

MASTER DEED

**CONDOMINIUM BYLAWS
(EXHIBIT "A")**

**CONDOMINIUM SUBDIVISION PLAN
(EXHIBIT "B")**

STATE OF MICHIGAN
EMMET COUNTY
RECORDED

99 MAY -6 AM 10:34

Alanna B. Lipe

REGISTER OF DEEDS

MASTER DEED
THE COTTAGES CONDOMINIUM

(Act 59 of 1978, as Amended)

This Master Deed is made and executed this 5th day of April, 1999, by Cecil Farms Development Company, L.L.C., a Michigan limited liability company, whose address is 600 Crooked Tree Drive, Petoskey, Michigan, 49770, ("Developer") in pursuance to the provisions of the Condominium Act, being Act 59 of the Public Acts of 1978, as amended ("Act").

WITNESSETH:

WHEREAS, Developer desires by recording this Master Deed, together with the Condominium Bylaws attached hereto marked Exhibit "A" and together with the Condominium Subdivision Plan attached hereto marked Exhibit "B" and made a part hereof, to establish the real property described in Article II below, together with improvements located and to be located thereon and the appurtenances thereto, as a condominium project under the provisions of the Act.

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

ARTICLE I
TITLE AND NATURE

This Condominium Project shall be known as The Cottages Condominium, Emmet County Condominium Subdivision Plan No. 201. The Project consists of 28 Site Units.

OFFICE OF
Treasurer of Emmet County Petoskey, Mich. 5-6 1999
I hereby certify that I have examined the records in my office and it appears that the taxes on the within description have been paid for the past five years and that there are no tax liens or Titles held by the State or any individual for the past five years. Prior to date of deed.

Ann V. Kuhn
County Treasurer

1318 11100022

The Site Units contained in the Condominium, including the number, location, boundaries, dimensions and area of each, are set forth completely in the Condominium Subdivision Plan attached hereto as Exhibit "B". Each Unit is a separate building site designed to contain a single residence, which may share a common wall, and other improvements for dwelling purposes and is capable of individual utilization by reason of having its own entrance from and exit to a Common Element of the Project or to a public roadway. Each Co-owner in the Project shall have a particular and exclusive property right to his Unit and the Limited Common Elements appurtenant thereto, and shall have an undivided and inseparable right to share with other Co-owners the General Common Elements of the Project as designated by this Master Deed.

All provisions of the Master Deed and its Exhibits, as amended, shall be construed to be covenants running with the land and with every part thereof and interest therein, including but not limited to every Unit and the appurtenances thereto; and every Co-owner of the property or any part thereof or interest therein, and his heirs, executors, administrators, successors and assigns shall be bound by all of the provisions hereof.

Nothing contained in this Master Deed or in any of the Condominium Documents shall be construed to prohibit the Developer from recording and implementing separate restrictive and affirmative covenants for the use and enjoyment of the Units on a time share or common ownership basis. The Developer and any successor developer shall have the exclusive right to record and implement such covenants in its sole and absolute discretion as to any Unit owned or reacquired by it no matter if at the time of any such reacquisition, Developer shall have exercised all its other rights and performed all its other duties and responsibilities hereunder.

ARTICLE II LEGAL DESCRIPTION

The real property on which the Project is situated and established by this Master Deed is particularly described as follows:

Part of the West 1/2 of Section 11, T34N, R6W, Resort Township, Emmet County, Michigan described as:

Commencing at the North 1/4 corner of Section 11, T34N, R6W, Emmet County, Michigan; thence along the North-South 1/4 line of said Section 11, S 00°15'50" E 2646.20 feet to the center of said Section 11; thence along the East-West 1/4 line of said Section 11 S 89°58'46" W 1324.44 feet; thence S 00°20'46" E 34.00 feet to the **Place of Beginning**; thence S 48°52'46" W 293.26 feet; thence N 71°19'46" W 139.56 feet; thence S 79°37'47" W 494.20 feet; thence N 29°59'59" W 234.74 feet; thence N 60°28'59" E 337.30 feet; thence N 49°26'02" E 550.91 feet; thence N 89°59'46" E 72.55 feet; thence S 7°27'01" E 402.81 feet; thence S 52°43'44" E 150.58 feet to the Place of Beginning;

INCLUDING a non-exclusive, perpetual easement for the purpose of ingress and egress between the described Condominium Project and the private road commonly known as Crooked Tree Drive, 30 feet in width and lying 15 feet on either side of a centerline described as follows:

Commencing at the North 1/4 corner of Section 11, T34N, R6W, Emmet County, Michigan; thence along the North-South 1/4 line of said Section 11, S 00°15'50" E 2646.20 feet to the

center of said Section 11; thence along the East-West 1/4 line of said Section 11 S 89°58'46" W 1324.44 feet; thence S 00°20'46" E 34.00 feet; thence S 48°52'46" W 159.71 feet to the **Place of Beginning**; thence S 25°45'00" E 233.31 feet; thence S 50°26'33" E 138.09 feet; thence S 81°22'58" E 195.65 feet; thence S 79°08'27" E 90.09 feet; thence S 17°16'36" E 40.39 feet to the Place of Ending;

INCLUDING a non-exclusive, perpetual easement for the purpose of ingress and egress on that portion of the private road commonly known as Crooked Tree Drive, owned by the Developer, situated between the South end of the access easement described above and the East edge of the Crooked Tree Condominium as depicted on Sheet 2 of attached Exhibit "B" and described as follows:

Part of the West 1/2 of Section 11, T34N, R6W, Resort Township, Emmet County, Michigan, described as: Commencing at the North 1/4 corner of Section 11, T34N, R6W, Emmet County, Michigan; thence along the North-South 1/4 line of said Section 11 S 00°15'50" E 2646.20 feet to the center of said Section 11; thence S 89°58'46" W 1324.44 feet; thence S 00°20'46" E 658.24 feet to the **Place of Beginning**, thence N 78°04'52" E 277.06 feet: thence 312.84 feet along the arc of a circular curve to the left, radius 464.01 feet, delta 38°37'46", chord S 82°36'12" E 306.95 feet; thence 307.01 feet along the arc of a nontangential circular curve to the right, radius 60.00 feet, delta 293°10'34", chord N 29°48'25" E 66.08 feet; thence 360.90 feet along the arc of a nontangential circular curve to the right, radius 530.01 feet, delta 39°00'53", chord N 82°24'38" W 353.97 feet; thence S 78°04'52" W 448.96 feet; thence 98.95 feet along the arc of a circular curve to the left radius 429.53 feet, delta 13°11'55", chord S 84°40'50" W 98.73 feet; thence N 88°43'12" W 1043.09 feet; thence along the boundary of Crooked Tree, Emmet County Condominium Subdivision Plan Number 117 S 10°10'50", W 66.80 feet; thence S 88°43'12" E 1053.12 feet; thence 114.15 feet along the arc of a circular curve to the left radius 495.53 feet, delta 13°11'55", chord N 84°40'50" E 113.90 feet: thence N 78°04'52" E 171.90 feet to the Place of Beginning; and

INCLUDING a non-exclusive, perpetual easement for the purpose of ingress and egress on the private road commonly known as Crooked Tree Drive to Highway US 31 South located within the Crooked Tree Condominium as depicted on Sheet 2 of attached Exhibit "B;"

RESERVING to Developer any and all oil, gas and mineral rights on, within or under the above-described Land; SUBJECT to rights-of-way, easements or restrictions of record, if any;

ARTICLE III DEFINITIONS

Certain terms are utilized not only in this Master Deed and Exhibit "A" and "B" hereto, but are or may be used in various other instruments relating to this Project.

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

Wherever used in such documents or any other pertinent instruments affecting the establishment of, or transfer of, an interest in Units, the terms set forth below shall be defined as follows:

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

Section 2. Association. "Association" means The Cottages Association, which is the non-profit Corporation organized under Michigan law of which all Co-Owners shall be members, which Corporation shall administer, operate, manage and maintain the Condominium.

Section 3. Bylaws. "Bylaws" or "Condominium Bylaws" mean Exhibit "A" hereto, being the Bylaws setting forth the substantive rights and obligation of the Co-owners. "Association Bylaws" or "Corporate Bylaws" mean the corporate bylaws of The Association, the Michigan non-profit corporation organized to manage, maintain and administer the Condominium. If separate Corporate Bylaws are not prepared, the Condominium Bylaws shall serve as the Corporate Bylaws.

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

Section 5. Condominium Documents. "Condominium Documents" wherever used means and includes this Master Deed and Exhibits "A" and "B" hereto and any other instrument referred to in the Master Deed or Bylaws which affects the rights and obligations of a Co-owner in the project including, without limitation, the Articles of Incorporation, Association Bylaws, the Rules and Regulations, and Building and Use Restrictions, if any, of the Association.

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

Section 7. Condominium Project. "Condominium Project", "Condominium" or "Project" means The Cottages as an approved Condominium Project established in conformity with the provisions of the Act.

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

Section 9. Consolidating Master Deed. "Consolidating Master Deed" means the final amended Master Deed which shall describe the Project as a completed Condominium Project, shall reflect the entire land area in the Project and all Units and Common Elements therein as finally established by the Developer and shall consolidate all amendments made to the Master Deed and its Exhibits. In the event the Units and Common Elements in the Condominium are constructed in substantial conformity with the proposed Condominium Subdivision Plan attached as Exhibit "B" to the Master Deed, and, if the perimeter description of the Condominium Premises remains the same, the Developer shall be able to satisfy the foregoing obligation by

filing a certificate in the office of the County Register of Deeds confirming that the Units and Common Elements "as built" are in substantial conformity with the proposed Condominium Subdivision Plan and that no Consolidating Master Deed need be recorded.

Section 10. Construction and Sales Period. "Construction and Sales Period", for the purposes of the Condominium Documents and the rights reserved to the Developer thereunder, means the period commencing with the recording of the Master Deed and continuing as long as the Developer owns any Unit in the Project and so long as Developer's rights to expand the Condominium pursuant to Article VIII hereof continue.

Section 11. Contractible Condominium. A condominium project from which a portion of the land or buildings may be withdrawn at the discretion of the Developer.

Section 12. Convertible Area. "Convertible Area" means a portion of the Common Elements within which additional Units or Common Elements may be created.

Section 13. Co-owner or Owner. "Co-owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which own one or more Units in the Condominium Project. The term "Owner", wherever used, shall be synonymous with the term "Co-owner".

Section 14. Crooked Tree Community. All of the residential and recreational improvements, condominium projects and developments within the greater Crooked Tree development located in Resort Township, Emmet County, Michigan.

Section 15. Developer. "Developer" means Cecil Farms Development Company, L.L.C., a Michigan limited liability company, which has made and executed this Master Deed, and its successors and assigns. Both successors and assigns shall always be deemed to be included within the term "Developer" whenever, however and wherever such term is used in the Condominium Documents.

Section 16. Expandable Condominium. A condominium project to which additional land and units may be added at the discretion of the Developer.

Section 17. Expenses of Administration. "Expenses of Administration" include all costs incurred in the operation and maintenance of the Condominium Project as further provided by the Condominium Documents.

Section 18. Transitional Control Date. "Transitional Control Date" means the date on which a Board of Directors of the Association takes office pursuant to an election in which the votes which may be cast by eligible Co-owners unaffiliated with the Developer exceed the votes which may be cast by the Developer.

