium project. Articles VI and VII contain certain restrictions upon the ownership, occupancy and use of the condominium project. Article VII also contains provisions permitting the adoption of rules and regulations governing the common elements. At the present time no rules and regulations have been adopted by the Board of Directors of the Association.

D. **Condominium Subdivision Plan.** The Condominium Subdivision Plan is a two-dimensional survey depicting the physical location and boundaries of each of the units and all of the common elements in the project.

III.

SUMMARY OF PROJECT

Bingham Ridge is located in the County of Leelanau and State of Michigan. Bingham Ridge is a convertible and contractible residential land area (site) condominium. Bingham Ridge may include up to twenty-four (24) lots.

IV.

DEVELOPER

The Developer of Bingham Ridge is McKeough Land Company, Inc., an Illinois corporation duly qualified to transact business in the State of Michigan ("McKeough"). The address and principal place of business of McKeough is 229 Washington Avenue, Grand Haven, Michigan 49417 (800) 949-0444; McKeough's local business office is located at 104 South Union Street, Suite 212, Traverse City, Michigan 49684 (231) 933-7216. The Developer was organized in 1989. McKeough is engaged in acquiring, subdividing, developing, improving and selling land for residential and recreational purposes. McKeough has been involved with the development of eight (8) site condominium projects. McKeough's president is Michael A. McKeough, its vice-president is Patrick C. Regan and its general manager is Chris G. McCrumb. McKeough Land Company, Inc. is licensed as a real estate broker by the State of Michigan.

V.

REAL ESTATE BROKER

McKeough Land Company, Inc, located at 104 South Union Street, Suite 212, Traverse City, Michigan 49684 (231) 933-7216, will serve as the real estate broker for Bingham Ridge. The principal associate broker who will be responsible for the sale of lots at Bingham Ridge is Chris G. McCrumb.

VI.

STRUCTURES AND IMPROVEMENTS WHICH NEED NOT BE BUILT

The Michigan Condominium Act, as amended, requires the Developer to clearly inform potential purchasers what its construction obligations are through the use of the labels "Must Be Built" and "Need Not Be Built." The Developer is obligated to construct only those units and improvements labeled "Must Be Built" in the Condominium Subdivision Plan attached to the Master Deed. All of the lots and improvements shown in the Condominium Subdivision Plan for Bingham Ridge are labeled "Need Not Be Built".

VII.

ESCROW OF FUNDS

In accordance with Michigan law, all funds received from prospective purchasers of units at Bingham Ridge will be deposited in an escrow account with an escrow agent. The escrow agent for Bingham Ridge is Leelanau Title Company. The address and principal place of business of Leelanau Title Company is 95 W. Fourth St., P.O. Box 10, Suttons Bay, Michigan 49682.

Funds held in the escrow account will be returned to the prospective purchaser within three (3) business days upon such purchaser's withdrawal from a Purchase Agreement within the specified period. After the expiration of the nine (9) business day withdrawal period described in the Purchase Agreement, all funds received from the purchaser will be retained in escrow until closing or, upon default of a purchaser, the escrowed moneys will be paid to the Developer.

Any interest earned on funds held in the escrow account will be released to the party who is entitled to receive the funds upon which the interest has accrued, except that interest on funds released from the escrow account due to a prospective purchaser's withdrawal from a Purchase Agreement shall be paid to the Developer.

Additional details of the escrow arrangements made in connection with Bingham Ridge are contained in the Escrow Agreement which is attached to your Purchase Agreement.

VIII.

RECREATIONAL FACILITIES

Recreational areas, including open space areas and recreational pathways, will be included in Bingham Ridge. These areas are for limited pedestrian use (including by way of example, hiking, biking and cross-country skiing) by the co-owners and their guests only, subject to the reserved use/access rights reserved by the Developer in the condominium documents. The Association is permitted to utilize motorized vehicles on such areas in furtherance of any maintenance and/or repair activities and the Developer, and its agents, successors and assigns, is permitted to utilize vehicles on such areas pursuant to its reserved oil, gas and mineral rights, and its other reserved rights. No motorized vehicles of any type will otherwise be allowed on the recreational areas at any time. Specifically, the open space area between Units 1 and 2 shall be maintained as a recreational pathway for pedestrian use only and open space area that is east of Units 8 and 9 (which provides access to Whispering Hills Drive) shall be maintained as a recreational pathway for pedestrian use, emergency vehicle or emergency situation use only. The Developer, the Association and/or the co-owners are permitted to trim and/or remove selected trees so as to enhance views as provided in Sections 6 and 7 of Article VI of the Condominium Bylaws. Finally, the open space areas may be used to establish a septic system for a lot, but only if the system is in compliance with all of rules and regulations of the local Health Department. No other recreational facilities will be included in Bingham Ridge.

IX.

ORGANIZATION AND CONTROL OF THE CONDOMINIUM

A. **The Condominium Buyer's Handbook.** General information about the government and organization of condominiums in Michigan may be found in the Condominium Buyer's Handbook, published by the Michigan Department of Consumer and Industry Services, and provided to you previously by the Developer.

B. **Bingham Ridge Condominium Association.** The Bingham Ridge Condominium Association has been incorporated under the laws of the State of Michigan as a non-profit corporation. It will be responsible for the management, maintenance and administration of the condominium. A person will automatically become a member of the Bingham Ridge Condominium Association upon closing on the purchase of a unit.

The Articles of Incorporation and Bylaws of the Association which have been provided to you with this Disclosure Statement govern the procedural operations of the Association. The Association is governed by a three-person Board of Directors whose initial members have been appointed by the Developer who are empowered to serve pursuant to the provisions of the Condominium Bylaws until the First Annual Meeting of Members of the Association. Article III of the Association Bylaws sets forth the complete requirements for appointment of directors.

Control of Bingham Ridge will be turned over to the Bingham Ridge Condominium Association as an independent entity at the transitional control date. The transitional control date is the date on which a Board of Directors, including at least two (2) directors who are unaffiliated with the Developer, takes office. Until the transitional control date, the condominium will be managed by the Bingham Ridge Condominium Association, although the Association will be controlled by the Developer. Even after the transitional control date, the Developer is entitled to participate, through voting and through appointment of directors, in the affairs of the condominium to the extent it owns units in the condominium.

C. **Annual Meetings.** Following the First Annual Meeting, annual meetings of the co-owners of Bingham Ridge will be held each year in accordance with the Condominium Bylaws for the purpose of conducting the business of the Association and appointing directors for the succeeding year. Prior to each Annual Meeting, co-owners will receive notice stating the time and location of the meeting and the matters to be considered at the meeting as prescribed by the Condominium Bylaws.

D. **Advisory Committee.** The Board of Directors of the Association must establish an Advisory Committee of non-Developer co-owners upon the passage of: (a) one hundred twenty (120) days after legal or equitable title to one-third (1/3) of the condominium units that may be created have been conveyed to non-Developer co-owners; or (b) one (1) year after the first conveyance of legal or equitable title to a condominium unit to a non-Developer co-owner, whichever first occurs. The Advisory Committee will meet with the Board of Directors to facilitate communication with the non-Developer co-owners and to aid in transferring control from the Developer to non-Developer co-owners. The Advisory Committee will be composed of not less than one (1) nor more than three (3) non-Developer members, who will be appointed by the Board of Directors in any manner it selects, and who shall serve at the pleasure of the Board of Directors. The Advisory Committee will automatically dissolve following the appointment of a majority of the Board of Directors by non-Developer co-owners. The Advisory Committee must meet at least quarterly with the Board of Directors.

E. **Percentage of Value.** Each of the units at the condominium has been assigned a percent of the total value of the project based upon its location, size, value and allocable expenses of maintenance. The total value of the project is one hundred (100%) percent. The percentage of value assigned to each unit is determinative of the proportionate share of each unit in the proceeds from and expenses of the

administration of the Association, the value of such unit's vote at meetings of the Association of co-owners and the undivided interest of the unit in the common elements of the condominium. Each unit will share equally in the expenses of administration of the Condominium Association and each unit owner will have one (1) vote at meetings of the Association.

F. **Management.** The Developer will serve as managing agent for the condominium until the transitional control date. Thereafter, the Association must provide for its own management. The Developer will not be paid for its services as managing agent.

As manager, the Developer will be given responsibility for the day-to-day management of the condominium.

X.

CONTRACTIBILITY OF THE CONDOMINIUM

The Master Deed of Bingham Ridge provides that the number of units and the amount of land included in the condominium may be contracted by the removal of land from the condominium project and the reduction of the number of unsold units. The land which may be removed from the condominium is legally described in the Bingham Ridge Master Deed. Any portion or all of this land, not containing or servicing sold units, may be removed from the condominium by further amendments to the Master Deed. Such amendments may be made by the Developer in its discretion, without the consent of any co-owners.

The Developer's contraction rights are not subject to any restrictions except that sold units may not be removed and there is a time restriction. Thus, such area and units may be removed, in any order, in any size, and may be physically attached to other portions of the condominium. The Developer has the sole right to determine whether any further contraction of the condominium will occur, as well as the location of any removed land or units. Bingham Ridge may not be contracted below a total of zero (0) units. All decisions regarding contraction must be made on or before that date six (6) years after the date of the initial recording of the Master Deed, unless that date is extended pursuant to Article XI of the Master Deed or unless such right is otherwise permitted under the Michigan Condominium Act.

The Developer also has the right, in its sole discretion, to remove any general or limited common elements, convertible area and contractible area within the project which is not designated to or does not service sold units.

Each time Bingham Ridge is contracted by the removal of units, the percentages of value assigned to each individual unit will be proportionately readjusted in order to preserve a total value of 100% for the entire project. The precise determination of the

readjustment in percentages of value is within the sole judgment of the Developer. Such readjustments must, however, reflect a continuing reasonable relationship among unit size and allocable expenses of maintenance of the various units. At the time of the recording of the initial Master Deed, an equal percentage of value was assigned to each of the units in Bingham Ridge. If the total number of units included in the condominium decreases, the percentage of value assigned to each unit in the condominium will increase. This will in turn increase the proportionate share of each co-owner in the expenses of administering the condominium and the value of each co-owner's vote at meetings of the Bingham Ridge Condominium Association.

The contraction of Bingham Ridge could decrease the usage of certain common elements included in the condominium. Contraction would also mean that there could be less common elements within the condominium, leading to lower fixed maintenance and repair expenses, and a decrease in the total budget of the Bingham Ridge Condominium Association.

XI.

CONVERTIBLE AREA

Bingham Ridge includes convertible area. Generally, convertible area may be used for the purpose of altering the size and shape of unsold units, the general common elements and/or the limited common elements. At Bingham Ridge, the convertible area may be used in general for the purpose of altering the size and shape of unsold units, converting unsold lots into general common elements and/or limited common elements and designating the limited common elements to specific lots, and converting general common elements into limited common elements, and vice versa, and designating the limited common elements to specific lots. Convertible areas are discussed in Article IX of the Master Deed.

XII.

SUMMARY OF LIMITED WARRANTIES

CAUTION: THERE ARE NO WARRANTIES ON THIS CONDOMINIUM PROJECT OTHER THAN THOSE DESCRIBED HEREIN. YOU, INDIVIDUALLY, OR AS A MEMBER OF THE ASSOCIATION, MAY BE REQUIRED TO PAY SUBSTANTIAL SUMS FOR THE REPLACEMENT OR REPAIR OF ANY DEFECTS IN THIS CONDOMINIUM PROJECT THAT ARE NOT COVERED BY WARRANTY, IF ANY SUCH DEFECTS EXIST.

XIII.

BUDGET

At closing, each purchaser of a unit at Bingham Ridge will pay six (6) months' assessment plus that amount of the annual assessment prorated to the date of closing as a working capital deposit. After the closing, each co-owner will pay an annual assessment as his or her share of the common expenses of the condominium. The annual amounts collected from co-owners are used to operate and maintain the condominium. Because day-to-day operation of the condominium is dependent upon the availability of funds, it is important that each co-owner pay his or her annual assessment in a timely manner. Annual assessments at Bingham Ridge are due by January 31st of each year. In the event a co-owner fails to pay this amount in a timely manner, the Condominium Bylaws provide that Bingham Ridge Condominium Association may impose a lien upon a delinquent co-owner's unit, collect interest at the rate of seven (7%) percent per annum on delinquent assessments, and impose other penalties.

The amount of the Annual assessment will be determined by the amount of the common expenses. Under the budget of the Bingham Ridge Condominium Association for fiscal year 2007 adopted by the Association in the exercise of its best judgment, each co-owner will pay \$350.00 annually. This will generate an annual revenue from twenty-four (24) units of \$8,400.00.

For fiscal year 2007, the estimated revenues and expenses of the condominium are as follows:

Income	\$ 9,100.00 ¹
Expenses	
Insurance	\$ 200.00
Road and Drainage Maintenance	2,000.00
Snow Removal	4,000.00
Landscaping	1,000.00
Supplies	50.00
Non-profit Corporation Filing Fee	20.00
Contingency Reserve	1,830.00 ²
Total Expenses	\$ 9,100.00

¹This budget has been estimated by the Association based upon the assumption that the project contains twenty-four (24) units (\$350.00 annually, per lot). It also assumes the sale of four (4) lots which would contribute an additional \$700.00 through the working capital contribution of \$175.00 per lot.

²There is no assurance that the contingency reserve will be adequate.

Each co-owner must also pay other charges in connection with his or her ownership of a unit at Bingham Ridge. For example, each co-owner will be responsible for paying real estate taxes levied on his or her unit and his or her undivided interest in the common elements. The amount of such taxes will be determined by the assessor of the Township of Bingham.

Like other unit owners, the Developer, is required to pay its assessments when they are due. The Developer will commence paying the full annual assessment for each unsold unit it owns within sixty (60) days after legal or equitable title to any condominium unit has been conveyed to a non-Developer co-owner.

Each co-owner could be required to pay special assessments, if special assessments are levied by the Board of Directors of Bingham Ridge Condominium Association. Special assessments may be levied by the Board of Directors in the event that, among other things, the regular assessment should prove inadequate, common elements need to be replaced or expanded, or an emergency occurs. The Bylaws of Bingham Ridge attached to the Master Deed should be examined for further details about special assessments.

Like most expenses today, the expenses in the budget are subject to changes as a result of changing costs in the economy. The budget contained herein represents Bingham Ridge Condominium Association's best estimate of those expenses at this time. However, these costs may increase from year to year on account of such factors as cost increases, the need for repair or replacement of common elements, property improvements, and increased size of the condominium. Such cost increases will result in increased annual assessments.

There are no fees, payments or services which are paid or furnished directly or indirectly by the Developer which will later become an expense of administration.

XIV.

RESTRICTIONS ON USE

In order to provide an environment conducive to pleasant living at Bingham Ridge, the Condominium Bylaws contain certain limitations upon the activities of co-owners which might infringe upon the right to quiet enjoyment of all co-owners. Some of these restrictions are set forth herein. You should read Article VII of the Condominium Bylaws to ascertain the full extent of the restrictions.

The units in Bingham Ridge may be used solely for the purpose of single-family dwellings. Many restrictions apply to construction of residences at Bingham Ridge. Article VI and Article VII of the Condominium Bylaws should be reviewed carefully by prospective purchasers.

The use restrictions at Bingham Ridge are enforceable by the Bingham Ridge Condominium Association, which may take appropriate action to enforce the restrictions, such as legal actions for injunctive relief and damages. The remedies available in the event of default are contained in Article XII of the Condominium Bylaws.

XV.

INSURANCE

Bingham Ridge Condominium Association is responsible for securing vandalism and malicious mischief and liability insurance, and, when necessary, worker's compensation insurance pertinent to the ownership, use, and maintenance of the common elements of the condominium. Such insurance policies contain deductible clauses which, in the event of a loss, could result in the Association's being responsible for a certain portion of the loss.

Unit owners, as members of the Association, would bear any such loss in proportion to their percentage ownership of the common elements. Bingham Ridge Condominium Association has taken out an all risk policy of insurance on the common elements. A copy of the all risk policy of insurance is available at the sales office for inspection by prospective purchasers. Worker's compensation insurance will not initially be secured by the Association, since Bingham Ridge Condominium Association will have no employees. Co-owners should regularly review the insurance coverage of the Condominium to insure that it is adequate.

The insurance coverage provided by the Association will not cover the individual units, any articles contained therein or any personal property of a co-owner on the grounds of the condominium other than items provided by the Developer in the initial sale of a unit. Each unit owner must, therefore, secure condominium owner's insurance to insure against loss to his or her unit and his or her personal property. Unit owners should consult with their insurance advisers to determine the amount of coverage required for their particular needs. In the event a unit owner fails to procure his or her own insurance, such co-owner will be uninsured for any loss that might occur to his or her unit, to himself or herself or to his or her property.

XVI.

PRIVATE ROADS AND EASEMENTS

There will be a private road (namely, S. Bingham Ridge Drive) that is a common element of the condominium which runs into and/or services Bingham Ridge (this road is accessed via a non-exclusive easement from County Road 641). S. Bingham Ridge Drive (and the access easement) is for use by the co-owners and their guests, and by McKeough Land Company, Inc., the Developer, and its guests, and must be maintained by the Association. In the event that the property through which the access easement

is located is ever divided or subdivided so that additional lots utilize the access easement roadway, the owners of these additional lots shall be obligated to pay their proportional share (i.e. pro rata based upon the relative number of lots/units serviced) of the maintenance and repair expenses of the access easement roadway. The roads will not be patrolled by public police forces. The Developer has not sought the dedication of the roads to the County of Leelanau or the Leelanau County Road Commission.

McKeough Land Company, Inc., as the Developer, is permitted to enter the condominium for the purpose of the sale of units and pursuant to its other reserved rights. The Developer's sales personnel are also permitted to enter Bingham Ridge and to maintain an office and model units at the condominium. The usual public utility easements, such as telephone, electricity, natural gas and cable television are enjoyed by those companies and municipalities responsible for the furnishing of public utilities to the condominium. As set forth more fully in Article VII of the Master Deed, the Developer has reserved perpetual easements for the unrestricted use of the private roads and the general common elements for the purpose of ingress and egress to and from any portion of the condominium and any land contiguous to the condominium which Developer now owns or hereafter acquires, and for the right to tie into utilities and roadways serving the condominium.

Representatives of the Bingham Ridge Condominium Association are entitled to enter a unit (except the improvements (buildings) constructed thereon) in the case of an emergency or to make necessary repairs to a common element. While such an entry may cause inconvenience, it is necessary for the well-being of all the co-owners.

XVII.

CO-OWNER LIABILITY

If title to a unit at Bingham Ridge passes by virtue of a first mortgage foreclosure, the new title holder is not liable for the assessments of the Bingham Ridge Condominium Association which came due prior to the acquisition of the title to the unit by that person. Any unpaid assessments may become common expenses, if required by the Association, collectible from all of the condominium unit owners, including that person. This provision is contained in the Condominium Bylaws, as required by the laws of the State of Michigan.

XVIII.

UNUSUAL CIRCUMSTANCES

To the Developer's knowledge, there are no unusual circumstances associated with Bingham Ridge.

XIX.

LEGAL MATTERS

Louis P. Tocco, of Louis P. Tocco, P.L.C., 13709 S. West Bayshore Drive, Traverse City, Michigan, 49684, served as legal counsel in connection with the preparation of this Disclosure Statement and related documents. Legal counsel has not passed upon the accuracy of the factual matters herein contained.

Section 8

Michigan Department of Consumer and Industry Services

Filing Endorsement

This is to Certify that the ARTICLES OF INCORPORATION - NONPROFIT

for

BINGHAM RIDGE CONDOMINIUM ASSOCIATION

ID NUMBER: 780499

received by facsimile transmission on October 10, 2002 is hereby endorsed

Filed on October 10, 2002 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 Seal of the Department, in the City of Lansing, this 10th day of October, 2002.

, Director

Bureau of Commercial Services

(A Non-Profit Domestic Corporation)

ARTICLES OF INCORPORATION

OF

BINGHAM RIDGE CONDOMINIUM ASSOCIATION

These Articles of Incorporation are signed by the incorporator for the purpose of forming a non-profit corporation, pursuant to the provisions of Act 162, Public Acts of 1982 as follows:

ARTICLE I

The name of the corporation is:

BINGHAM RIDGE CONDOMINIUM ASSOCIATION.

ARTICLE II

The purpose or purposes for which the corporation is organized is to administer, manage, operate and control the common elements, covenants and restrictions, and other matters relating to **BINGHAM RIDGE**, a land condominium located in the Township of Bingham, Leelanau County, Michigan, and in furtherance of those purposes, to exercise all the powers permitted to be exercised by a non-profit corporation under the laws of the State of Michigan.

ARTICLE III

Said corporation is organized upon a membership non-stock basis; the amount of assets which said corporation possesses is:

Real Property

Personal Property

None

None

Said corporation is to be financed under the following general plan:

Assessment of members; the corporation is organized on a membership basis.

ARTICLE IV

The address of the initial registered office is 104 S. Union Street, Suite 212, Traverse City, Michigan 49684. The name of the initial resident agent at the registered office is CHRIS G. McCRUMB.

ARTICLE V

The name and address of the incorporator is as follows:

Chris G. McCrumb, 104 S. Union Street, Suite 212, Traverse City, MI 49684.

ARTICLE VI

The names and addresses of the first Board of Directors are as follows:

Chris G. McCrumb, 104 S. Union Street, Suite 212, Traverse City, MI 49684

Michael A. McKeough, 208 Franklin Street, Grand Haven, Michigan 49417

Patrick C. Regan, 208 Franklin Street, Grand Haven, Michigan 49417

ARTICLE VII

The term of corporate existence is perpetual.