Section 19. Unit, Condominium Unit or Site Unit. "Unit", "Condominium Unit" or "Site Unit" each mean a single Unit in the Project, as the same may be described in Article V hereof and on Exhibit "B" hereto and shall have the same meaning as the term "Condominium

Unit" as defined in the Act. All structures or improvements now or hereafter located within the boundaries of a Unit shall be owned in their entirety by the Co-owner of the Unit within which they are located and shall not, unless otherwise expressly provided in the Condominium Documents, constitute Common Elements.

ARTICLE IV COMMON ELEMENTS

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

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

(A) Land. The Land described in Article II hereof, including Crooked Tree Drive shown on Sheet 3 of Exhibit "B" and including the land lying below any Unit and any surface and sub-surface improvements which are not (i) identified below as Limited Common Elements or (ii) are not located within the boundaries of a Site Unit.

(B) Electrical. The electrical transmission system throughout the Project up to, but not including, the electric meter within each Unit together with common lighting for the Project, if any is installed and designated as such by the Developer.

(C) Telephone. The telephone system throughout the Project up to the point of entry to the residence constructed within each Unit, except those portions of the irrigation system which are owned by the Developer or by Boyne USA, Inc..

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

(E) Sanitary Sewer. The sanitary sewer and storm sewer systems throughout the Project up to the point of entry to each Unit.

(F) Water. The water distribution system throughout the Project up to the point of entry to each Unit, except those portions of the water system owned by the Developer.

(G) Irrigation System. All irrigation system pipes, fixtures, connections and controls utilized in connection with irrigation of the Common Elements, except those portions of the irrigation system which are owned by the Developer.

(H) Easements. All beneficial easements referred to in Articles II and VI hereof.

(I) Telecommunications. The telecommunications system, if and when it may be installed, including any security system, up to the point of entry to the residence constructed within each Unit.

(J) Other. Such other elements of the Project not herein designated as General or Limited Common Elements which are not enclosed within the boundaries of a Unit and which are

intended for common use or which are necessary for the existence, upkeep and safety of the Project.

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

Section 2. Limited Common Elements. The Limited Common Elements are:

(A) Appurtenances to be Constructed. Any appurtenances to individual Units constructed pursuant to the provisions of this Master Deed; and

(B) Other. Any other Limited Common Elements which appear on Exhibit "B."

Section 3. Use. The use of the Common Elements shall be limited as follows:

(A) General Common Elements. Subject to the rights of the other Co-owners, each Co-owner may use the General Common Elements for the use intended as set forth in this Master Deed and its Exhibits. No Co-owner shall use his Unit or the General 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.

The use of the parking areas and driveways located off of Crooked Tree Drive and in front of pairs of Units as indicated on Sheet 3 of Exhibit "B" and the use of the walkways leading up to each Unit is restricted to the Co-owner(s) of the Unit(s) appurtenant thereto.

(B) Limited Common Elements. The use of the Limited Common Elements appurtenant to a Unit shall be limited to the Co-owner of the respective Unit.

Section 4. Responsibility. The responsibility for the maintenance, decoration, repair and replacement of the Common Elements and Units shall be as follows:

(A) Certain Association Responsibilities With Respect To Units and any Appurtenant Limited Common Elements.

(i) Basic Normal Maintenance. The Association shall be responsible in the first instance for performing certain normal maintenance functions within all Units and any appurtenant Limited Common Elements, including: lawn mowing; landscaping maintenance and fertilization; snow plowing of driveways and walkways; rubbish removal; tree trimming; maintenance of building exteriors including exterior painting and staining of wood surfaces; maintenance, repair and replacement of roofs; maintenance, repair and replacement of driveways and walkways (except for damage or repair by oil,

gas, salt or other chemicals on asphalt or concrete). No other maintenance, repair, replacement or decoration responsibilities with respect to dwellings, appurtenances and improvements located within the Units and any appurtenant Limited Common Elements are being initially undertaken by the Association.

(ii) Supplementary Normal Maintenance. In order to provide for flexibility, harmony and reasonable uniformity in administering the Condominium, the Association, acting through its Board of Directors, may undertake as normal maintenance functions such other regularly recurring, reasonably uniform, periodic exterior services with respect to dwellings, appurtenances and improvements constructed or installed within any Unit boundaries and any appurtenant Limited Common Elements as it may deem appropriate. Correspondingly, it may, by board action, reduce from time to time the level of such supplementary maintenance services provided by the Association and require that some or all of the same shall be and become the responsibilities of the individual Co-owners. Nothing herein contained shall compel the Association to permanently undertake any supplementary maintenance responsibilities with respect to Units and any appurtenant Limited Common Elements.

(iii) Special Maintenance Responsibilities. In the event that Developer or the Association agrees to perform specific additional responsibilities with respect to any particular Unit and any appurtenant Limited Common Elements, it shall enter into a specific written agreement detailing the nature and extent of such additional responsibilities and providing for special assessment of increased maintenance charges to any Co-owner whose proposed dwelling and appurtenances and related improvements will cause the Association abnormal expenses in carrying out its additional responsibilities with respect thereto.

(iv) Maintenance Charges. Any normal maintenance responsibilities undertaken by the Association shall be charged to all Co-owners on a uniform basis. All special maintenance responsibilities which are agreed between the Developer/Association and any Co-owner shall be specially assessed against such Co-owner. All assessments for normal and special maintenance shall be levied and collected by the Association in accordance with the assessment procedures established under Article II of the Bylaws.

(v) Determination of Normal Maintenance Responsibilities. The Developer, in the initial maintenance budget for the Association (and the Association, after the Transitional Control Date), shall be entitled to determine the precise nature and extent of any normal maintenance services which may be provided by the Association and thereafter may add to, modify or reduce any such normal services, in its discretion. Reasonable rules and regulations may be promulgated by the Association in connection therewith from time to time.

(B) Co-owner Responsibility for Units and Their Improvements. It is anticipated that separate dwellings will be constructed within the Units depicted on Exhibit "B" hereto and that most, if not all, of such dwellings in adjoining Units will abut one another. The responsibility for, and costs of all maintenance, decoration, repair and replacement of any dwelling and the

appurtenances to each dwelling located within each Unit which are not otherwise specifically undertaken by the Association shall be borne by the Co-owner of the Unit within which the same are located. For example, but not by way of limitation, each individual Co-owner shall be responsible for repair and replacement of decks, windows and skylights and replacement and major repairs of walkways and, in general, all other structural aspects of the dwelling and appurtenances located within his Unit. Each Co-owner shall also be responsible for all elements of utility systems lying within the perimeter of such dwelling. The appearance of each Unit, and exterior of its dwelling, appurtenances, improvements and decorations, to the extent visible from any other Unit or Common Element in the Project, shall be subject at all times to the jurisdiction, approval and maintenance standards of the Association. Reasonable rules and regulations may be promulgated by the Association in connection therewith from time to time. Responsibilities of the Co-owners for maintenance, repair and replacement of party walls of dwellings which abut one another at adjoining Unit lines are set forth with greater specificity and detail in Article X hereof.

(C) Common Lighting. The Developer may (but is not required to) install illuminating fixtures within the Condominium and to designate the same as common lighting as provided in Article IV, Section 1(B) hereof. Some of such common lighting may be installed on the General Common Elements or may be located within Units or Limited Common Elements (such as coachlamps) or affixed to dwelling exteriors (such as exterior garage lights). The costs of electricity for common lighting located within General Common Elements or Units may be metered by the individual electric meters of the Co-owners to whose Unit the same are respectively appurtenant and shall be paid by such individual Co-owners without reimbursement therefor from the Association. Said fixtures shall be maintained, repaired and replaced and light bulbs furnished by the Association. The size and nature of the bulbs to be used in the fixtures shall also be determined by the Association in its discretion. No Co-owner shall modify or change such fixtures in any way and shall not cause the electrical flow for operation thereof to be interrupted at any time. Said fixtures may operate on photoelectric cells, the timers of which shall be set by and at the discretion of the Association, and shall remain lit at all times determined by the Association for the lighting thereof.

(D) Water and Irrigation Systems. All repair, maintenance and replacement of any portion of the water and/or irrigation systems shall be performed by the Developer and charged back to the Association as an expense of administration. Repair, maintenance and replacement of those portions of the water and/or irrigation systems which lie within a Unit or its Limited Common Elements may be included within supplementary normal maintenance or special maintenance responsibilities, as the Developer may determine at the time of approval and installation of that portion of the systems. No Co-owner shall modify or interfere with the operation of the water or irrigation systems.

(E) General Common Elements. The cost of maintenance, repair and replacement of all General Common Elements shall be borne by the Association, subject to any provision of the Condominium Documents expressly to the contrary.

(F) Maintenance in Accordance with other, recorded Documents. The Developer has caused, or will cause, to be executed and recorded other documents, such as utility contracts,

sewer contracts, road easement contracts and amenity usage and maintenance contracts which impose certain requirements with respect to the use and maintenance of improvements within the Condominium and/or the Crooked Tree Community, which requirements shall be strictly observed by the Developer, the Association and all Co-owners.

ARTICLE V

UNIT DESCRIPTION AND PERCENTAGE OF VALUE

Section 1. Description of Units. Each Unit in the Condominium Project is described in this paragraph with reference to the Condominium Subdivision Plan as surveyed by Bidstrup & Young, Inc. and attached hereto as Exhibit "B". Each Unit shall consist of the area contained within the Unit boundaries as shown in Exhibit "B" hereto and delineated with heavy outlines, together with all appurtenances thereto.

An undivided interest in the General Common Elements and, except as specifically provided for herein, in the Limited Common Elements, shall be and hereby is, allocated to each Condominium Unit, which interest shall be proportionate to the Percentage of Value assigned to that Unit in Article V, Section 2, below.

Section 2. Percentage of Value. The total value of the Project is 100 percent, and an equal Percentage of Value is allocated to each Condominium Unit. Therefore, the initial Percentage of Value of each Unit shall be 3.5714 %. This determination of Percentages of Value was made after reviewing the comparative size, market value, location and allocable expense of maintenance for each Unit in the Project and concluding that there are negligible differences among them when all such factors are taken into account. If and when the number of Units changes, the Percentage of Value will change accordingly based on the same determination.

The Percentages of Value shall not be changed except in the manner provided in Article XI expressed in an amendment to this Master Deed, duly approved and recorded. The Percentages of Value are determinative of each Unit's share of expenses of Condominium administration as is specifically set forth in the Association Bylaws.

Section 3. Fractional Ownership. The Developer may at any time create time share, fractional or undivided common interests in a Unit by recording a separate declaration which creates the interests and provides separate restrictive and affirmative covenants for their use and enjoyment as provided for in the Act.

ARTICLE VI EASEMENTS

Section 1. Easement for Maintenance of Encroachments and Utilities. In the event any portion of a Unit, dwelling, or Common Element encroaches upon another Unit, dwelling or Common Element due to shifting, settling or moving of any structure or due to survey errors, or construction deviations, reciprocal easements shall exist for the maintenance of such encroachment for so long as such encroachment exists, and for maintenance thereof after rebuilding in the event of any destruction. There shall be easements to, through and over those portions of the Land, structures, buildings and improvements for the continuing maintenance and repair of all utilities in the Condominium. One of the purposes of this Section is to clarify the right of the Co-owners to

maintain structural elements and fixtures which have been approved by the Developer or the Association and which project into the Common Elements surrounding each Unit notwithstanding their projection beyond the Unit perimeters.