ARTICLE VIII

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

A. Each Co-owner (including the Developer) of a unit (lot) in the condominium shall be a member of the corporation, and no other person or entity shall be entitled to membership; except that the subscriber hereto shall be a member of the corporation until such time as his or her membership shall terminate, as hereinafter provided.

B. Membership in the corporation (except with respect to any non-Co-owner incorporator, who shall cease to be a member upon the qualification for membership of any Co-owner) shall be established by acquisition of fee simple title to a unit (lot) in the condominium and by recording with the Register of Deeds in the county where the condominium is located, a deed or other instrument establishing a change of record title to such unit (lot) and the furnishing of evidence of same satisfactory to the corporation

(except that the Developer of the condominium shall become a member immediately upon establishment of the condominium) the new Co-owner thereby becoming a member of the corporation, and the membership of the prior Co-owner thereby being terminated.

C. The share of a member in the funds and assets of the corporation cannot be assigned, pledged, encumbered or transferred in any manner except as an appurtenance to his or her unit (lot) in the condominium.

D. Voting by members shall be in accordance with the provisions of the Bylaws of this corporation.

I, the Incorporator, sign my name this 10th day of October, 2002.


CHRIS G. McCRUMB

LOUIS P. TOCCO, ESQ.
LOUIS P. TOCCO, P.L.C.
13709 S. West Bayshore Drive
Traverse City, Michigan 49684
LTOCCO@TRAVERSE.COM
(231) 995-9100

M7481

Section 9

ASSOCIATION BYLAWS

BINGHAM RIDGE CONDOMINIUM ASSOCIATION

ARTICLE I

ADOPTION OF CONDOMINIUM BYLAWS

The Bylaws of **BINGHAM RIDGE**, a land Condominium, (hereinafter known as the "Condominium Bylaws") as attached to the Master Deed and recorded in Liber ~~738~~, Pages 38 through 102, Leelanau County Records, are hereby incorporated by reference and adopted in their entirety as a part of the Bylaws of this Association.

ARTICLE II

MEETINGS

Section 1. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Co-Owners as may be designated by the Board of Directors in accordance with Roberts' Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Articles of Incorporation, the Bylaws of the Condominium, the Condominium Master Deed or the laws of the State of Michigan.

Section 2. The First Annual Meeting of the Members of the Association shall be held in accordance with Article I, Section 8, of the Condominium Bylaws. The date, time, and place of the First Annual Meeting shall be set by the Board of Directors, and at least ten (10) days' written notice thereof shall be given to each Co-Owner. Thereafter, the annual meetings of members of the Association shall be held on September 15th of each succeeding year (or such date of each succeeding year determined by the Board of Directors) at such time and place as shall be determined by the Board of Directors, with at least ten (10) days' notice thereof given to each Co-Owner. At such meetings there shall be elected, by ballot of the Co-Owners, a Board of Directors in accordance with the requirements of Article III of these Bylaws. The Co-Owners may also transact at annual meetings such other business of the corporation as may properly come before them.

Section 3. It shall be the duty of the president to call a special meeting of the Co-Owners as directed by resolution of the Board of Directors or upon a petition signed by one-third (1/3) of the Co-Owners presented to the secretary of the Association. Notice of any special meetings shall state the time and place of such meeting and the

purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. It shall be the duty of the secretary (or other Association officer in the secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each Co-Owner of record, at least ten (10) days but not more than sixty (60) days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Co-Owner at the address found in the notice required to be filed with the Association by Article I, Section 3(e) of the Condominium Bylaws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice and such waiver, when filed in the records of the Association, shall be deemed due notice.

Section 5. If any meeting of Co-Owners cannot be held because a quorum is not in attendance, the owners who are present may adjourn the meeting for a time not less than forty-eight (48) hours from the time the original meeting was called.

ARTICLE III

BOARD OF DIRECTORS

Section 1. The affairs of the corporation shall be governed by a board of three (3) directors, all of whom must be members of the corporation, except for the first Board of Directors designated in the Articles of Incorporation of the Association. Directors shall serve without compensation.

Section 2. The first Board of Directors designated in the Articles of Incorporation shall manage the affairs of the corporation until a successor Board of Directors is elected at the first meeting of members of the corporation convened at the time required by Article II, Section 2, of these Bylaws. The term of office (except for the Board of Directors elected prior to the First Annual Meeting of members) of each director shall be one (1) year. The director shall hold office until his successor has been elected and holds a meeting.

Section 3. The Board of Directors shall have the following powers and duties:

(a) To manage and administer the affairs of and maintain the Condominium Project and the common elements thereof.

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

- (c) To carry insurance and collect and allocate the proceeds thereof.
- (d) To rebuild improvements after casualty.
- (e) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium Project.
- (f) To acquire, maintain, and improve, and to buy, operate, manage, sell, convey, assign, mortgage, or lease any real or personal property (including any unit in the Condominium), easements, rights-of-way, and licenses (on behalf of the Association and in furtherance of any of the purposes of the Association, including, but without limitation, the lease or purchase of any unit in the Condominium for use by a resident manager).
- (g) 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 an affirmative vote of more than seventy-five (75%) percent of all the members of the Association, both in number and in value.
- (h) To make rules and regulations in accordance with Article VII, Section 11, of the Condominium Bylaws.
- (i) To establish such committees as it deems necessary, convenient, or desirable and to appoint persons thereto for the purpose of implementing the administration of the Condominium and to delegate to such committees any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board.
- (j) To make rules and regulations and/or enter into agreements with institutional lenders, the purpose of which is to obtain mortgage financing for the unit Co-Owners.
- (k) To enforce the provisions of the Condominium Documents.

Section 4. Vacancies in the Board of Directors, including the first Board of Directors named in the Articles of Incorporation, caused by any reason other than the removal of a director by a vote of the members of the Association, shall be filled by the vote of the majority of the remaining directors, even though they may constitute even less than a quorum. Each person so elected shall be a director until a successor is elected at the next annual meeting of the Association. Prior to the First Annual Meeting

of members, the Developer may remove and replace any and/or all of the directors from time to time in its sole discretion.

Section 5. At any regular or special meeting of the Association duly called, any one or more of the directors may be removed with or without cause by a majority of the Co-Owners and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Co-Owners shall be given an opportunity to be heard at the meeting.

Section 6. The first meeting of the newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the directors at the meeting at which such directors were elected and no notice shall be necessary to the newly elected directors in order to legally constitute such a meeting, providing a majority of the whole board shall be present.

Section 7. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally, by mail, telephone, or facsimile, at least ten (10) days prior to the date set for such meeting.

Section 8. Special meetings of the Board of Directors may be called by the president on three (3) days' notice to each director, given personally, by mail, telephone or facsimile, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the president or secretary in like manner and on like notice on the written request of one director.

Section 9. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such a meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the board shall be deemed a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the board, no notice shall be required and any business may be transacted at such meeting.

Section 10. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any such business which might have been transacted at the meeting as originally called, may be transacted without further notice. The joinder of a director in the action of a meeting by signing and concurring in the

minutes thereof shall constitute the presence of such director for the purposes of determining a quorum.

Section 11. The Board of Directors may require that all officers and employees of the Association handling and responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

ARTICLE IV

OFFICERS

Section 1. The principal officers of the Association shall be a president, who shall be a member of the Board of Directors, and a joint secretary and treasurer. Directors may appoint an assistant treasurer and an assistant secretary, and such other officers as, in their judgment, may be necessary. Any two offices, except that of president and vice-president, may be held by one person.

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

Section 3. Upon affirmative vote of the majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for such purpose.

Section 4. The president shall be the chief executive officer of the Association. He shall preside at all meetings of the Association. He shall have all of the general powers and duties which are usually vested in the office of the president of an association, including, but not limited to, the power to appoint committees from among the members of the Association from time to time as he may, in his discretion, deem appropriate to assist in the conduct of the affairs of the Association.

Section 5. The secretary-treasurer shall take the place of the president and perform his duties whenever the president shall be absent and unable to act. If neither the president nor the secretary-treasurer is able to act, the Board of Directors shall appoint some other member of the board to do so on an interim basis.

Section 6. The secretary shall keep the minutes of all the meetings of the Board of Directors and the minutes of all the meetings of the members of the Association; he shall have charge of the corporate seal and such books and papers as

the Board of Directors may direct; and he shall, in general, perform all duties incident to the office of the secretary.

Section 7. The treasurer shall have responsibilities for the Association's funds and securities and shall be responsible for keeping full and accurate account of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, and in such depositories, as made, from time to time, be designated by the Board of Directors.

Section 8. The officers shall have other duties, powers, and responsibilities as shall, from time to time, be authorized by the Board of Directors.

ARTICLE V

SEAL

Section 1. The corporation may have a seal which shall have inscribed thereon the name of the corporation, the words "corporate seal", and "Michigan".

ARTICLE VI

FINANCE

Section 1. The finances of the corporation shall be handled in accordance with the Condominium Bylaws.

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

Section 3. The funds of the corporation shall be deposited in such bank as may be designated by the Board of Directors and shall be withdrawn only upon the check or order of such officers, employees, or agents as are designated by resolution of the Board of Directors from time to time.

ARTICLE VII

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. 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 misfeasance or malfeasance 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) proves 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 indemnification of which it has approved, the Board of Directors shall notify all Co-Owners thereof.

ARTICLE VIII

AMENDMENT

Section 1. These Bylaws (but not the Condominium Bylaws) may be amended by the Association at a duly constituted meeting for such purpose, by affirmative vote of a simple majority of the Co-Owners present in person, by proxy, or by written vote, as such vote is defined in Article I, Section 3(i) of the Condominium Bylaws.

Section 2. Amendment 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 or more in number of the members of the Association, whether by a meeting of the members or by an instrument in writing signed by them.

Section 3. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of Article II of these Bylaws.

Section 4. Any amendment to these Bylaws shall become effective upon adoption of the same in accordance with Section 1 of Article VIII, without approval by

the State of Michigan, and without recording same in the Office of the Register of Deeds.

Section 5. A copy of each amendment to these Bylaws shall be furnished to every member of the Association after adoption.

ARTICLE IX

COMPLIANCE

Section 1. These Bylaws are set forth to comply with the requirements of Act 162 of the Public Acts of Michigan of 1982, as amended, and Act 59 of the Public Acts of Michigan of 1978, as amended, and with the duly recorded Master Deed of the Condominium and Exhibits "A" and "B" thereto. In the case any of these Bylaws conflict with the provisions of said statutes or with the provisions of said Master Deed or the exhibits thereto, the provisions of the statute and said Master Deed shall control.