Section 2. Easement for Maintenance of Dwelling Exteriors, Limited Common Element Areas, Etc. There shall be easements to and in favor of the Association, and its officers, directors, agents and designees, in, on and over all Units in the Project, for access to the Units and the exterior of each of the dwellings and other structures and appurtenances that are constructed within the Project to permit the maintenance, decoration, repair and replacement thereof in accordance with provisions of Article IV, Section 4 hereof and in accordance with the terms hereinafter set forth. The Association shall in the first instance (but subject to enlargement or reduction by action of its Board of Directors) be responsible and have easements for performance of the certain maintenance functions within individual Units as set forth in Article IV, Section 4 hereof. Each Co-owner shall be responsible for all other responsibilities and costs of decoration, maintenance, repair and replacement of his Unit and the dwelling constructed within his Unit, together with all appurtenances thereto, except as such responsibilities may be undertaken by the Association from time to time on behalf of all Co-owners. In the event any Co-owner fails to discharge his responsibilities in accordance with the aesthetic, maintenance and architectural standards imposed by the Association and the Condominium Documents, the Association may enter upon the Unit and perform any Co-owner's required decoration, maintenance, repair or replacement responsibilities and assess the costs thereof to the pertinent Co-owner in accordance with the provisions of Article II of the Bylaws.

Section 3. Access Easement. The Developer has granted to the Association and to each of the Co-owners in the Condominium a non-exclusive perpetual easement over the private road commonly known as Crooked Tree Drive for the purpose of access between the Project and Highway US 31 South, which is a public road. A portion of Crooked Tree Drive is owned by the Crooked Tree Association, and the easement has been granted pursuant to the Developer's right to do so as reserved in Paragraph E of Article 6 of the Master Deed of Crooked Tree Condominium. A portion of the Crooked Tree Drive is owned by the Developer, and the easement has been granted as an inclusion to the legal description contained in Article II of this Master Deed. The Cottages Association has the obligation to contribute towards the maintenance, repair and replacement of Crooked Tree Drive as an expense of administration based proportionately on the number of Units in the various association's using the road as set forth in Article II of the attached Bylaws.

Section 4. Grant of Easements by Association. The Association, acting through its lawfully constituted Board of Directors (including any Board of Directors acting prior to the Transitional Control Date) shall be empowered and obligated to grant such easements, licenses, rights-of-entry and rights-of-way over, under and across the Condominium Premises for utility purposes, access purposes or other lawful purposes as may be necessary for the benefit of the Condominium; subject, however, to the approval of the Developer so long as the Development and Sales Period has not expired. No easements created under the Condominium Documents may be modified, or obligations with respect thereto varied, without the consent of the owner of each property benefited thereby.

Section 5. Easements for Public Utilities. The Developer reserves the right at any time during the Development and Sales Period to grant easements for utilities over, under and across the Condominium to appropriate governmental agencies or public utility companies and to transfer title of utilities to governmental agencies or to utility companies. Any such easement or transfer of title may be conveyed by the Developer without the consent of any Co-owner, mortgagee or other person and shall be evidenced by an appropriate amendment to this Master Deed and to Exhibit "B" hereto, recorded with the County Register of Deeds. All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendment or amendments of this Master Deed as may be required to effectuate the foregoing grant of easement or transfer of title.

Section 6. Additional Easements for Developer's Other Projects. The Developer hereby reserves the following easements in connection with any improvements constructed or to be constructed by the Developer on the Future Development Area and on any tracts of land within the Crooked Tree Community, whether or not such improvements are made a part of the Condominium Project (such improvements being hereinafter collectively referred to as the "Other Projects").

(A) Roads. A perpetual nonexclusive easement in, over and upon the main service roads in the Condominium Project for purposes of ingress and egress to and from the Other Projects by the Developer and the owners of the Other Projects. The Developer shall have the right to alter any such main service roads by installation of curb cuts, paving and roadway connections at such locations as the Developer may from time to time select. All of the costs of such alterations shall be paid for by the Developer and the Developer will restore all areas in the Condominium disturbed by such alteration to their original condition immediately prior to the alternations, to the extent possible consistent with the alterations. All expenses of maintenance, repair and replacement of such main service roads shall be shared by the Association and such owners of the Other Projects as shall have primary access to their dwellings over such main service roads, on a proportionate basis determined on the basis of the respective number of Units in the Condominium Project and the number of units of the Other Projects having such primary access over such main service roads.

(B) Utilities. A perpetual nonexclusive easement for utilization, tapping into, tying into, extending and enlarging all utility mains located in the Condominium Project, including, but not limited to, water, gas, telephone, cable television, storm (if any) and sanitary sewer mains. The Developer will pay all costs of such utilization, tapping into, tying into, extending and enlarging, and will restore all areas thereby disturbed to their original condition immediately prior to commencement thereof, to the extent possible consistent therewith. All expenses of maintenance, repair, replacement and replacement of such utility mains shall be shared by the Association and the owners of units in the Other Projects utilizing such utility mains on a proportionate basis determined on the basis of the respective number of Units in this Condominium and the number of units of the Other Projects utilizing such utility mains.

(C) General Common Elements. The Developer shall also have the right to grant such further easements over or with respect to General Common Elements of the Condominium as may be necessary or desirable in furtherance of development, community usage, coordinated

maintenance and operation of the Crooked Tree Community and to confer responsibilities and jurisdiction for administration and maintenance of such easements upon the administrator of said Community.

The above easements shall be for the benefit of the Developer and owners of the Other Projects, and their respective heirs, successors, assigns, families, guests and invitees.

Section 7. Easements for Development and for Maintenance, Repair and Replacement. The Developer, the Association and all public or private utility companies shall have such easements as may be necessary over the Condominium Premises, including all Units and Common Elements to fully develop and service the Condominium Premises and any other properties within the Crooked Tree Community and to fulfill any responsibilities of maintenance, decoration, repair or replacement which they or any of them are required or permitted to perform under the Condominium Documents and such recorded contracts or easements. These easements include, without any implication of limitation, the right of the Association to obtain access during reasonable hours and upon reasonable notice to water meters, sprinkler controls and valves and for purposes of inspection of the dwellings constructed on any Unit and its appurtenant Limited Common Elements to ascertain that the same have been designed and constructed in conformity with standards imposed and/or specific approvals granted by the Developer (during the Development and Sales Period) and thereafter by the Condominium Association.

Section 8. Telecommunications Agreements. The Association, acting through its duly constituted Board of Directors and subject to the Developer's approval during the Development and Sales Period, shall have the power to grant such easements, licenses and other rights of entry, use and access and to enter into any contract or agreement, including wiring agreements, right-of-way agreements, access agreements and multi-unit agreements and, to the extent allowed by law, contracts for sharing of any installation or periodic subscriber service fees as may be necessary, convenient or desirable to provide for telecommunications, telephone, cable television, videotext, broad band cable, satellite dish, earth antenna and similar services (collectively "Telecommunications") to the Project or any Unit therein. Notwithstanding the foregoing, in no event shall the Board of Directors enter into any contract or agreement or grant any easement, license or right of entry or do any other act or thing which will violate any provision of any federal, state or local law or ordinance. Any or all of such agreements may provide for fees to be paid to the Developer for services furnished by the Developer.

Section 9. Construction of Amenities. The Developer reserves the right to build, or not to build, any amenities indicated on the Condominium Subdivision Plan as "need not be built".

Section 10. Sales Facilities. The Developer reserves the right at any time during the Construction and Sales Period to maintain offices, model units and similar sales facilities in the Condominium. Developer shall pay all costs related to the use of such facilities while owned by the Developer and shall restore the facilities to habitable status upon termination of use.

Section 11. Golf Easement. If any person who is golfing on the Crooked Tree Golf Course strikes a golf ball onto a Unit, that golfer will have a temporary license to enter onto that Unit, but only to the extent necessary to permit that golfer to retrieve or to play that golf ball

subject to the following limitations. A golfer may not enter upon a Unit to retrieve or play a golf ball that lies within 10 feet of any dwelling. A golfer may not play a golf ball from any area that has been landscaped or that is within 20 feet of any dwelling. In no event may any golf carts enter onto any Unit.

Section 12. Specific Written Easements. The Developer may, by subsequent instrument, prepared and recorded in its sole discretion without the necessity of consent by any other interested party, specifically define by legal description any of the easements created by or referred to in this Article.

Section 13. Consent. Any right reserved by the Developer under this Section may be exercised by the Developer without the consent of any Co-owner, mortgagee or other person and shall be evidenced by an appropriate amendment to this Master Deed or its Exhibit "B" recorded in the County Records. All of the Co-owners and mortgagees of Units and other persons interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendments to this Master Deed as may be required to effectuate the exercise of the rights retained herein.

ARTICLE VII CONVERSION

This Condominium is established as a convertible condominium in accordance with the provisions of the Act and this Article.

Section 1. Right to Convert. Developer reserves the right, but not an obligation, to convert certain portions of the General Common Elements of the Condominium to other common uses or for the purpose of modifying Units or adding additional Units and/or amenities. There are no restrictions or limitations on Developer's right to convert the Condominium except as stated in this Article and except as provided by local zoning ordinance. Nothing herein contained, however, shall in any way obligate Developer to convert these portions of the Condominium.

The Developer also reserves the right to convert Unit 28 and the triangular shaped property around it indicated on Sheet 2 of Exhibit "B" to General Common Area.

Section 2. Consent. The consent of any Co-owner shall not be required to convert the Condominium. All of the Co-owners and mortgagees of Units and persons interested or to become interested in the Condominium from time to time shall be deemed to have irrevocably and unanimously consented to such conversion of the Condominium and any amendment or amendments to this Master Deed to effectuate the conversion. All such interested persons irrevocably appoint Developer or its successors as agents and attorney for the purpose of executing such amendment or amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be made without the necessity of re-recording an entire Master Deed or the exhibits thereto and may incorporate by reference all or any pertinent portions of this Master Deed and the exhibits herein.

Section 3. Time Limitation. The Developer's right to convert the Condominium project shall expire six (6) years after the initial recording of this Master Deed.

Section 4. Designation of Convertible Area. All Common Elements and Units in the Project have been designated as Convertible Areas within which the Common Elements and the Units may be modified or converted as provided herein. Also Unit 28 and the triangular shaped property around it as indicated on Sheet 2 of Exhibit "B" has been designated as Convertible Area.

Section 5. Successive Conversion. The Convertible Areas may be converted in one amendment to this Master Deed or in successive amendments to this Master Deed, at the same time or at different times in the Developer's discretion. There are no restrictions upon the order in which portions of the Convertible Areas may be converted.

Section 6. Modification of Common Elements and Units. The Developer reserves the right to modify the size, location, design or elevation of Units and dwellings and/or General or Limited Common Elements appurtenant or geographically proximate to such Units, and to enlarge, extend, add, or eliminate Units and the dwellings contained therein and/or to construct and/or relocate driveways, walkways, air conditioner compressors, privacy areas, courtyards, atriiums, patios, decks, spas, hot tubs, swimming pools and other private amenities on all or any portion or portions of the Convertible Areas designated for such purpose on the Condominium Subdivision Plan. The foregoing list is intended only to be illustrative, not exclusive. The precise number, nature, size and location of Unit additions, deletions, enlargements, modifications and extensions or other modifications of dwellings and/or private amenities which may be constructed shall be determined by Developer in its sole judgment. Any private amenity other than a dwelling extension may be assigned by the Developer as a Limited Common Element appurtenant to an individual Unit.