Section 10

ESCROW AGREEMENT

BINGHAM RIDGE

THIS AGREEMENT made this 10TH day of OCTOBER, 2002 by and between **McKEOUGH LAND COMPANY, INC.**, an Illinois corporation duly qualified to transact business in the State of Michigan, (the "Developer") and **LEELANAU TITLE COMPANY**, a Michigan corporation (the "Escrow Agent");

WITNESSETH:

WHEREAS, Developer intends to establish a land area residential condominium known as **BINGHAM RIDGE** under and in accordance with the Michigan Condominium Act (Act No. 59, Public Acts of 1978, as amended, hereinafter called the "Condominium Act"); and

WHEREAS, Developer plans to sell lots in **BINGHAM RIDGE** to such persons ("Subscribers") who shall execute and enter into Purchase Agreements substantially in the form attached hereto as Exhibit "A" (the "Purchase Agreement"); and

WHEREAS, all deposits received from Subscribers executing Purchase Agreements are required to be deposited in escrow with a bank, savings and loan association or title insurance company, licensed or authorized to do business in Michigan under and pursuant to the terms and conditions specified by Section 103b of the Condominium Act; and

WHEREAS, the parties desire to enter into this Agreement for the purpose of satisfying the escrow requirement of the Condominium Act; and

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. **Deposit of Funds and Other Documents; Investment of Funds.**

Developer shall promptly deposit with Escrow Agent all funds received as deposits from Subscribers executing a Purchase Agreement, together with a fully executed copy of each Agreement and, if then available, a signed copy of the receipt of each Subscriber required by Section 84a(3) of the Condominium Act acknowledging receipt of the documents required to be delivered by Section 84a(1) of the Act. If not delivered with the initial deposit of funds, the receipt required by Section 84a(3) shall be promptly delivered by Developer upon receipt of the same. Upon receipt of such funds, Escrow Agent shall place the same in such insured deposit account or certificate of deposit at such bank or other financial institution as Escrow Agent shall determine to be appropriate in the sole and exclusive exercise of its discretion to the end that such

funds will be secure as to principal, insured against loss and readily liquid so that they may be released and disbursed to the Subscriber or Developer as otherwise provided by this Agreement.

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

3. **Release of Funds.** Escrow Agent shall hold all funds deposited with it, and all interest earned and accrued thereon, if any, in escrow until the occurrence of one of the conditions set forth below, at which time Escrow Agent shall deliver the principal amount of such escrowed funds and interest accrued to date to the party indicated.

(a) **Voluntary Withdrawal by Subscriber.** If the Subscriber shall withdraw from the Purchase Agreement prior to the time that the Purchase Agreement becomes binding as specified in Paragraph (2) of its general conditions, then within three (3) business days from the date of receipt of notice of such withdrawal from Developer, Escrow Agent shall deliver to the Subscriber the principal amount of the sum deposited pursuant to the Purchase Agreement and shall deliver to Developer all interest earned thereon.

(b) **Default Prior to Purchase Agreement Becoming Binding.** If the Subscriber shall default in performing any obligation of the Purchase Agreement requiring Subscriber's performance prior to the time that the Purchase Agreement becomes binding as set forth in Paragraph (2) of its general conditions, and Developer elects to terminate the Purchase Agreement and so notifies Escrow Agent, then Escrow Agent shall promptly deliver to the Subscriber the principal amount of the sum deposited pursuant to the Purchase Agreement and shall deliver all interest earned thereon to Developer.

(c) **Voluntary Withdrawal by Developer.** If Developer decides not to establish **BINGHAM RIDGE** as a condominium project or not to establish the Subscriber's unit and so notifies Escrow Agent, then Escrow Agent shall deliver all funds deposited pursuant to the Purchase Agreement, together with all interest earned thereon, to the Subscriber.

(d) **Inability to Obtain Financing.** If the Purchase Agreement is contingent upon the Subscriber obtaining a mortgage or other financing and permits the

Subscriber to voluntarily withdraw in the event such financing is not obtained subsequent to the Purchase Agreement becoming binding, and the Subscriber is unable to obtain such financing and duly withdraws as a result thereof, then promptly following receipt of notice from Developer of such withdrawal, Escrow Agent shall deliver to the Subscriber the principal amount of the sum deposited pursuant to the Purchase Agreement and shall deliver to Developer all interest earned thereon unless otherwise specifically provided by the Purchase Agreement, in which case Escrow Agent shall disburse such funds as therein provided.

(e) **Default After Purchase Agreement Becomes Binding.** If, after the Purchase Agreement becomes a binding agreement, either the Subscriber or the Developer shall default in performing their respective obligations therein set forth, and the non-defaulting party provides notice of such default as required by the Purchase Agreement and provides a copy of such notice to Escrow Agent, then following the passage of such grace period, if any, as may be provided by the Purchase Agreement, Escrow Agent shall deliver all funds deposited pursuant to the Purchase Agreement, together with all interest earned thereon, to the non-defaulting party promptly following receipt of a written demand for the same, provided, however, that if prior to the release of such funds Escrow Agent receives a written objection to the notice of default or a written claim of interest in the funds from the alleged defaulting party, then Escrow Agent shall hold or dispose of the funds as provided in Paragraph (7) hereof.

(f) **Upon Conveyance of Title to Purchaser.** Upon conveyance of title to a unit covered by a Purchase Agreement from the Developer to a Subscriber (or upon execution of a Land Contract between the Developer and the Subscriber in fulfillment of a Purchase Agreement) Escrow Agent shall release to Developer all sums held in escrow pursuant to such Agreement provided Escrow Agent has confirmed:

(i) That recreational facilities or other similar facilities and all other common elements or facilities intended for common use, wherever located and which under the terms of the Condominium Documents "must be built" are substantially complete; or

(ii) That, if the elements or facilities referred to in Subparagraph 3(f)(i) above are not substantially complete, sufficient funds to finance substantial completion of such elements or facilities are being retained in escrow or that other adequate security has been arranged as provided in Paragraph (4) below.

Improvements of the type described in Subparagraph 3(f)(i) above shall be substantially complete when certificates of substantial completion have been issued therefor by the Developer and by a licensed professional architect or engineer, as described in Paragraph (6).

(g) **Release of Funds for Completion of Incomplete Improvements.**

Upon furnishing Escrow Agent a certificate from a licensed professional architect or engineer evidencing substantial completion in accordance with the pertinent plans and specifications of a structure, improvement, facility or identifiable portion thereof for which funds or other security have been deposited in escrow, Escrow Agent shall release to Developer the amount of such funds or other security specified by the issuer of the certificate as being attributable to such substantially completed item(s); provided, however, that if the amounts remaining in escrow after any such partial release would be insufficient in the opinion of the issuer of such certificate to finance substantial completion of any remaining incomplete items for which funds or other security have been deposited in escrow, only the amount in escrow in excess of such estimated cost to substantially complete shall be released by Escrow Agent to Developer.

4. **Substitute Security.** Notwithstanding anything in this Agreement to the contrary, Developer may withdraw all or any part of the escrowed funds prior to the occurrence of any of the events set forth in Paragraph (3) above, provided that Developer shall deliver to Escrow Agent, security having, in the judgment of the Escrow Agent, a value equal to the amount of the funds withdrawn, which security may include, without limitation, any irrevocable letter of credit, lending commitment, indemnification agreement or other resource of value which in the judgment of Escrow Agent is sufficient to assure repayment of the funds withdrawn.

5. **Ultimate Disposition of Funds Received for the Completion of Incomplete Elements or Facilities.** Not earlier than nine (9) months after closing the sale of the first unit in a phase of the Condominium Project for which escrowed funds have been retained or for which security has been provided for the substantial completion of the portions thereof labeled as "must be built", Escrow Agent shall, upon the request of the BINGHAM RIDGE CONDOMINIUM ASSOCIATION or any interested Co-Owner, notify the Developer of the amount of funds remaining in escrow for such purpose, and of the date determined under this paragraph upon which such 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, Escrow Agent shall, upon the request of the BINGHAM RIDGE CONDOMINIUM ASSOCIATION or any interested Co-Owner, notify the Developer of the amount of funds remaining in escrow for such purpose, and the date determined under this paragraph upon which such funds can be released. Three (3) months after receipt of a request pertaining to any of the funds described above, the funds that have not yet been released to Developer may be held or disposed of by Escrow Agent as follows:

(i) Escrow Agent may in its sole and absolute discretion undertake completion of any such improvements pursuant to and in accordance with the

plans and specifications therefor as set forth in the Condominium Documents and/or incorporated into Subscribers' Purchase Agreements, as the case may be, for the benefit of all interested parties, including the Developer, and may administer and disburse escrowed funds or security held for construction of the same in such prudent and reasonable manner as may be reasonably necessary;

(ii) Escrow Agent may release such funds or security in accordance with the terms of such written agreement, if any, as may be entered into by and between the Developer and the BINGHAM RIDGE CONDOMINIUM ASSOCIATION, provided that such agreement is entered into subsequent to the transitional control date of the Condominium Project;

(iii) With the consent of the Developer and all other interested parties, Escrow Agent may initiate an arbitration proceeding under the Commercial Arbitration Rules of the American Arbitration Association pursuant to which proceeding the Developer, the BINGHAM RIDGE CONDOMINIUM ASSOCIATION and all other interested parties shall be named as parties. Escrow Agent shall continue to hold all sums in escrow pending the outcome of arbitration, but Escrow Agent shall not be a party to such arbitration. All issues relative to disposition of such escrow deposits or other security shall be decided by the arbitrator or arbitration panel and such decision shall be final and binding upon all parties concerned and judgment thereon may be rendered upon such award by any Circuit Court of the State of Michigan. Escrow Agent may in any event release all such escrow deposits in accordance with the arbitration decision or may commence an interpleader action with respect thereto as provided below; or

(iv) Escrow Agent may initiate an interpleader action in any Circuit Court in the State of Michigan naming the Developer, the BINGHAM RIDGE CONDOMINIUM ASSOCIATION and all other interested parties as parties and deposit all funds or other security in escrow with the Clerk of such Court in full acquittance of its responsibilities under this Agreement.

6. **Proof of Occurrences; Confirmation of Substantial Completion; Determination of Cost to Complete.** Escrow Agent may require reasonable proof of any event, action or condition stated herein before releasing any funds held by it pursuant to any Purchase Agreement either to a Subscriber thereunder or to the Developer. Whenever Escrow Agent is required hereto to confirm that a facility, element, structure, improvement or identifiable portion of any of the same is substantially complete in accordance with the pertinent plans and specifications therefor, it may base such confirmation entirely upon the certificate of a licensed professional architect or engineer to such effect. Likewise, all estimates and determinations of the cost to substantially complete any incomplete elements, facilities,

structures and improvements for which escrowed funds are being specifically maintained under Subparagraph 3(g) above shall be made entirely by a licensed professional engineer or architect and the determination of all amounts to be retained or maintained in the escrow account for the completion of any such elements, facilities, improvements or structures shall be based entirely upon such determinations and estimates as are furnished by such engineer or architect. No inspections of the Condominium Project or any portion thereof by any representative of Escrow Agent shall be deemed necessary hereunder, nor must any cost estimates or determinations be made by Escrow Agent, and Escrow Agent may rely entirely upon certificates, determinations and estimates as described above in retaining and releasing all escrowed funds hereunder.

7. **Conflicting Claims.** If Escrow Agent receives conflicting instructions or claims to the funds, securities or documents held in escrow, then it may take any one or more of the following actions;

(i) It may release all or any portion of the funds to the party which it reasonably determines in good faith to be entitled to receive such funds under other provisions of this Agreement;

(ii) It may hold all or any portion of the funds, securities and documents affected by the conflicting instructions or claims in escrow and take no further action until otherwise directed, either by mutual written instructions from all interested parties or final Order of a Court of competent jurisdiction; or

(iii) It may initiate an interpleader action in any Circuit Court in the State of Michigan naming all interested parties as parties and depositing all or any portion of the funds, securities and documents affected by the adverse claims with the Clerk of such Court in full acquittance of its responsibilities under this Agreement.

8. **Status and Liability of Escrow Agent.** Upon delivering or applying all funds deposited with it hereunder in accordance with this Agreement, and after performing the obligations and services required by law and in all Purchase Agreements, Escrow Agent shall be released from any further liability under this Agreement and the Purchase Agreements, it being expressly understood that, unless and except to the extent that Escrow Agent undertakes to complete any facilities or improvements in the Condominium Project as permitted by Subparagraph 5(i), liability is limited by the terms and the provisions set forth in this Agreement and the Purchase Agreements. By acceptance of this Agreement, Escrow Agent acknowledges that it is acting in the capacity of a depository and that it is not responsible or liable for the sufficiency, correctness, genuineness or validity of the instruments submitted to it by Developer, the marketability of title to any unit sold under any Purchase Agreement, or

the nature, extent or quality of construction of any facility or improvement unless completed by Escrow Agent as permitted by Subparagraph (5)(i). Escrow Agent shall not be responsible for the failure of any bank used as a depository for funds received pursuant to this Agreement.

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

10. **Construction.** This Agreement shall be subject to, and construed in all respects in accordance with, the Laws of the State of Michigan. The words and phrases herein used shall have such meanings, if any, as are ascribed to them by the Condominium Act unless the context in which they are used clearly indicates to the contrary. In the event any term, covenant or condition of this Agreement or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant or condition of this Agreement, so long as practicable, shall be valid and enforceable to the full extent permitted by law.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first above written.

DEVELOPER:

McKEOUGH LAND COMPANY, INC.

By: Charles C. C.

Its: General Manager

ESCROW AGENT:

LEELANAU TITLE COMPANY

By: Mallory Dair

Its: Escrow Officer

Section 11

BINGHAM RIDGE
LOT INFORMATION STATEMENT
Prepared January 5, 2007

IMPORTANT: READ CAREFULLY BEFORE SIGNING ANYTHING

The Developer has obtained a regulatory exemption from registration under the Interstate Land Sales Full Disclosure Act. One requirement of that exemption is that you must receive this Statement prior to the time you sign an agreement (contract) to purchase a Lot.

RIGHT TO CANCEL

You have the option to cancel your contract or agreement of sale by notice to the seller until midnight of the seventh day following the date of signing the contract or agreement.

If you did not receive a Lot Information Statement prepared pursuant to the rules and regulations of the Interstate Land Sales Registration Division, U.S. Department of Housing and Urban Development, in advance of your signing the contract or agreement, the contract or agreement of sale may be canceled at your option for two years from the date of signing.

RISK OF BUYING LAND

There are certain risks in purchasing real estate that you should be aware of. The following are some of those risks:

The future value of land is uncertain and dependent upon many factors. Do not expect all land to automatically increase in value.

Any value which your Lot may have will be affected if roads, utilities, and/or amenities cannot be completed or maintained.

Any development will likely have some impact on the surrounding environment. Development which adversely affects the environment may cause governmental agencies to impose restrictions on the use of the land.

LOT INFORMATION STATEMENT
BINGHAM RIDGE (continued)
January 5, 2007
PAGE 2

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If adequate provisions have not been made for maintenance of the roads or if the land is not served by publicly maintained roads, you may have to maintain the roads at your own expense.

If the land is not served by a central sewage system and/or water system, you should contact the local authorities to determine whether a permit will be given for an on-site sewage disposal system and/or well and whether there is an adequate supply of water. You should also become familiar with the requirements for, and the cost of, obtaining electrical service to the Lot.

If misrepresentations are made in the sale of this Lot to you, you may have rights under the Interstate Land Sales Full Disclosure Act. If you have evidence of any scheme, artifice or device used to defraud you, you may wish to contact:

Interstate Land Sales Registration Division
HUD Building
Room 6278
451 Seventh Street, SW
Washington, DC 20410

DEVELOPER INFORMATION

Developer's Name: McKeough Land Company, Inc.

Address: 229 Washington Avenue, Grand Haven, Michigan, 49417

Telephone Number: (800) 949-0444

E-mail Address: customerservice@mckeough.com

The following information is provided to you with regard to the Lot you are investigating for purchase:

I. LOT LOCATION/DIRECTIONS

Lot Location: Bingham Ridge, Units 1-24, Section 31, Bingham Township, Leelanau County, Michigan (the "Lot").

From Traverse City, head north on M-22 toward Suttons Bay. Go one mile past M-72 to Cherry Bend Road and turn left (west). Stay on Cherry Bend Road for about three miles to a stop sign at County Road 641 (Lake Leelanau Drive). Turn right (north) and go about five miles to S. Bingham Ridge Drive and the entrance to Bingham Ridge (just south of Bingham Road).

II. LAND

The project site is rolling to hilly terrain with well-drained soils (mostly sand). The Lots are partly wooded with mainly pines and some hardwoods, with open areas along the roadway. The total project area is approximately 26.9 acres. Lots range in size from 0.50 acres to 1.02 acres.

III. RESTRICTIONS UPON THE LOT

The Lot under consideration for purchase from McKeough Land Company, Inc., is subject to local codes and standards as well as restrictions imposed by the Developer. Restrictions as to usage for all Lots in the project are as follows:

A. **Zoning Restrictions.** The Lots are governed by Bingham Township zoning standards.

Some material aspects of the Bingham Township Zoning Ordinance are:

1. Single-family residences are a permitted use.
2. Structure setbacks are as follows:
 - Front (Road) - 40 feet from front ROW line;
 - Side - 10 feet each; and
 - Rear - 30 feet.
 - Certain Lots have increased setbacks – see site plan
3. Home occupations are permitted if certain requirements are met.

This is not intended to be a comprehensive discussion of all Township zoning regulations. The Bingham Township Zoning Administrator is Steve Patmore, (231) 271-2722.

B. Developer Restrictions. Review the Condominium Bylaws for a complete understanding of all restrictions promulgated by the Developer upon the Lot. Some of the substantive Developer restrictions are:

1. Single-family residential uses and recreational uses incidental thereto only;
2. No mobile homes;
3. Minimum, first floor above grade, square footage for dwellings of 1,200 square feet;
4. Home occupations are permitted if certain criteria are met;
5. All utilities must be located underground;
6. All Lot Owners will be members of the Bingham Ridge Condominium Association. Annual dues in the amount of \$300.00 per Lot;
7. No further subdivision of Lots;
8. Rear setbacks on Lots 18, 22, and 23 are 50'; and
9. Maximum height limitations established for each Lot (see Condominium Bylaws).

IV. TITLE EXCEPTIONS

In the purchase of real estate, you should be sure that you receive proper title. Read your title insurance commitment. The only substantive exceptions to clear title on the property you are considering for purchase are as stated below:

- A. McKeough Land Company, Inc. will retain all oil, gas and minerals; however, no mineral exploration may take place on the premises.
- B. Condominium Bylaws promulgated by the Developer.

V. ROAD ACCESS

The roadway serving the project (S. Bingham Ridge Drive) is a private road maintained year-around by the Association. It has been constructed as a paved asphalt surface. The Developer is responsible for all initial road construction costs.

S. Bingham Ridge Drive may also serve additional lots to the south of Bingham Ridge at some point in the future, but these additional lot owners would have to pay a proportional share of the cost of maintenance, upkeep and improvement of

S. Bingham Ridge Drive and the homes built on those lots would need to be of similar style and quality as those required in Bingham Ridge.

VI. RECREATIONAL FACILITIES

Recreational facilities which are available in the area of this Lot are as stated below:

- There is about six acres of open space park area existing on the property. These recreational lands and will be owned and maintained in common by all of the Lot owners;
- A public boat launch and access site to Lake Leelanau is within ¼ mile;
- There are several other lake access sites within 15 miles on lakes such as Lake Michigan, Grand Traverse Bay, Cedar Lake and Suttons Bay;
- Quaint little towns/villages such as Leland, Suttons Bay, Lake Leelanau, Omena, and Northport are within 20 miles;
- Traverse City is only 10 miles away; and
- Several golf courses and wineries are located within 5 - 20 miles.

VII. SUPPLIERS OF UTILITIES AND ISSUERS OF PERMITS

Listed below are the contacts for determining permit requirements, if any, and to obtain information on approximate costs and availability for the listed services.

- A. Current availability of electricity including the name and phone number of the local electric company.
 - 1. Underground power has been installed in front of all Lots along S. Bingham Ridge Drive by the Developer.
 - 2. Power is provided by Cherryland Electric Cooperative, (800) 442-8616.
 - 3. The cost to extend underground power to the homesite is at the rate of \$4.50 per trench foot. This cost is to be paid for by purchaser.
- B. Current availability of telephone service including the name and phone number of the local phone company.
 - 1. Underground telephone service has been installed in front of all Lots along S. Bingham Ridge Drive by the Developer.

2. Telephone service is provided by Ameritech, (800) 244-4444.
 3. The cost to extend underground service is at the rate of \$0.25 per foot if the dwelling is located more than 250' from the phone cable at the roadway. The first 250' is free. There is also a \$42.00 activation fee. This cost is to be paid for by purchaser.
- C. Current availability of natural gas including the name and phone number of the local natural gas company.
1. Underground natural gas has been installed in front of all Lots along S. Bingham Ridge Drive by the Developer.
 2. Service is provided by Michigan Consolidated Gas Company, (888) 573-7430.
 3. There is no cost to extend underground natural gas to the dwelling, but there is a standard connection fee of \$200.00. This cost is to be paid for by the purchaser.
- D. Current availability of cable television including the name and phone number of the local cable company.
1. Underground cable television service has been installed in front of all Lots along S. Bingham Ridge Drive by the Developer.
 2. Service is provided by Charter Communications, (800) 545-8926.
 3. There is no cost to extend underground cable television to the dwelling, but there is a standard installation fee of \$38.00. This cost is to be paid for by purchaser.
- E. Information regarding on-site sewage disposal systems. (Also see the Master Deed for restrictions).

Each Lot will be approved for an on-site sewage disposal system by the Benzie-Leelanau District Health Department, (231) 256-0200. Restrictions on these systems will be described in the Master Deed. A permit from the Health Department is required before installation. Conventional systems should cost \$3,000 - \$4,000.00 to install.