Section 7. Construction of Additional Amenities. The Developer may, in its sole discretion, construct various amenities including, but not limited to, jogging or walking paths, tennis courts, detention or retention pond areas, signage, recreational areas, landscaping features and walls, walks, patios, gazebos or other related amenities (the "Amenities") and hereby reserves the right to do so anywhere within the General Common Element area described on the Condominium Subdivision Plan. Developer shall pay the costs of such Amenities, if constructed, unless otherwise approved by a two-thirds majority of non-Developer Co-owners. Upon inclusion of the same in the Condominium, all Co-owners and all future Co-owners shall thereafter contribute to the maintenance, repair and replacement of the Amenities as an expense of administration of the Condominium (and as a cost of construction if approved by a two-thirds majority of non-Developer Co-owners). Developer has no obligation to construct any particular Amenities or include the same in the Condominium except pursuant to its discretionary election to do so. Final determination of the design, layout and location of such Amenities, if and when constructed, will be at the sole discretion of the Developer.

Section 8. Amendments. If the Condominium is converted, it shall be converted by an amendment to the Master Deed or by a series of successive amendments to the Master Deed.

Any conversion shall be deemed to have occurred at the time of the recording of an amendment to this Master Deed embodying all essential elements of the conversion.

ARTICLE VIII EXPANSION

This Condominium is established as an expandable condominium in accordance with the provisions of the Act and this Article.

Section 1. Right to Expand. Developer reserves the right, but not an obligation, to expand the Condominium for the purpose of adding additional Units and General and Limited Common Elements as provided hereinbelow. There are no restrictions or limitations on Developer's right to expand the Condominium except as stated in this Article and except as provided by local zoning ordinance. Nothing herein contained, however, shall in any way obligate Developer to expand the Condominium, and Developer may, in its discretion, establish all or a portion of the additional land described herein as any other form of development, including existing uses.

Section 2. Consent. The consent of any Co-owner shall not be required to expand the Condominium. All of the Co-owners and mortgagees of Units and persons interested or to become interested in the Condominium from time to time shall be deemed to have irrevocably and unanimously consented to such expansion of the Condominium and any amendment or amendments to this Master Deed to effectuate the expansion and to any reallocation of percentages of value of existing Units which Developer may determine necessary in conjunction with such amendment or amendments. All such interested persons irrevocably appoint Developer or its successors as agents and attorney for the purpose of executing such amendment or amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be made without the necessity of re-recording an entire Master Deed or the exhibits thereto and may incorporate by reference all or any pertinent portions of this Master Deed and the exhibits herein.

Section 3. Time Limitation. The Developer's right to expand the Condominium project shall expire six (6) years after the initial recording of this Master Deed.

Section 4. Legal Description. The land which may be added to the Condominium is marked "Future Development Area Nos. 1 and 2" on Sheet 2 of Exhibit "B" to this Master Deed, is located in Resort Township, Emmet County, Michigan, is hereinafter referred to as "Additional Land" and is described as follows:

Future Development Area No. 1: Part of the West 1/2 of Section 11, T34N, R6W, Resort Township, Emmet County, Michigan described as:

Commencing at the North 1/4 corner of Section 11, T34N, R6W, Emmet County, Michigan; thence along the North-South 1/4 line of said Section 11, S 00°15'50" E 2646.20 feet to the center of said Section 11; thence along the East-West 1/4 line of said Section 11 S 89°58'46" W 1324.44 feet; thence S 00°20'46" E 34.00 feet to the **Place of Beginning**; thence S 52°43'44" E 77.75 feet; thence S 16°20'23" E 116.69 feet; thence S 49°15'05" E 105.76 feet; thence N 89°50'32" E 284.16

feet; thence S 57°49'29" E 460.03 feet; thence S 15°20'45" E 102.34 feet; thence N 88°26'58" W 189.06 feet; thence 82.55 feet along the arc of a circular curve to the left, radius 60.00 feet, delta 78°49'42", chord N 77°22'03" W 76.19 feet; thence 360.91 feet along the arc of a non-tangential circular curve to the left, radius 530.01 feet, delta 39°00'54", chord N 82°24'38" W 353.97 feet; thence S 78°04'51" W 356.79 feet; thence N 06°13'34" W 353.33 feet; thence N 71°19'46" W 100.00 feet; thence N 48°52'46" E 293.26 feet to the Place of Beginning and

Future Development Area No. 2: Part of the West 1/2 of Section 11, T34N, R6W, Resort Township, Emmet County, Michigan described as:

Commencing at the North 1/4 corner of Section 11, T34N, R6W, Emmet County, Michigan; thence along the North-South 1/4 line of said Section 11, S 00°15'50" E 2646.20 feet to the center of said Section 11; thence along the East-West 1/4 line of said Section 11 S 89°58'46" W 1324.44 feet; thence S 00°20'46" E 34.00 feet; thence S 48°52'46" W 293.26 feet; thence N 71°19'46" W 139.56 feet; thence S 79°37'47" W 494.20 feet; thence N 29°59'59" W 234.74 feet; thence N 68°36'40" W 175.69 feet to the **Place of Beginning**; thence S 14°14'29" E 149.10 feet; thence S 75°45'31" W 185.00 feet; thence N 14°14'29" W 149.10 feet; thence N 75°45'31" E 185.00 feet to the Place of Beginning.

Section 5. Successive Expansion. The Additional Land may be added to the Condominium in its entirety or in parcels, in one amendment to this Master Deed or in successive amendments to this Master Deed, at the same time or at different times in the Developer's discretion. There are no restrictions upon the order in which portions of the Additional Land may be added to the Condominium.

Section 6. Use Restrictions. There are no restrictions on the type, use or density of the Common Elements, Units or other improvements which the Developer may place in or upon the Additional Land except those restrictions contained in applicable law or ordinance.

Section 7. Amendments. If the Condominium is expanded, it shall be expanded by an amendment to the Master Deed or by a series of successive amendments to the Master Deed, each adding additional land/or improvements to the Condominium. Each amendment resulting from expansion shall reflect the new Percentages of Value determined by the same system and as set forth in Section 2 of Article V of this Master Deed. Any expansion shall be deemed to have occurred at the time of the recording of an amendment to this Master Deed embodying all essential elements of the expansion. At the conclusion of expansion of the Condominium, but not later than one year after completion, a Consolidating Master Deed and plans showing the Condominium "as built" shall be prepared and recorded by Developer. A copy of the recorded Consolidating Master Deed shall be provided to the Association.

**ARTICLE IX
CONTRACTION**

This Condominium is established as a contractable condominium in accordance with the provisions of the Act and this Article.

Section 1. Right to Contract. Developer reserves the right, but not an obligation, to contract the Condominium by withdrawing from the Condominium that portion of the Land (including Units 1 and 2) designated as Contractible Area on Sheet 2 of Exhibit "B" as provided hereinbelow. There are no restrictions or limitations on Developer's right to contract the Condominium except as stated in this Article.

Section 2. Consent. The consent of any Co-owner or mortgagee shall not be required to contract the Condominium. All of the Co-owners and mortgagees of Units and persons interested or to become interested in the Condominium from time to time shall be deemed to have irrevocably and unanimously consented to such contraction of the Condominium and any amendment or amendments to this Master Deed to effectuate the contraction and to any reallocation of percentages of value of existing Units which Developer may determine necessary in conjunction with such amendment or amendments. All such interested persons irrevocably appoint Developer or its successors as agents and attorney for the purpose of executing such amendment or amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be made without the necessity of re-recording an entire Master Deed or the exhibits thereto and may incorporate by reference all or any pertinent portions of this Master Deed and the exhibits herein.

Section 3. Time Limitation. The Developer's right to contract out any portion of the Condominium project shall expire six (6) years after the initial recording of this Master Deed.

Section 4. Successive Contraction. Portions of the Condominium can be contracted out in one or more parcels, in one amendment to this Master Deed or in successive amendments to this Master Deed, or at the same time or at different times in the Developer's discretion. There are no restrictions upon the order in which portions of the Condominium may be contracted out.

Section 5. Use Restrictions. There are no restrictions on the use to which the Developer may put land which is contracted out of the Condominium.

Section 6. Amendments. If the Condominium is contracted, it shall be contracted by an amendment to the Master Deed or by a series of successive amendments to the Master Deed. Each amendment resulting from contraction shall reflect the new Percentages of Value, if any, determined by the same system and as set forth in Section 2 of Article V of this Master Deed. Any contraction shall be deemed to have occurred at the time of the recording of an amendment to this Master Deed embodying all essential elements of the contraction. At the conclusion of contraction of the Condominium, but not later than one year after completion, a Consolidating Master Deed and plans showing the Condominium "as built" shall be prepared and recorded by Developer. A copy of the recorded Consolidating Master Deed shall be provided to the Association.

ARTICLE X
ZERO UNIT LINE SETBACK AND PARTY WALL

Section 1. Zero Unit Lines. It is intended that certain dwellings are to be constructed on adjoining Units with zero Unit line setbacks, resulting in a duplex configuration for the two Units, as reflected in the Condominium Subdivision Plan.

Section 2. Individual and Party Walls. Each such dwelling may be constructed with individual bearing walls and an enclosed air space shall be located between the respective dwellings at the juncture of the two adjoining Units. The individual bearing walls shall be appurtenant to the dwelling which they support; provided, however, that any portion of such walls placed on the boundary line between the Units or which is appurtenant to both dwellings constructed on the Units shall constitute a party wall and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and of liability for property damage due to negligent or willful acts or omissions shall apply thereto.

Section 3. Repair and Maintenance. The costs of reasonable structural repair and structural maintenance of the party wall shall be shared equally by the Unit owners served thereby. If the party wall is damaged or destroyed by fire or other casualty, either or both of the adjoining Co-owners shall restore the wall to substantially its condition prior to such casualty and the expense of such restoration which is not covered by insurance shall be borne by both of such Owners in equal shares.

Section 4. Co-owner Responsibility for Repair. In the event the party wall is damaged or destroyed through the act or omission of a Co-owner or any of Co-owner's agents, employees, guests, family or invitees (whether or not such act or omission is negligent or otherwise culpable) so as to deprive the adjoining Co-owner of the full use and enjoyment of such wall, then the Co-owner causing such damage shall forthwith proceed to rebuild and repair the wall to substantially as good a condition as existed immediately prior to such damage or destruction and such responsible Co-owner shall bear the entire expense thereof including, if applicable, the expense of restoration of the exterior, including damaged attachments, of the party wall benefitting the other Owner.

Section 5. Right of Contribution. The right of any Co-owner to contribution from any other Co-owner under this Article shall be appurtenant to the land and shall pass to such Co-owner's successors in title.

Section 6. Modification of the Party Wall. In addition to meeting other requirements of these restrictions and of any building code or similar regulations or ordinances of the Township and County, any Co-owner proposing to modify, make additions to or rebuild improvements in any manner which requires any alteration of the party wall shall first obtain the written consent of the adjoining Co-owner to such modification of the party wall.