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Quantities of water produced by wells in the area are adequate for residential purposes. There is no known contamination of ground water supplies in the immediate area. Health Department regulations will require wells to be a certain minimum depth based on the test well that the Developer installed on Lot 1. Prior to installation of an on-site well, you must obtain a permit from the Benzie-Leelanau District Health Department.

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- A. Fire Protection/Rescue Squad – Suttons Bay-Bingham Fire Department, non-emergency, (231) 271-6978.
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IX. REAL PROPERTY TAXES

The 2006 non-homestead tax millage, which is assessed by Bingham Township is roughly 40.1448.

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- A. By signing below, you attest that you have personally inspected the Lot to investigate its condition and that of the surrounding area. And, you acknowledge that unless expressly stated in your purchase agreement, there are no provisions for future improvements of the Lot or the project nor are there any promises as to the future value of the Lot.
- B. By signing below, you attest that you have received this Lot Information Statement and that you understand and acknowledge that the information provided in this Statement has been prepared with reasonable diligence by the seller based on information currently available, and that such information is subject to change.
- C. If you have any questions regarding this document or your property, please call McKeough Land Company, Inc. at (800) 949-0444 or e-mail at customerservice@mckeough.com.

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BINGHAM RIDGE
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BINGHAM RIDGE (continued)
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- C. If you have any questions regarding this document or your property, please call McKeough Land Company, Inc. at (800) 949-0444 or e-mail at customerservice@mckeough.com.

Buyer Date

Sales Representative Date

Buyer Date

Section 12

CONDOMINIUM PURCHASE AGREEMENT

BINGHAM RIDGE

Condominium Lot No.: _____

WHEREAS, McKEOUGH LAND COMPANY, INC., an Illinois corporation duly qualified to transact business in the State of Michigan, (hereinafter "Developer") is developing **BINGHAM RIDGE**, a land area condominium project located in the Township of Bingham, Leelanau County, Michigan, to consist of twenty-four (24) lots in total, and

WHEREAS, _____, (hereinafter "Subscriber") wishes to reserve the right to purchase a lot in the project and to participate in the Association of Co-owners formed for the operation and regulation of the common elements of the project.

IT IS AGREED AS FOLLOWS:

Subscriber, in consideration of the mutual promises of other subscribers and other good and valuable consideration, hereby reserves the right to participate in the proposed project by purchasing the above referred condominium lot, together with an undivided interest in the common elements of the project for the purchase price of _____ (\$ _____) Dollars, (the "Purchase Price").

Subscriber agrees that he will pay the Purchase Price as follows:

(a) _____ (\$ _____) Dollars, upon execution of this Agreement (to be held in escrow with Leelanau Title Company, under an Escrow Agreement, the terms of which are incorporated herein and made a part hereof), provided further, all sums deposited shall be so held in escrow and shall be returned to the subscriber within three (3) business days after withdrawal from this Agreement as provided herein, and

(b) To pay the remaining portion of the Purchase Price as follows:

(1) In cash at closing; or

(2) To pay _____ (\$ _____) Dollars in cash and to finance the balance under a conventional mortgage; or

(3) To pay _____ (\$ _____) Dollars in cash and to pay the balance via a standard land contract calling for

payment within _____ (____) years in monthly installments of _____ (\$_____) Dollars including interest at the rate of _____ (____%) percent per annum; the land contract DOES/DOES NOT amortize; or

- (4) To pay _____ (\$_____) Dollars in cash and to pay the balance via a standard purchase money mortgage calling for payment within _____ (____) years in monthly installments of _____ (\$_____) Dollars including interest at the rate of _____ (____%) percent per annum; the purchase money mortgage DOES/DOES NOT amortize.

If Subscriber elects to finance the Purchase Price under a conventional mortgage, he shall make good faith application at his sole cost for a mortgage commitment within ten (10) days after this Agreement becomes a binding purchase agreement pursuant to Paragraph (2) hereof.

Closing on the reserved lot shall occur within ten (10) days after receipt by Subscriber of the Notice described in Paragraph (3) hereof.

Subscriber agrees that, in addition to the Purchase Price, he will be liable after closing for his proportionate share of the Association Assessment for maintenance, repair, replacement and other expenses of Administration as outlined in the Condominium Bylaws.

1. **PLAN AND PURPOSE.**

The Bingham Ridge Condominium Association has been, or will be, established as a Michigan nonprofit corporation for the purpose of operating and maintaining the common elements of the condominium. Each Co-owner shall be a member of the Association and will be subject to the Bylaws and regulations thereof. Subscriber hereby subscribes to and agrees to abide by the terms, provisions, declarations, covenants and restrictions contained in the Master Deed, Condominium Bylaws and Condominium Subdivision Plans of the project and the Articles of Incorporation, Bylaws and Regulations, if any, of the Association, the contents of which documents will be as Developer, in its discretion, deems appropriate, and copies of which will be furnished to Subscriber together with the waiver discussed in Paragraph (2) below.

2. **EFFECT OF AGREEMENT.**

This Agreement shall become a binding purchase agreement upon Developer and Subscriber upon the expiration of nine (9) business days after receipt by Subscriber of the

Condominium Documents. However, if Subscriber shall waive the nine (9) business day period in writing, then this Agreement shall become immediately binding upon the execution of such waiver.

3. **CONVEYANCE OF TITLE.**

In consideration of this Agreement, the Developer agrees to convey to Subscriber good and marketable title to said lot by a Warranty Deed subject to easements and restrictions of record, all pertinent governmental regulations and subject to the instruments mentioned in Paragraph (1) above, upon payment of the remaining portion of the Purchase Price as specified in (b) above. Subscriber agrees to consummate the purchase of said lot from Developer within ten (10) days after Developer has notified Subscriber in writing that it is prepared to tender title and/or possession to him. It is understood that Subscriber will, at the time title and/or possession is conveyed to him, pay all mortgage costs (if applicable) and such other closing costs as are customarily paid by the purchasers of comparable real estate in this jurisdiction and taxes, assessments and insurance will be adjusted to the date of closing.

Current taxes shall be prorated as of the date of closing. "Current Taxes" (defined as those taxes due in the calendar year the closing takes place) shall be prorated as of the date of closing in the following manner: county taxes, including township and school, shall be prorated on a calendar year basis, as if paid in arrears, so that Seller will be charged with the portion thereof from the prior January 1 to the date of closing, and Purchaser with the balance of the year. In the event that the real property tax bills relative to the condominium property have not yet been split into separate tax bills for each lot by the local tax assessor, Developer may require Subscriber to pay into an escrow account to be maintained by the Association an amount equal to Subscriber's estimated percentage of value share of real estate taxes with respect to the condominium project which will next fall due. Within a reasonable time after closing, Developer, at its expense, will furnish Subscriber with an owner's title insurance policy issued in a face amount equal to the purchase price of the lot. A commitment therefor will be furnished to Subscriber by Developer at or prior to closing.

An amount equal to six (6) months' estimated maintenance assessment plus that amount of the semi-annual assessment prorated to the date of closing shall be paid in advance by Subscriber to Developer on behalf of the Association at the time of closing as a working capital deposit and Subscriber shall also, if required by Developer, make a proportionate contribution to the Association's insurance reserve at the time of closing.

4. **CANCELLATION RIGHTS OF SUBSCRIBER.**

Unless the Subscriber waives the right of withdrawal, the Subscriber may withdraw from this Agreement without cause and without penalty if the withdrawal is made before

conveyance of the lot and within nine (9) business days after receipt of the Condominium Documents and the amounts theretofore paid by him under this Agreement will be refunded to him in full satisfaction and termination of any rights and liabilities of Subscriber and Developer of any sort hereunder and shall wholly cease and terminate.

5. **CANCELLATION RIGHTS OF DEVELOPER.**

If Developer determines not to establish the Subscriber's lot in the condominium project, then Developer shall so notify Subscriber in writing. In such event, Developer reserves the right to return all sums received for reservation of the right to purchase said lot to Subscriber or his successors, and thereupon, all rights of Subscriber shall cease and terminate without further liability on the part of Developer.

It is understood that Subscriber's credit is subject to approval by Developer and by any proposed mortgagee. In the event that either Developer or such mortgagee determines that Subscriber does not meet credit requirements for participation in the project, then Developer shall return to Subscriber all of the sums paid hereunder and this Agreement shall be deemed null and void and all of Subscriber's and Developer's rights shall cease and terminate without further liability on the part of either party.

The Developer may, at its option, release the obligations of Subscriber under this Agreement in the event Subscriber shall secure another Subscriber who is satisfactory to the Developer. This Agreement is not otherwise assignable.

6. **SECURITY FOR COMPLETION.**

After expiration of the withdrawal period provided in Paragraph (4), Developer shall be required to retain sufficient funds in escrow or to provide sufficient security to assure completion of all improvements labeled "must be built" in the Condominium Subdivision Plan.

7. **ARBITRATION.**

At the exclusive option of the Subscriber, any claim which might be the subject of a civil action against the Developer which involves an amount less than \$2,500.00, and arises out of or relates to this Purchase Agreement or the lot or project to which this Agreement relates, shall be settled by binding arbitration conducted by the American Arbitration Association. Judgment upon the award rendered by arbitration may be entered in a circuit court of appropriate jurisdiction.

8. **DEFAULT.**

If the Subscriber shall default in any of the payments or obligations called for in this Agreement and such default shall continue for ten (10) days after written notice sent by the Developer to the Subscriber, then, forthwith at the option of the Developer all rights of

Subscriber under this Agreement shall terminate. If Subscriber's rights are terminated subsequent to this Agreement becoming a binding purchase agreement pursuant to Paragraph (2) hereof, any amount paid toward the Purchase Price shall be retained by the Developer as liquidated damages; provided, however, that such liquidated damages shall in no event exceed ten (10%) percent of the Purchase Price specified on page one hereof. If Subscriber's rights terminate prior to the time this Agreement becomes a binding purchase agreement pursuant to Paragraph (2) hereof, all sums paid by Subscriber shall be refunded to him and neither party hereto shall be obligated further.

9. **ORAL REPRESENTATION NOT TO BE RELIED UPON.**

This Agreement will supersede any and all understandings and agreements and constitutes the entire agreement between the parties and no oral representations or statements shall be considered a part hereof.

10. **NOTICES.**

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

11. **USAGE OF TERMS.**

The pronouns and relative words herein used shall be construed respectively to include the masculine, feminine and neuter genders and the singular and plural numbers unless the context indicates a contrary intention.

12. **THE CONDOMINIUM BUYER'S HANDBOOK.**

Subscriber hereby acknowledges receipt prior to execution of this Agreement of a copy of the Condominium Buyer's Handbook published by the Michigan Department of Consumer and Industry Services.

This Agreement is executed by the parties on the ____ day of _____, 20____. Subscriber hereby acknowledges receipt of a copy of this Agreement and the Escrow Agreement referred to above.