Section 7. Easement. The Co-owners of attached Units shall enjoy a perpetual easement for the continued use and support of those portions of the party wall within the boundaries of the adjoining Co-owner's Unit.

**ARTICLE XI
AMENDMENTS**

This Master Deed and its Exhibits may be amended as in the following manner:

Section 1. Amendments by Developer. Subject to the limitations contained in Section 3 below, amendments may be made and recorded by Developer without the consent of Co-owners or mortgagees for one or more of the following purposes:

(A) To re-define common elements and/or adjust Percentages of Value in connection therewith, to re-define any converted area, to allocate the Association's expenses among the Owners and to make any other amendments specifically described and permitted to Developer in any provision of this Master Deed;

(B) To modify the location and size of unsold Condominium Units and their appurtenant Limited Common Elements;

(C) To amend the Condominium Bylaws, subject to any restrictions stated therein;

(D) To correct arithmetic errors, typographical errors, survey or plan errors, deviations in construction or any similar errors in the Master Deed, Plan or Condominium Bylaws or to correct errors in the boundaries or locations of improvements;

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

(F) To comply with the Act or rules promulgated thereunder or with any requirements of any governmental or quasi-governmental agency or any financing institution providing mortgages on Units on the Condominium premises;

(G) To make, define or limit easements affecting the Condominium premises;

(H) To record a consolidating Master Deed and/or to designate any improvements shown on the Plan as "must be built", subject to any limitations or obligations imposed by the Act;

(I) To modify or relocate the location of roads, drives or pedestrian walks as may be required by any difficulties encountered during construction as a result of the topography;

(J) To exercise any right which the Developer has reserved to itself herein;

(K) To terminate or eliminate reference to any right which the Developer has reserved to itself herein;

(L) To facilitate conventional mortgage loan financing for existing or prospective Co-owners and to enable the purchase of such mortgage loans by the Federal Home Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association or any other agency of the Federal Government or the State of Michigan.

(M) To relocate boundaries of a Unit as allowed by Section 6 of Article VII;

(N) To delete reference to any improvements listed on Exhibit "B" as "proposed" or "need not be built;" and

(O) To convert duplex Units into single, detached Units, or conversely, to convert single, detached Units into duplex Units.

The foregoing amendments may be made without the consent of Co-owners or mortgagees. The rights reserved to the Developer herein may not be amended except by or with the consent of the Developer. If there is no Co-owner other than the Developer, the Developer may, with the consent of any interested mortgagee, unilaterally amend this Master Deed or any Exhibit thereto. An amendment under this Section shall become effective upon the recording thereof.

The Association may not make amendments without the written consent of the Developer as long as the Developer owns any Units in the Condominium.

For the purposes of this Article the term "material amendment" shall be deemed to be an amendment which substantially alters the ability of a Co-owner to use and enjoy his or her Unit and the Common Elements.

Section 2. Material Amendments. Except as otherwise provided herein, and subject to the limitations of Section 3 below, the Master Deed, Bylaws and Condominium Subdivision Plan may be amended by the Developer or by the Association, even if the amendment will materially alter or change the rights of the Co-owners, with the consent of not less than two-thirds (2/3) of the votes of the Co-owners (unless a greater majority is specified herein or in the Condominium Bylaws). Whenever a proposed amendment would materially alter or change the rights of mortgagees generally, then such amendments shall require the approval of two-thirds (2/3) of all first mortgagees of record, allocating one vote for each mortgage held. The Association may make no amendment without the written consent of the Developer as long as the Developer owns any Units in the Condominium.

Section 3. Limitation on Amendments. Notwithstanding any other provision of this Article, the method or formula used to determine the percentages of value of units in the Condominium, as described in Article V hereof, and any provisions relating to the ability or terms under which a Co-owner may rent a Unit, may not be modified without the consent of each affected Co-owner and mortgagee. A Co-Owner's Condominium Unit dimensions or appurtenant Limited Common Elements may not be modified without the Co-owner's consent.

Section 4. Amendments to Effectuate Modifications. If any amendment results from the exercise of the rights of Developer to convert, contract or expand the Project or to consolidate or modify Units, each portion of the Unit or Units resulting from such consolidation, modification or relocation of boundaries shall be separately identified by number, when appropriate, and the Percentage of Value as set forth in Article V hereof for the Unit or Units consolidated or modified shall be adjusted in order to preserve a total value of 100% for the entire Project resulting from such amendment or amendments to this Master Deed and to preserve the principle that all

percentages of value shall be equal regardless of whether the Units to which they relate have been enlarged, reduced or eliminated. Such amendment or amendments to the Master Deed shall also contain such further definitions of Common Elements as may be necessary to adequately describe the Units in the Condominium Project as so modified. All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendment or amendments of this Master Deed to effectuate the foregoing and to any proportionate reallocation of percentages of value of Units which Developer or its successors may determine necessary in conjunction with such amendment or amendments. All such interested persons irrevocably appoint Developer or its successors as agent and attorney for the purpose of execution of such amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be effected without the necessity of re-recording an entire Master Deed or its Exhibits.

Section 5. Procedures for Amendment.

(A) Co-owners and mortgagees of record shall be notified of proposed amendments not less than 10 days before the amendment is recorded.

(B) 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 and mortgagees or based upon the advisory committee's decision, the costs of which are expenses of administration.

(C) A Master Deed amendment, including the consolidating Master Deed, dealing with the addition, withdrawal or modification of units or other physical characteristics of the Project shall comply with the standards prescribed in Section 66 of the Act for preparation of an original Condominium Subdivision Plan for the Project.

Section 6. Termination of Project.

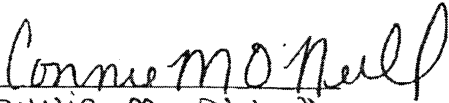
(A) In accordance with Section 50 of the Act, so long as there is no Co-owner of the project other than Developer, Developer with the consent of any interested Mortgagee, may unilaterally terminate the Condominium Project.

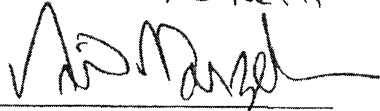
(B) In the event there is a Co-owner of the Project other than Developer, then the Condominium Project may only be terminated in accordance with Section 51 of the Act with the written consent of 85% of all Co-owners and mortgagees.

**ARTICLE XII
ASSIGNMENT**

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

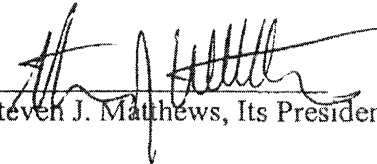
Witnesses:


CONNIE M. O'NEILL


NEIL MARZELLA


Signed by:

Cecil Farms Development Company, L.L.C.,
a Michigan limited liability company,
By: Southshore Limited Partnership, a Michigan
limited partnership, Member,
By: Woods & Irons, Inc., a Michigan corporation, Its
General Partner

By: 
Steven J. Matthews, Its President

State of Michigan)
)
County of Emmet)

The foregoing instrument was acknowledged before me this 5th day of May, 1999, by Steven J. Matthews, the President of Woods & Irons, Inc., a Michigan corporation and the General Partner of Southshore Limited Partnership, a Michigan limited partnership and a Member of Cecil Farms Development Company, L.L.C., a Michigan limited liability company, on its behalf.


NEIL MARZELLA Notary Public
Emmet County, Michigan
My Commission expires: 8-3-2001

Drafted By:
Neil Marzella, Attorney
P. O. Box 808
Harbor Springs, MI 49740

EXHIBIT "A"

THE COTTAGES

CONDOMINIUM BYLAWS

INDEX

<u>ARTICLE</u>	<u>SUBJECT</u>	<u>PAGE NUMBER</u>
I	Association of Owners	1
II	Assessments	1
III	Arbitration	6
IV	Insurance	7
V	Reconstruction or Repair	9
VI	Restrictions	11
VII	Mortgages	18
VIII	Voting	19
IX	Meetings	20
X	Advisory Committee	22
XI	Board of Directors	22
XII	Officers	27
XIII	Finance	28
XIV	Indemnification	28
XV	Amendments	29
XVI	Compliance	29
XVII	Remedies for Default	30
XVIII	Assessment of Fines	31
XIX	Rights Reserved to Developer	32
XX	Severability	33

EXHIBIT "A"
THE COTTAGES CONDOMINIUM
BYLAWS

ARTICLE I
ASSOCIATION OF OWNERS

The Cottages Condominium, a Condominium Project located in Resort Township, Emmet County, Michigan, shall be administered by an Association of Co-owners which shall be a non-profit corporation, hereinafter called the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Condominium Documents and the laws of the State of Michigan. These Bylaws shall constitute both the Bylaws referred to in the Master Deed and the Bylaws provided for under the Michigan Nonprofit Corporation Act. Each Co-owner shall be entitled to membership and no other person or entity shall be entitled to membership. The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledge or transferred in any manner except as an appurtenance to his Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed and other Condominium Documents for the Condominium project available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Condominium Project. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

ARTICLE II
ASSESSMENTS

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

Section 1. Expenses of Administration. Expenditures affecting the administration of the Project shall include costs incurred in the satisfaction of any liability arising within, caused by, or connected with, the Common Elements or the administration of the Condominium Project. The Association shall contribute to all costs of maintenance (including snow removal), repair and replacement of Crooked Tree Drive and the Crooked Tree US-31 entrance area as an expense of administration along with the other associations in the Crooked Tree Community proportionately based on the number of Units in each association. Receipts affecting the administration of the Condominium Project shall include 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.

Section 2. Determination of Assessments. Assessments shall be determined in accordance with the following provisions:

(A) Budget and Annual Assessment. 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, including any special annual escrow payments for sewer system maintenance required by Section 4(A) of Article IV, and must be funded by regular installment payments as set forth in Section 3 below rather than by special assessments. At a minimum, the reserve fund shall be equal to 10% of the Association's current annual budget on a non-cumulative basis. Since the minimum standard required by this subparagraph may prove to be inadequate for this particular Project, the Association of Co-owners should carefully analyze the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-owner, and the assessment for said year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Co-owner shall not affect or in any way diminish the liability of any Co-owner of any existing or future assessments. Should the Board of Directors at any time decide, in the sole discretion of the Board of Directors: (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium, (2) to provide replacements of existing Common Elements, (3) to provide additions to the Common Elements not exceeding \$3,000 annually for the entire Condominium Project, or (4) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The Board of Directors also shall have the authority, without Co-owner consent, to levy assessments pursuant to the provisions of Article V, Section 3, hereof. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and its members, and shall not be enforceable by any creditors of the Association.

(B) Special Assessments. Special assessments, in addition to those required in Section 2 (A) above, may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other requirements of the Association, including, but not limited to: (1) assessments for addition to the Common Elements of a cost exceeding \$3,000 for the entire Condominium Project per year, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 5 hereof or (3) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this Section 2 (B) (but not including those assessment referred to in this Section 2 (A) above, which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than 60% of all Co-owners. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and its members and shall not be enforceable by any creditors of the Association or its members.

Section 3. Apportionment of Assessment and Penalty for Default. Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners based upon the Percentages of Value set forth in Article V, Section 2 of the Master Deed.

Annual assessments as determined in accordance with Article II, Section 2(A) above shall be payable by the Co-owners in monthly installments, commencing with acceptance of a deed to or a land contract vendee's interest in a Unit, or with the acquisition of fee simple title to a Unit by any other means. The frequency of the installments can be changed at the discretion of the Board of Directors.

The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association within 30 days of the date it is billed. A penalty equal to 1.5% of the amount in default per month shall be imposed on any amount in default and shall be added to the amount in default without further billing until paid in full. In addition to this penalty, the Association may levy fines for late payment pursuant to Article XXVIII below. Each Co-owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments (including fines for late payment and costs of collection and enforcement of payment) pertinent to his Unit which may be levied while any such Co-owner is the owner thereof.

Sums assessed to a Co-owner by the Association of Co-owners which are unpaid constitute a lien upon the Unit or Units in the Project owned by the Co-owner at the time of assessment before other liens, except tax liens on the Condominium Unit in favor of any state or federal taxing authority and sums unpaid on a first mortgage of record, except that past due assessments which are evidenced by a notice of lien, recorded as set forth in Section 5, have priority over a first mortgage recorded subsequent to the recording of the notice of lien. The lien upon each Condominium Unit owned by the Co-owner shall be in the amount assessed against Unit, plus a proportionate share of the total of all other unpaid assessments attributable to Condominium Units no longer owned by the Co-owner but which became due while the Co-owner had title to the Condominium Units. The lien may be foreclosed by an action or by advertisement by the Association in the name of the Condominium Project on behalf of the other Co-owners.

Payments on account of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorney fees; second, to any interest charges and fines; and third, to installments in default in order of their due dates.

A Co-owner selling a Unit shall not be entitled to any refund whatsoever from the Association with respect to any reserve account or other asset of the Association.

Section 4. Waiver of Use or Abandonment of Unit. No Co-owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use of enjoyment of any of the Common Elements or by the abandonment of his Unit.

Section 5. Enforcement.

(A) Remedies. In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against his Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any utilities or other services to a Co-owner in default upon 7 days written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to utilize any of the General Common Elements of the project and shall not be entitled to vote at any meeting of the Association so long as such default continues; provided, however, this provision shall not operate to deprive any Co-owner of ingress and egress to and from his Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him. The Association may also assess fines for late payment or nonpayment of assessments in accordance with the provisions of Article XXI of these Bylaws. All of these remedies shall be cumulative and not alternative.

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

(C) Notice of Action. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of 10 days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his or their last known address, a written notice that one or more installments of the annual assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within 10 days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory or other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney's fees and future assessments), and (v) the name(s) of the Co-owner(s) of record. Such affidavit shall be recorded in the office of

the Emmet County Register of Deeds prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the 10 day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law.

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

Section 6. Liability of Mortgagee. Notwithstanding any 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 re-allocation of such assessments or charges to all Units including the mortgaged Unit).

Section 7. Developer's Responsibility for Assessments. The Developer of the Condominium, even though a member of the Association, shall not be responsible for payment of an assessment. The Developer, however, shall at all times pay a proportionate share of all current maintenance expenses actually incurred by the Association. For purposes of the foregoing sentence, the Developer's proportionate share of such expenses shall be based upon the ratio of completed Units owned by Developer at the time the expense is incurred to the total number of Units then in the Condominium except as provided herein. In no event shall Developer be responsible for payment of any assessment for deferred maintenance, reserve funds, reserves for replacement, for capital improvements or other special assessments, or for the use of access roads, water and sewer infrastructure re-payment or use or pool or amenity use, except with respect to Occupied Units owned by it. Developer shall not be responsible at any time for payment of assessments or payment of any expenses whatsoever with respect to Units not Completed notwithstanding the fact that such Units not Completed may have been included in the Master Deed. Further, the Developer shall in no event be liable for any assessment levied in whole or in part to purchase any Unit from the Developer or to finance any litigation or other claims against the Developer, any cost of investigating and preparing such litigation or claim or any similar or related costs. An "Occupied" Unit shall mean a Unit occupied as a residence. A "Completed" Unit shall mean a Unit on which a certificate of occupancy has been issued.

Section 8. Property Taxes and Special Assessments. All property taxes and special assessments levied by a public taxing authority shall be assessed in accordance with Section 131 of the Act.

Section 9. Personal Property Tax Assessment of Association Property. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-owners, and personal property taxes based thereon shall be treated as expenses of administration.

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

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

ARTICLE III ARBITRATION

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

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

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

**ARTICLE IV
INSURANCE**

Section 1. Nature and Extent of Mandatory Coverage by Association. The Association shall, to the extent appropriate in light of the nature of the General Common Elements of the Project, carry all risk hazard insurance coverage, public liability insurance, officers' and directors' liability insurance, workmen's compensation insurance, if applicable, and any other insurance the Association may deem desirable or necessary, pertinent to the ownership, use and maintenance of the General Common Elements. Such coverages shall be in minimum amounts to be determined by the Developer or the Association in the sole discretion of the Developer or the Association as the case may be (but in no event less than \$1,000,000 per occurrence in the case of public liability insurance).

Section 2. Nature and Extent of Permissive Coverage by Association. The Association may elect, through its Board of Directors, to undertake the responsibility for obtaining "all risk" hazard insurance coverage with respect to the dwellings and other structures located within the Units as well as public liability insurance for occurrences within the Units. The first Board of Directors of the Association has elected to obtain such coverages on behalf of all Co-owners. The cost of any such insurance obtained on behalf of all Co-owners shall be included as an expense of administration. Each Co-owner shall be provided a certificate of insurance as soon as it is available from the insurer. Co-owners may obtain supplementary insurance but in no event shall any such insurance coverage undertaken by a Co-owner permit a Co-owner to withhold payment of the share of the Association assessment that relates to the equivalent insurance carried by the Association. The Association also shall not reimburse Co-owners for the cost of premiums resulting from the early cancellation of an insurance policy. To the extent a Co-owner does or permits anything to be done or kept on the Co-owner's Unit that will increase the rate of insurance, the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition shall be charged to the Co-owner responsible for such activity or condition. The Board of Directors may elect to discontinue (or after discontinuance, to re-obtain) blanket coverage of "all risk" hazard insurance and public liability insurance with respect to all individual Units on behalf of all Co-owners. If it does so, however, all Co-owners shall be notified of the Board's election to discontinue (or after discontinuance, to re-obtain) such insurance at least sixty (60) days prior to the effective date of such action which notification shall include a description of the coverage and the name and address of the insurer. In the event that the Board of Directors duly, upon notice to all Co-owners, discontinues the Association's "all risk" hazard insurance and public liability insurance coverages for improvements and occurrences within Units, then the Association shall have no obligation to obtain such insurance coverage nor have any liability to any person for failure to do so. In such event, the obligation to obtain such insurance shall pass to each Co-owner in accordance with the provisions of Section 4 of this Article IV.

Section 3. Miscellaneous Provisions Relative to Insurance Coverage Maintained by Association. All insurance maintained by the Association shall be carried and administered in accordance with the following provisions:

(A) Insurance Policy Beneficiaries. All insurance carried by the Association shall be purchased by the Association for the benefit of the Association, the Developer and the Co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-owners.

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

(C) Proceeds of Insurance Policies. Proceeds of all insurance policies relative to the Common Elements or to the administration of the Association generally and which are owned by the Association shall be received by the Association, held in a separate account and distributed to the Association and the Co-owners and their mortgagees, as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction. Proceeds of any hazard insurance policy owned by the Association which relate to damage or destruction occurring within a specific Unit with respect to a dwelling or related improvements shall be payable only to the Co-Owner of such Unit and his mortgagee(s), as their respective interests may appear.

(D) Authority of Association to Settle Insurance Claims. Each Co-owner, by ownership of a Unit in the Condominium Project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning hazard insurance, liability insurance and workmen's compensation insurance (if applicable) pertinent to the Common Elements and the general administration of the Association, with such insurer as may, from time to time, provide such insurance for the Condominium Project. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing. This provision shall not confer on the Association any authority to settle claims relating only to damage or occurrences confined solely to a Unit and the Owner thereof (and his mortgagee, if applicable) shall be solely empowered to settle such claims.

Section 4. Responsibilities of Co-owners with Respect to Insurance. Regardless of any insurance coverage which may or may not be maintained by the Association with respect to individual Units, each Co-owner shall, at all times, be solely responsible for obtaining insurance coverage for the Co-owner's personal liability for occurrences within the Co-owner's dwelling and for all of the Co-owner's personal property located within the Unit as well as for any other personal insurance coverage that the Co-owner wishes to carry. In the event that the Board of Directors elects to discontinue blanket coverage by the Association of "all risk" hazard insurance for dwellings and related improvements and public liability insurance for occurrences within each Unit, after due notice to all Co-owners, then obtaining such coverage shall be and become the responsibility of each Co-owner. Thereafter, each Co-owner shall be responsible for

obtaining "all risk" hazard insurance coverage with respect to the dwelling and all other improvements owned by such Co-owner and which are constructed or to be constructed within the perimeter of the Co-owner's Unit and for public liability insurance for occurrences within the Unit. Under such circumstances, there is no further responsibility on the part of the Association to insure any of such improvements or liabilities whatsoever unless the Board of Directors elects to undertake such insurance coverages again and so notifies all Co-owners. Each Co-owner shall deliver certificates of insurance to the Association from time to time to evidence the continued existence of all insurance required to be maintained by the Co-owner hereunder. In the event of the failure of a Co-owner to obtain such insurance or to provide evidence thereof to the Association, the Association may, but is not required to, obtain such insurance on behalf of such Co-owner and the premiums therefor shall constitute a lien against the Co-owner's Unit which may be collected from the Co-owner in the same manner that Association assessments may be collected in accordance with Article II hereof. Nothing contained in this Section, however, shall require any Co-owner to carry hazard insurance or liability insurance with respect to any Common Elements which are located within any Unit which shall remain solely the responsibility of the Association.

Section 5. Waiver of Rights of Subrogation. The Association and all Co-owners shall use their best efforts to cause all property and liability insurance carried by the Association or any Co-owner to contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.

Section 6. Indemnification. Each individual Co-owner shall indemnify and hold harmless every other Co-owner, the Developer and the Association for all damages and costs, including attorneys' fees, which such other Co-owners, the Developer or the Association may suffer as a result of defending any claim arising out of an occurrence on or within such individual Co-owner's Unit and shall carry insurance to secure this indemnity if so required by the Association (or the Developer during the Construction and Sales Period). This Section 6 shall not be construed to give any insurer any subrogation right or other right or claim against any individual Co-owner, however.

ARTICLE V RECONSTRUCTION OR REPAIR

Section 1. Responsibility for Reconstruction or Repair. If any part of the Condominium Premises shall be damaged, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:

(A) General Common Elements. If the damaged property a Common Element, the damaged property shall be rebuilt or repaired by the Association unless all of the Co-owners and all of the institutional holders of mortgages on any Unit in the project unanimously agree to the contrary.

(B) Unit or Improvements Thereon. If the damaged property is a Unit or any improvements thereon, the Co-owner of such Unit shall remove all debris, rebuild and repair the

Unit and the damaged property and restore his Unit and the improvements thereon to a clean and slightly condition satisfactory to the Association and in accordance with the provisions of Article VI hereof as soon as reasonably possible following the occurrence of the damage.

Section 2. Repair in Accordance with Master Deed. Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the original plans and specifications for any damaged improvements located within the Unit unless the Co-owners shall unanimously decide otherwise.