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

13. ADDITIONAL CONDITIONS.

THE PARTIES AGREE THAT THIS AGREEMENT IS SUBJECT TO AND INCLUDES THE GENERAL PROVISIONS CONTAINED HEREIN WHICH SUBSCRIBER ACKNOWLEDGES THAT HE HAS READ.

RIGHT TO CANCEL

YOU HAVE THE OPTION TO CANCEL YOUR CONTRACT OR AGREEMENT OF SALE BY NOTICE TO THE SELLER UNTIL MIDNIGHT OF THE SEVENTH DAY FOLLOWING THE DATE OF SIGNING THE CONTRACT OR AGREEMENT.

IF YOU DID NOT RECEIVE A LOT INFORMATION STATEMENT PREPARED PURSUANT TO THE RULES AND REGULATIONS OF THE INTERSTATE LAND SALES REGISTRATION DIVISION, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, IN ADVANCE OF YOUR SIGNING, THE CONTRACT OR AGREEMENT OF SALE MAY BE CANCELED AT YOUR OPTION FOR TWO YEARS FROM THE DATE OF SIGNING.

SUBSCRIBER(S):

DEVELOPER:

McKEOUGH LAND COMPANY, INC.

By: _____

SUBSCRIBER

Its: _____

SUBSCRIBER

Subscriber's Address:

Subscriber's Telephone No.: _____

Developer's Telephone No.: _____

Private Road Addendum

Addendum to Purchase and Sales Agreement dated _____,
between McKeough Land Company, Inc. (Seller) and _____
_____. (Buyers).

The property that Buyers are purchasing from Seller is on
a private road which is not required to be maintained by the
Board of County Road Commissioners.

Agent, McKeough Land Company, Inc.

(Buyer)

(Buyer)

Private Road Addendum

Addendum to Purchase and Sales Agreement dated _____,
between McKeough Land Company, Inc. (Seller) and _____
_____ (Buyers).

The property that Buyers are purchasing from Seller is on
a private road which is not required to be maintained by the
Board of County Road Commissioners.

Agent, McKeough Land Company, Inc.

(Buyer)

(Buyer)

Private Road Addendum

Addendum to Purchase and Sales Agreement dated _____,
between McKeough Land Company, Inc. (Seller) and _____
_____. (Buyers).

The property that Buyers are purchasing from Seller is on
a private road which is **not** required to be maintained by the
Board of County Road Commissioners.

Agent, McKeough Land Company, Inc.

(Buyer)

(Buyer)

WAIVER

The undersigned, for good cause acknowledged by the undersigned, hereby waives the nine (9) business day waiting period from receipt of the condominium documents as provided by the Condominium Act prior to closing of the purchase of Lot No. _____, Bingham Ridge. The undersigned represents and warrants that he/she is familiar with this project, and has knowingly and intentionally and of his/her own volition waived the nine-day waiting period as provided by the Condominium Act.

Dated: _____

Unit No.: _____

WAIVER

The undersigned, for good cause acknowledged by the undersigned, hereby waives the nine (9) business day waiting period from receipt of the condominium documents as provided by the Condominium Act prior to closing of the purchase of Lot No. _____, Bingham Ridge. The undersigned represents and warrants that he/she is familiar with this project, and has knowingly and intentionally and of his/her own volition waived the nine-day waiting period as provided by the Condominium Act.

Dated: _____

Unit No.: _____

Section 13

The Condominium Buyers' Handbook

**State of Michigan
Department of Consumer and Industry Services
Office of Policy and Legislative Affairs
Boundary Commission
www.cis.state.mi.us/opla**

The Condominium Buyers Handbook was created by the Michigan Department of Consumer and Industry Services as required by the Condominium Act, Public Act 59 of 1978, as amended. This edition reflects Public Act 379 of 2000 amendments that took effect January 2, 2001.

This handbook is intended as a guide for people who are considering buying a condominium. It provides a summary of portions of the Condominium Act (MCL 559.101 et seq.) and is directed primarily toward residential condominium buyers, although the Act also provides for business, campground and marina condominium developments.

Although the Department of Consumer & Industry Services is identified as the administrator in the Act, the Legislature repealed the Department's regulatory responsibilities many years ago. The Act does not give the Department authority to enforce any provisions in the Act. The last section of the handbook describes the remedies the Act does provide. In addition, the Department will forward a copy of a complaint received regarding a developer of a condominium project to the developer along with a notice of available remedies in the Act. Contact:

Michigan Department of Consumer & Industry Services
Office of Policy & Legislative Affairs
P.O. Box 30004
Lansing, MI 48909
(517) 241-4580
www.cis.state.mi.us/opla

Condominium Ownership

Unit owners have exclusive ownership rights to their unit and the right to share the common elements of the condominium project with the other co-owners. The development is privately owned and maintained by the co-owners, unless the local government agrees to take responsibility for maintaining a portion of the development. Roads are an example of a portion of a condominium development that may become public. The master deed will designate the percentage of ownership of each condominium unit in the development. This percentage of value will determine your obligation for payment of monthly fees, assessments, and may determine your voting percentage at association meetings.

The bylaws should be read carefully as they contain provisions outlining your rights as an owner. Modifications or repairs to your unit may require approval of the co-owners association. There may be restrictions on pets, renting, use of recreational facilities, and other prohibitions in the bylaws that you should be aware of before signing a purchase agreement.

Association of Co-owners (Condominium Board):

Initially, the developer appoints the board of directors, who govern the development until the first annual meeting. The provisions for holding the annual meeting and designating the voting procedures are included in the condominium bylaws. The association of co-owners is elected by the co-owners and is responsible for governing the development and maintaining the general common elements. The general common elements may consist of hallways, lobbies, building exteriors, lawns, streets (if the roads are private), recreation facilities, heating, water and electric systems. The association has authority to determine the monthly maintenance fee and the amount of any special assessments. The association of co-owners may hire a management company to provide services for the development. Each co-owner must pay a monthly fee for these services and any special assessments.

Rules governing the association are written in the bylaws of the condominium development. After the association of co-owners is created, it may adopt bylaws for the operation of the association. Meetings of the co-owners association are meetings of a private entity, and not subject to the Open Meetings Act, which requires government agencies to allow public attendance at meetings. Associations are required to maintain a reserve fund for major repairs and replacement of common elements. The minimum amount is 10 % of the annual budget on a non-cumulative basis.

You should receive a disclosure statement itemizing the association's budget at the time you are given the master deed. The monthly assessment is considered a lien on the condominium unit and you cannot be exempt from assessments and monthly fees by nonuse of any common elements or by abandonment of the condominium unit. Co-owners must notify the association if they rent or mortgage their unit.

If you have complaints with the association or other co-owners, review the condominium bylaws to determine what recourse you have. Generally only professional arbitrators or the courts have jurisdiction over complaints between these parties.

Site Condominiums

The term "site condominium" is used to describe a condominium development with single-family detached housing instead of two or more housing units in one structure. Site condominium developments must comply with the Act. The Act requires developers to notify the appropriate local government of their intent to develop a condominium project. The type of review the development is subject to depends on the local government's ordinances. Site condominium documents are not reviewed by the State for conformance with the Act.

There is another type of residential subdivision development in Michigan that is regulated in accordance with the Land Division Act. Subdivisions developed pursuant to the Land Division Act are subject to state review for conformance with the Land Division Act.

Limited or General Common Elements

Limited common elements are property with usage restrictions. A carport space assigned to a unit is a limited common element. The yard of a unit that is a single family detached home may be a limited common element for use by the owner of that unit. General common elements may be roads, open space areas and recreation facilities. They are available for use by everyone in the development. The master deed specifies which parts of your condominium development are designated as limited or general common elements. Use of the common elements is governed by the bylaws for the condominium development.

Condominium Documents

The condominium documents include the master deed, condominium subdivision plan, bylaws for the condominium project, and any other documents referred to in the master deed or bylaws. In addition, the developer is required to provide a disclosure statement. Once the condominium association is established, it may adopt another set of bylaws pertaining to the association's operation. The association or management company must keep books and records with a detailed account of the expenditures and receipts affecting the project and its administration, and which specify the operation expenses.

Preliminary Reservation Agreements

A preliminary reservation agreement gives you the opportunity to purchase a particular condominium unit for a specified period of time upon sale terms to be determined later. The developer must place the payment you make in an escrow account with an escrow agent. If you make a payment under a preliminary reservation agreement and cancel the agreement, the developer must fully refund the money. If you subsequently enter into a purchase agreement, the developer must treat the payment made as if it was made under a purchase agreement.

Purchase Agreements

A purchaser may withdraw from a signed purchase agreement without cause or penalty within nine business days as long as the property has not been conveyed to the purchaser. The nine-business day window starts the day on which the documents listed below are received, if that day is a business day. The developer must deposit payments made under a purchase agreement in an escrow account with an escrow agent.

Before signing an agreement, it is advisable to seek professional assistance to review all condominium documents. Some issues to consider before buying include the following:

- The bylaws may contain a variety of restrictions. The bylaws may require you to receive association approval for certain actions. If you do not obtain prior approval, the association has authority to enforce any legal restrictions in the bylaws.
- You may be subject to a binding purchase agreement before construction begins or is completed. Determine whether the agreements will provide you with adequate rights if the developer does not finish the unit in time to meet the occupancy date.
- Review all restrictions, covenants, and easements that might affect the condominium project or your unit.
- Determine if the developer has reserved any rights to alter the project.
- Before signing a purchase agreement make sure you have financing, or that the agreement specifies it is dependent on your ability to obtain a mortgage commitment for the unit.
- You may want to determine if the developer is contractually obligated to finish the development. The local government may have required the developer to provide **letters** of credit to complete elements of the project.
- Do not rely on verbal promises, insist that everything be in writing and signed by the person who made the promise.
- When buying a condominium in a structure that has been converted from an existing building, you will also be a joint owner of the furnace, roof, pipes, wires and other common elements. Ask for an architect's or engineer's report on the condition of all building components and their expected useful life. Ask to see copies of the building maintenance records, and find out what improvements the developer has made.

Documents the Developer Must Provide

The developer must provide copies of the following documents to a prospective purchaser:

1. The recorded master deed.
2. A copy of the purchase agreement and escrow agreement
3. The condominium buyer's handbook.
4. A disclosure statement that must include information about:
 - the developer's previous experience with condominium projects,
 - any warranties undertaken by the developer, and
 - the extent to which financial arrangements have been provided for completion of all structures and improvements labeled "must be built" on the subdivision plan.

Advisory Committee

The advisory committee is established when one of the following occurs, whichever happens first:

1. 120 days after 1/3 of the units are sold to nondeveloper co-owners.
2. One year after a unit is sold to a nondeveloper co-owner.

The purpose of the advisory committee is to meet with the project board of directors to facilitate communication and aid in the transition of control to the association of co-owners. The advisory committee ceases when a majority of the board of directors of the association of co-owners is elected by the nondeveloper co-owners.