Section 3. Association Responsibility for Repair. Immediately after the occurrence of a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction or repair required to be performed by the Association or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are insufficient, assessment shall be made against all Co-owners for the cost of repair. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation.

Section 4. Timely Reconstruction and Repair. If damage to the Common Elements adversely affects the appearance of the Project, the Association shall proceed with replacement of the damaged property without delay.

Section 5. Eminent Domain. The following provisions shall control upon any taking by eminent domain:

(A) Taking of Unit or Improvements Thereon. In the event of any taking of all or any portion of a Unit or any improvements thereon by eminent domain, the award for such taking shall be paid to the Co-owner of such Unit and the mortgagee thereof, as their interests may appear, notwithstanding any provision of the Act to the contrary. If a Co-owner's entire Unit is taken by eminent domain, such Co-owner and mortgagee shall, after acceptance of the condemnation award therefor, be divested of all interest in the Condominium Project.

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

(C) Continuation of Condominium After Taking. In the event the Condominium Project continues after taking by eminent domain, then the remaining portion of the Condominium Project shall be resurveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Article V of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the Percentages of Value of the Condominium to 100%. Such amendment may be effected by an officer of the Association duly authorized by the Board of

Directors without the necessity of execution or specific approval thereof by an Co-owner.

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

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

Section 6. Notification of FHLMC and FNMA. In the event any mortgage in the condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC") or by the Federal National Mortgage Association ("FNMA") then, upon request therefore by FHLMC or FNMA, as the case may be, the Association shall give it written notice at such address as it may, from time to time, direct of any loss to or taking of the Common Elements of the Condominium if the loss or taking exceeds \$10,000 in amount or if the damage to a Condominium Unit covered by a mortgage purchased in whole or in part by FHLMC or FNMA exceeds \$1,000.

Section 7. Priority of Mortgagee Interests. Nothing contained in the Condominium Documents shall be construed to give a Co-owner or any other party priority over any rights of first mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to Co-owners of insurance proceeds or condemnation awards for losses to or taking of Condominium Units and/or Common Elements.

ARTICLE VI RESTRICTIONS

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

Section 1. Use. No Unit in the Condominium shall be used for a purpose other than that intended or in violation of any provision of the Master Deed and Bylaws. The Common Elements shall be used only for purposes consistent with these uses. Neither the Units nor the Common Elements shall be used in violation of applicable zoning and other ordinances of the County or Township or in violation of other pertinent laws and/or public regulations.

Section 2. Leasing and Rental.

(A) Right to Lease. A Co-owner may lease his Unit for the same purposes set forth in Section 1 of this Article VI and as otherwise provided for in these Bylaws. No Co-owner shall lease or rent any Unit for an occupancy period of less than one day. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents. The Developer may lease any number of Units in the Condominium in its discretion and without restriction.

(B) Leasing Procedure. The leasing of Units in the Project shall conform to the following provisions:

(1) Tenants and non-owner occupants shall comply with all of the conditions of the Condominium Documents and all leases and rental agreements shall so state.

(2) If the Association determines that the tenant or non-owner occupants have failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:

(i) The Association shall notify the Co-owner by certified mail advising of the alleged violation by the tenant.

(ii) The Co-owner shall have 15 days after receipt of such notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.

(iii) If after 15 days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the Co-owners on behalf of the Association if it is under the control of the Developer, an action for eviction against the tenant or non-owner occupant and simultaneously for money damages in the same action against the Co-owner and tenant or non-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this subparagraph may be by summary proceeding. The Association may hold both the tenant and the Co-owner liable for any damages to the Common Elements caused by the Co-owner or tenant in connection with the Unit or Condominium Project.

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

Section 3. Architectural Control. No dwelling, structure or other improvement shall be constructed within a Condominium Unit or elsewhere within the Condominium Project, nor shall any material exterior modification be made to any existing dwelling, structure or improvement, including the installation of any landscaping either within a Unit or on a Common Element, unless plans and specifications therefor, containing such detail as the Developer may reasonably request, have first been approved in writing by the Developer. Construction of any building or other improvements must also receive any necessary approvals from the local public authority. Developer shall have the right to refuse to approve any such plans, specifications, grading, or landscaping plans, which are not suitable or desirable in its opinion for aesthetic or other reasons; and in passing upon such plans and specifications it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is

proposed to be constructed and the degree of harmony thereof with the Condominium as a whole. Developer may also, in its discretion, require as a condition of approval of any plans, an agreement for special assessment of increased maintenance charges from any Co-owner whose proposed dwelling and appurtenances and related improvements will cause the Association abnormal expenses in carrying out its responsibilities with respect thereto under the Master Deed.

The purpose of this Section is to assure the continued maintenance of the Condominium as a beautiful and harmonious development, and shall be binding upon both the Association and upon all Co-owners. Further, the restrictions hereby placed upon the Premises shall not be construed or deemed to create negative reciprocal covenants, easements or any restrictions upon the use of the Future Development Area described in the Master Deed. Developer's rights under this Article VI, Section 3 may, in Developer's discretion, be assigned to the Association or other successor to Developer. Developer may construct any improvements upon the Condominium Premises that it may, in its sole discretion, elect to make, without the necessity of obtaining the prior written consent from the Association or any other person or entity, subject only to the express limitation contained in the Condominium Documents

Section 4. Alterations and Modifications. No Co-owner shall make alterations in exterior appearance or make structural modifications to the dwelling constructed on his Unit or make changes in any of the Common Elements without the Developer or, after the Construction and Sales Period, the Architectural Control Committee.

Section 5. Activities. No improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium. No unreasonably noisy activity shall occur in or on the Common Elements or in any Unit at any time, and disputes among Co-owners, arising as a result of this provision which cannot be amicably resolved, shall be arbitrated by the Association. No Co-owner shall do or permit anything to be done or keep or permit to be kept in his Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved. Activities which are deemed offensive and are expressly prohibited include, but are not limited to, the following: Any activity involving the use of firearms, air rifles, pellet guns, B-B guns, bows and arrows, or other similar dangerous weapons, projectiles or devices.

Section 6. Pets. No more than two household pets shall be maintained by any Co-owner unless specifically approved in writing by the Association which approval may be granted or withheld in the absolute discretion of the Association's Board of Directors. No animal may be kept or bred for any commercial purpose, and every animal shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No animal may be permitted to run loose at any time upon the Condominium Premises. All animals shall at all times be leashed and attended by some responsible person while on the Condominium Premises. No savage or dangerous animal shall be kept, and any Co-owner who causes any animal to be brought or kept upon the Condominium Premises shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as the result

of the presence of such animal on the premises, whether or not the Association has given its permission therefor. Each Co-owner shall be responsible for collection and disposition of all fecal matter deposited by any pet maintained by such Co-owner. No dog which barks and can be heard on any frequent or continuing basis shall be kept in any Unit or on the Common Elements. The Association may charge all Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article II of these Bylaws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association may, without liability to the owner thereof, remove or cause to be removed any animal from the Condominium which it determines to be in violation of the restrictions imposed by this Section. The Association shall have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper. In the event of any violation of this Section, the Association may assess fines for such violation in accordance with these Bylaws and in accordance with duly adopted rules and regulations.

Section 7. Aesthetics. The Units and 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. Garage doors shall be kept closed at all times except as may be reasonably necessary to gain access to or from any garage. No unsightly condition shall be maintained on any patio, porch or deck, and only furniture and equipment consistent with the normal and reasonable use of such areas shall be permitted to remain there during seasons when such areas are reasonably in use, and no furniture or equipment of any kind shall be stored thereon during seasons when such areas are not reasonably in use. Trash receptacles shall be maintained in areas designated therefor at all times and shall not be permitted to remain elsewhere on a Unit or the Common Elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. The open areas within Units and Common Elements shall not be used in any way for the drying, shaking or airing of clothing or other fabrics. In general, no activity shall be carried on nor condition maintained by a Co-owner, either in his Unit or upon the Common Elements, which is detrimental to the appearance of the Condominium.

Section 8. Vehicles. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, motorcycles, all terrain vehicles, snowmobiles, snowmobile trailers or vehicles, other than automobiles or vehicles used primarily for general personal transportation purposes, may be parked or stored upon the premises of the Condominium, unless parked in areas designated by the Developer or the association as parking areas. No inoperable vehicles of any type may be brought or stored upon the Condominium Premises either temporarily or permanently. Commercial vehicles and trucks shall not be parked in or about the Condominium (except as above provided) unless while making deliveries or pickups in the normal course of business. Each Co-owner shall park his cars in any garage spaces provided therefor (if any exist) and shall park any additional cars which he owns in the driveway spaces immediately adjoining his garage. Co-owners shall, if the Association shall require, register with the Association all cars maintained on the Condominium Premises. Use of motorized vehicles anywhere on the Condominium Premises, other than passenger cars, authorized maintenance vehicles and commercial vehicles as provided in this Section 8, is absolutely prohibited. Overnight parking on any street in the Condominium is prohibited except as the Association may make reasonable

exceptions thereto from time to time.

Section 9. Advertising. No signs or other advertising devices of any kind shall be displayed which are visible from the exterior of a Unit or on the Common Elements, including "For Sale" signs, during the Construction and Sales Period, and, subsequent thereto, only with prior written permission from the Association and the Developer.

Section 10. Rules and Regulations. It is intended that the Association may make rules and regulations from time to time to reflect the needs and desires of the majority of the Co-owners in the Condominium. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws concerning the use of the Common Elements may be made and amended from time to time by the Association, including the period of time prior to the Transitional Control Date. Copies of all such rules, regulations and amendments thereto shall be furnished to all Co-owners. No such rules shall conflict with any other rules and regulations of the Crooked Tree Community.

Section 11. Right of Access of Association. The Association or its duly authorized agents shall have access to the dwelling on each Unit and any Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agents shall also have access to the dwelling on each Unit and any Limited Common Elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit. It shall be the responsibility of each Co-owner to provide the Association means of access to the dwelling on his Unit and any Limited Common Elements appurtenant thereto during all periods of absence, and in the event of the failure of such Co-owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to his Unit and any Limited Common Elements appurtenant thereto caused thereby or for repair or replacement of any doors or windows damaged in gaining such access.

Section 12. Tree Preservation. No Co-owner shall cut down or trim any tree located on the Condominium Premises without the prior written approval of the Association and the Developer. Each tree removed or trimmed in violation of this provision shall constitute a separate violation and shall subject the offending Co-owner to fines as set forth in Articles XIII and XIV of these Bylaws. This provision shall apply to any tree located within the Condominium Premises, whether within any Unit or upon the Common Elements.

Section 13. Common Element Maintenance. Sidewalks, yards, landscaped areas, and roads, shall not be obstructed nor shall they be used for purposes other than that for which they are reasonably and obviously intended. No obstructions may be left unattended on or about the Common Elements.

Section 14. Co-owner Maintenance. Each Co-owner shall maintain his Unit in a safe, clean, sanitary and aesthetically satisfactory condition and in accordance with any duly adopted regulations of the Association. Each Co-owner shall also use due care to avoid damaging any of

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

Section 15. Developer's Right of First Refusal: Resale Brokerage Restriction: Leasing Restriction.

(A) Right of First Refusal. No Co-owner may dispose of a Unit or any interest therein by sale without complying with this Section 15(A):

(1) Notice to Developer. A Co-owner intending to make a sale of a Unit, or any interest therein, shall deliver written notice of such intention to the Developer and shall furnish the name and address of the intended purchaser and such other information as the Developer shall reasonably require. At the time of giving such notice, such Co-owner shall also furnish the Developer with copies of all instruments setting forth the terms and conditions of the proposed transaction. The giving of such notice shall constitute a warranty and a representation by such Co-owner to the Developer that the Co-owner believes the proposed sale to be bona fide in all respects. The selling Co-owner shall be responsible to the Developer for any damages suffered by it in exercise of its rights hereunder and, in the event any proposed sale is not bona fide, such damages shall include (but not be limited to) the difference between the price paid by the Developer for the Unit or interest and the fair market value thereof.

(2) Action by Developer. Within seven (7) days after receipt of such notice of intention to sell, the Developer shall either waive its right to purchase the Unit or interest by written notice delivered to the selling Co-owner or execute and deliver to such Co-owner a contract of sale upon terms as favorable to the selling Co-owner as the terms furnished with the notice. The Developer shall have not less than thirty (30) days subsequent to the date of execution of such contract in which to close the transaction. The selling Co-owner shall be bound to consummate the transaction with the Developer pursuant to such contract. If the Developer fails to execute and deliver such written waiver or contract for sale to such selling Co-owner within such 30-day period for any reason whatsoever, such Co-owner may then sell the Unit or interest to the offeror provided that the sale is on the terms and conditions and for the price set forth in the notice of intention to sell delivered to the Developer.

(3) Improper Disclosure. In the event a sale is consummated between a Co-owner and any proposed purchaser upon any basis other than as disclosed to the Developer, the Developer shall then have the same right of first refusal as expressed above, which right

shall expire thirty (30) days after the Developer receives knowledge of the actual terms of the transaction or one year after consummation of the original transaction, whichever occurs first.

(4) Sale by Mortgagee. This Section shall not apply to a public or private sale held pursuant to foreclosure of a first mortgage on any Unit in the Project, nor shall this Section apply to any subsequent sale by any holder of a first mortgage on any Unit in the Project who or which obtained title to the Unit covered by such mortgage pursuant to the remedies provided in the mortgage, foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure.

(5) Waiver of Right. Waiver of the right to purchase by the Developer with respect to a proposed sale of a Unit or interest shall not constitute waiver of the Developer's right of first refusal with respect to any future proposed sales by a Co-owner thereof.

(B) Resale Brokerage Restriction. No Co-owner may dispose of a Unit or any interest therein by sale without complying with this Section 15(b):

(1) Notice to Developer. A Co-owner intending to make a sale of a Unit, or any interest therein, shall deliver written notice of such intention to the Developer. Such Co-owner must list such Unit or interest for sale with a broker designated by the Developer, as exclusive agent, pursuant to such broker's then current standard exclusive listing agreement for the Project, for a period of ninety (90) days, unless the Developer waives its rights under this Section in writing, which written waiver shall state the period of such waiver.

(2) Relisting Upon Reduction of Sales Price. If, at any time (whether during the term of the Developer's original listing agreement or otherwise), the selling Co-owner reduces the selling price of the Unit or interest, the Co-owner shall again list the Unit or interest for sale with the broker designated by Developer, as exclusive agent, pursuant to such broker's then current standard exclusive listing agreement for the Project, for another 90 day period, at such reduced price.

(3) Waiver of Mortgagee Sale. This Section shall not apply to a public or private sale held pursuant to a foreclosure of a first mortgage on any Unit in the Project, nor shall this Section apply to any subsequent sale by any holder of a first mortgage on any Unit in the Project who or which obtained title to the Unit covered by such mortgage pursuant to the remedies provided in the mortgage, foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure.

(4) Termination of Waiver. Waiver of the resale brokerage restriction contained in this Section by the Developer with respect to a Co-owner's proposed sale shall not extend beyond the period stated in the writing evidencing such waiver.

(C) Leasing Restriction. A Co-owner may not lease his Unit unless the Unit is leased only through Developer or a leasing agent designated by Developer, pursuant to Developer's or such leasing agent's then current leasing agency/management agreement for the Project, and upon such terms and conditions as Developer or such leasing agent may require, in their sole discretion. Developer may lease any number of Units in the Condominium, for any period of time, without the use of a leasing agent, upon such terms and conditions as Developer may determine, in Developer's sole discretion.

(D) Notices. All writings required or permitted to be given or delivered under this Article VI shall be deemed given or delivered, if the writing is directed to the Developer, by delivering it personally to an officer of the Developer, or if such writing is directed to the selling Co-owner, by delivering it personally to such Co-owner, or if mailed, in a sealed wrapper by United States registered or certified mail, return receipt requested, postage prepaid, properly addressed, if to the Developer, at the address shown on the first page of this Master Deed, and, if to such Co-owner, at the Co-owner's address shown on the records of the Association. Each such mailed writing shall be deemed to have been given or delivered when deposited in the United States mail as above provided. Each such personally delivered writing shall be deemed given or delivered upon delivery thereof in the manner above provided. The Developer may change its address for the purposes of delivery of such writing by delivering written notice of such change to the Co-owner in the manner above provided at least 10 days prior to the effective date of such change.

Section 18. Fractional Interests. Nothing contained in the Condominium Documents shall be construed to prohibit Developer from recording and implementing separate restrictive and affirmative covenants for the use and enjoyment of the Units on a time-share, fractional or common ownership basis. Developer and any successor developer shall have the exclusive right to record and implement such covenants in its sole and absolute discretion as to any unit owned or reacquired by it no matter if at the time of any such reacquisition, Developer shall have exercised all its other rights and performed all its other duties and responsibilities hereunder.

ARTICLE VII MORTGAGES

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

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

Section 3. Notification of Meetings. Upon request submitted to the Association, any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive written notification of every meeting of the members of the Association and to designate a representative to attend such meeting.

ARTICLE VIII VOTING

Section 1. Vote. Except as limited in these Bylaws, each Co-owner shall be entitled to one vote for each Condominium Unit owned.

Section 2. Eligibility to Vote. No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Condominium Project to the Association. Except as provided in Article XI, Section 2 of these Bylaws, no Co-owner, other than the Developer, shall be entitled to vote prior to the date of the First Annual Meeting of members held in accordance with Section 2 of Article IX. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 of this Article VIII below or by a proxy given by such individual representative. The Developer shall be the only person entitled to vote at a meeting of the Association until the First Annual Meeting of members. The Developer shall be entitled to one vote for each Unit it owns.

Section 3. Designation of Voting Representative. Each Co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communication from the Association on behalf of such Co-owner. Such notice shall state the name and address of the individual representative designated, the number(s) of the Condominium Unit(s) owned by the Co-owner, and the name and address of each person, firm corporation, partnership, association, trust or other entity who is the Co-owner. Such notice shall be signed and dated by the Co-owner. The individual representative designated may be changed by the Co-owner at any time by filing a new notice in the manner herein provided.

Section 4. Quorum. The presence in person or by proxy of 33% of the total value of the project shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by the Condominium Documents to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

Section 5. Voting. Votes may be cast only in person or by a writing duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of the meeting of the Association. Cumulative voting shall not be permitted.

Section 6. Majority. A majority, except where otherwise provided herein, shall consist of more than 50% of the relative values (based upon Percentage of Value) of those Co-owners 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 herein set forth of designated voting representatives present in person or by proxy, or by written vote, if applicable, at a given meeting of the members of the Association.

ARTICLE IX MEETINGS

Section 1. Place of Meeting. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Co-owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with Sturgis' Code of Parliamentary Procedure, Roberts Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Condominium Documents or the laws of the State of Michigan.

Section 2. First Annual Meeting. The First Annual Meeting of members of the Association may be convened only by Developer and may be called at any time after more than 50% of the Units (based upon Percentage of Value) in the Project have been sold and the purchasers thereof qualified as members of the Association. In no event, however, shall such meeting be called later than 120 days after the conveyance of legal or equitable title to non-Developer Co-owners of two-thirds (based upon Percentage of Value) of all Units or 54 months after the first conveyance of legal or equitable title to a non-Developer Co-owner of a Unit in the Project, whichever first occurs. Developer may call meetings of members for informative or other appropriate purposes prior to the First Annual Meeting of members and no such meeting shall be construed as the First Annual Meeting of members. The date, time and place of such meeting shall be set by the Board of Directors, and at least 10 days written notice thereof shall be given to each Co-owner.

Section 3. Annual Meeting. Annual meetings of members of the Association shall be held at such time and place as shall be determined by the Board of Directors; provided, however, that the second annual meeting shall not be held sooner than eight months after the date of the First Annual Meeting. At such meetings there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article XI of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

Section 4. Special Meeting. It shall be the duty of the President to call a special meeting of the Co-owners as directed by resolution of the Board of Directors or upon a petition signed by 1/4 of the Co-owners (based upon Percentage of Value) presented to the Secretary of the Association. Notice of any special meeting shall state the time, place and purpose of such meeting. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each Co-owner of record, at least 10 days but not more than 60 days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Co-owner at the address shown in the notice required to be filed with the Association by Article VIII, Section 3 of these Bylaws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice and such waiver, when filed in the records of the Association, shall be deemed due notice

Section 6. Adjournment. If any meeting of Co-owners cannot be held because a quorum is not in attendance, the Co-owners who are present may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

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

Section 8. Action Without Meeting. Any action which may be taken at a meeting of the members (except for the election or removal of Directors) may be taken without a meeting by written ballot of the members. Ballots shall be solicited in the same manner as provided in Section 5 for the giving of notice of meetings of members. Such solicitations shall specify (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specified a choice, the vote shall be constituted by receipt, within the time period specified in the solicitation of (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

Section 9. Consent of Absentees. The transaction of any Association business at any meeting of members, either annual or special, however called and noticed, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy; and if, either before or after the meeting, each of the members not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 10. Minutes; Presumption of Notice. Minutes or a similar record of the proceedings of meetings of members, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE X ADVISORY COMMITTEE

Within one year after conveyance of legal or equitable title to the first Unit in the Condominium to a purchaser or within 120 days after conveyance to purchasers of 1/3 of the total number of Units that may be created (based upon Percentage of Value), whichever first occurs, the Developer shall cause to be established an Advisory Committee consisting of at least one non-Developer Co-owners. The Committee shall be established and perpetuated in any manner the Developer deems advisable, except that if more than 50% of the non-Developer Co-owners (based upon Percentage of Value) petition the Board of Directors for an election to select the Advisory Committee, then an election for such purpose shall be held. The purpose of the Advisory Committee shall be to facilitate communications between the temporary Board of Directors and the other Co-owners and to aid in the transition of control of the Association from the Developer to purchaser Co-owners. The Advisory Committee shall cease to exist automatically when the non-Developer Co-owners have the voting strength to elect a majority of the Board of Directors of the Association. The Developer may remove and replace at its discretion at any time any member of the Advisory Committee who has not been elected thereto by the Co-owners.

ARTICLE XI BOARD OF DIRECTORS

Section 1. Number and Qualification of Directors. The Board of Directors shall be comprised of three members all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association, except for the first Board of Directors. Directors shall serve without compensation.

Section 2. Election of Directors.

(A) First Board of