Election of Board of Directors for Association of Co-owners

No later than 120 days after 25% of nondeveloper co-owners have title to the units that may be created, at least one director, and not less than 25% of the board of directors shall be elected by the nondeveloper co-owners.

No later than 120 days after 50% of nondeveloper co-owners have title to the units that may be created, at least 33.3% of the board of directors shall be elected by nondeveloper co-owners.

No later than 120 days after 75% of nondeveloper co-owners have title to units that may be created, and before 90% are conveyed to nondeveloper co-owners, the nondeveloper co-owners shall elect all directors on the board, except if the developer owns and offers for sale at least 10% of the units, or as long as 10% of the units remain to be created, the developer shall have the right to designate one director.

If titles to 75% - 100% of the units that may be created have not been conveyed, 54 months after the first conveyance, the nondeveloper co-owners shall elect the number of

board members equal to the percentage of units they hold. The developer has the right to elect the number of board members equal to the percentage of units that are owned by the developer, if the developer has paid all assessments for those units.

Documents the Association Must Provide

The association of co-owners must provide a financial statement annually to each co-owner. The books, records, and contracts concerning the administration and operation of the condominium project must be available for examination by any of the co-owners at convenient times. All books and records must be audited or reviewed by independent accountant annually, but the audit does not have to be certified. The association must keep current copies of the master deed, all amendments to the master deed, and other condominium documents available at reasonable hours to co-owners, prospective purchasers and prospective mortgagees.

Amendments to Condominium Documents

If the condominium documents contain a statement that the developer or association of co-owners has reserved the right to amend the documents for that purpose, then the documents may be amended without the consent of the co-owners, as long as the change does not materially alter or change the rights of a co-owner.

The master deed, bylaws and condominium subdivision plan may be amended, even if the amendment will materially alter or change the rights of a co-owner with the consent of at least 2/3 of the votes of the co-owners and mortgagees.

The method or formula used to determine the percentage of value of each unit for other than voting purposes cannot be modified without the consent of each affected co-owner. Provisions relating to the ability or terms under which a co-owner may rent a unit may not be modified without the consent of the co-owner. A co-owner's unit dimensions or the limited common elements to the co-owner's unit may not be modified without the co-owner's consent.

Remedies Available Pursuant to the Act

A developer who offers or sells a condominium unit in violation of the Act is liable to the purchaser for damages.

A person or association of co-owners adversely affected by a violation of, or failure to comply with, the Act, administrative rules issued under the authority of the Act, or any provision of an agreement or a master deed may take action in a court with jurisdiction. The court may award costs to the prevailing party.

A co-owner may take action against the association of co-owners to compel the association to enforce the condominium documents. To the extent that the condominium documents expressly provide, the court shall determine costs of the proceeding and the successful party shall recover those costs.

A co-owner may take action against another co-owner for injunctive relief or for damages for noncompliance with the terms of the condominium documents or the Act.

The bylaws must contain a provision that disputes relating to the interpretation of the condominium documents or arising out of disputes among co-owners may be resolved through arbitration. Both parties must consent to arbitration and give written notice to the association. The decision of the arbitrator is final and the parties are prohibited from petitioning the courts regarding that dispute.

A developer and a co-owner, or association of co-owners, may execute a contract to settle by arbitration for any claim against the developer that might be the subject of a civil action. A purchaser or co-owner has the exclusive option to execute a contract to settle by arbitration for any claim against the developer that might be the subject of a civil action and involves less than \$2,500. All costs will be allocated in the manner provided by the arbitration association. A contract to settle by arbitration must specify that the arbitration association will conduct the arbitration. The method of appointment of the arbitrator will be pursuant to rules of the arbitration association. Arbitration will be in accordance with sections 5001 to 5065 of Act No. 236 of 1961, MCL 600.5001 to 5065, which may be supplemented by rules of the arbitration association. An arbitration award is binding on the parties to the arbitration.

A condominium developer may be required to be a licensed residential builder under the Occupational Code. If a person has violated the Occupational Code or administrative rules, a complaint must be made within 18 months after completion, occupancy or purchase of a residential structure. Conduct subject to penalty is described in Article 24 of the Occupational Code. Complaints concerning construction may be filed with:

Michigan Department of Consumer & Industry Services
Bureau of Commercial Services
Enforcement Division
P. O. Box 30018
Lansing, MI 48909
Phone: (517) 241-9202
www.cis.state.mi.us/bcs

The Michigan Consumer Protection Act prohibits certain methods, acts, and practices, provides for certain investigations and prescribes penalties. Complaints regarding an alleged violation of the Consumer Protection Act may be filed with:

Michigan Department of Attorney General
Consumer Protection Division
P. O. Box 30213
Lansing, MI 48909
Phone: (517) 373-1140
www.ag.state.mi.us

The Act provides the right to notify the agency in a governmental unit responsible for administration and enforcement of construction regulations of an alleged violation of the state construction code, other applicable building code, or construction regulation.

A person who willfully aids in the advertisement of a statement or representation that misrepresents the facts concerning a condominium project, as described in the recorded master deed, is guilty of a misdemeanor and shall be punished by a fine or imprisonment or both. An action under this section shall be brought by the prosecuting attorney of the county in which the property is located, or by the department of attorney general.

A person can not take action arising out of the development or construction of the common elements, or the management, operation, or control of a condominium project, more than three years from the transitional control date or two years from the date of the cause of the action, whichever occurs later. The transitional control date is the date the board of directors takes office by an election where the co-owners' votes exceed the developer's votes for the board members.

Legal References

Condominium Act, P.A. 59 of 1978, as amended, MCL 559.101 et seq.
Condominium Rules, R559.101 et seq, 1985 Michigan Administrative Code
Occupational Code, P.A. 299 of 1980, MCL 339.101 et seq.
Consumer Protection Act, P.A. 331 of 1976, MCL 445.901 et seq.
Stille-Derossett-Halle Single State Construction Code Act, P.A. 230 of 1972, MCL 125.1501 et seq.

Approval: CIS Director

<p>The Department of Consumer and Industry Services will not discriminate against any individual or group because of race, sex, religion, age, national origin, color, marital status, political beliefs or disability. If you need help with reading, writing, etc., under the Americans with Disabilities Act, you may make your needs known to this agency.</p>
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Section 14

RECEIPT

The undersigned hereby acknowledges receipt from McKeough Land Company, Inc., ("Developer"), of the following Bingham Ridge documents:

- A. Instruction Sheet in accordance with Section 89(3) of the Condominium Act;
- B. Real Estate Agency Relationships Disclosure;
- C. Seller's Disclosure Statement;
- D. The recorded Master Deed Including Condominium Bylaws and Subdivision Plans;
- E. A Condominium Disclosure Statement;
- F. Articles of Incorporation of the Condominium Association;
- G. Condominium Association Bylaws;
- H. Escrow Agreement;
- I. Lot Information Statement;
- J. An executed copy of the Purchase Agreement;
- K. A Condominium Buyer's Handbook containing in a prominent location and in boldface type, the name, telephone number and address of the person designated by the Michigan Department of Commerce to respond to complaints; and
- L. Receipt

The undersigned further acknowledges that the Developer has informed the undersigned that the Purchase Agreement shall not be binding on the undersigned Purchaser and Purchaser may withdraw from same without cause and without penalty before conveyance of the unit and within nine business days after receipt of the above listed documents as provided in the Condominium Act.

Dated: _____

Purchaser(s):

RECEIPT

The undersigned hereby acknowledges receipt from McKeough Land Company, Inc., ("Developer"), of the following Bingham Ridge documents:

- A. Instruction Sheet in accordance with Section 89(3) of the Condominium Act;
- B. Real Estate Agency Relationships Disclosure;
- C. Seller's Disclosure Statement;
- D. The recorded Master Deed Including Condominium Bylaws and Subdivision Plans;
- E. A Condominium Disclosure Statement;
- F. Articles of Incorporation of the Condominium Association;
- G. Condominium Association Bylaws;
- H. Escrow Agreement;
- I. Lot Information Statement;
- J. An executed copy of the Purchase Agreement;
- K. A Condominium Buyer's Handbook containing in a prominent location and in boldface type, the name, telephone number and address of the person designated by the Michigan Department of Commerce to respond to complaints; and
- L. Receipt

The undersigned further acknowledges that the Developer has informed the undersigned that the Purchase Agreement shall not be binding on the undersigned Purchaser and Purchaser may withdraw from same without cause and without penalty before conveyance of the unit and within nine business days after receipt of the above listed documents as provided in the Condominium Act.

Dated: _____

Purchaser(s):

Section 15

Buyer Protection Plan

At McKeough Land Company, we care about our customers and the land they purchase. Our comprehensive package of guarantees ensures that you are getting the best value for your investment.

We provide to you our exclusive Buyer Protection Plan with your land purchase. The plan includes:

1. Your Warranty Deed

A Warranty Deed is provided at closing. A Warranty Deed is the highest quality deed available anywhere. By providing a Warranty Deed, we're warranting that your property is free of any unacceptable liens or encumbrances and that in the event of an unexpected title dispute, we will defend your title to the property.

2. Your Soils Evaluation

The soils on your parcel have been evaluated by either the local Health Department or by a qualified soils scientist. For properties that are not served by a municipal or community wastewater treatment system, these evaluations are performed to ensure the property's suitability for a septic system. If you are unable to obtain a permit for a septic system on your parcel, we will refund your purchase.

3. Your Title Insurance Policy

The title history of your parcel has been evaluated by a qualified title examiner. Title Insurance, or its equivalent, is available to you from a title insurance company or attorney. Your parcel has marketable title and is free of any liens or encumbrances that would interfere with your ability to use and enjoy your land.

4. Your Survey

A boundary survey has been prepared for you by a licensed professional land surveyor and is provided to you to assure that you are getting the exact boundary and acreage you contracted for.

5. Your Lot Information Statement

The Lot Information Statement (LIS) is provided to you in order to provide full disclosure on your purchase. Your LIS is a valuable resource for answering questions related to building and use restrictions, utility costs and other important aspects of your property.

6. Your Guarantee of Buildability

MLC guarantees your property meets all regulatory requirements at the time of purchase in order for a building permit to be issued. If a building permit cannot be issued in compliance with said regulations, we will refund your purchase.



A handwritten signature in dark ink, appearing to read "M. A. McKeough", written over a horizontal line.

Michael A. McKeough, President



ANNOUNCING:



Contact:

McKeough Land Company
104 South Union St., Suite 212
Traverse City, MI 49684

(800) 290-5263

info-tc@mckeough.com
www.BinghamRidge.com

Location

Bingham Ridge is located between Traverse City and Suttons Bay. This location offers the best of both worlds with the rural setting and quaint feeling of a quiet community, yet only 10 miles from Traverse City. You can also walk to public lake access and boat launch.



(Prices are subject to change.
Last updated 7/30/03)

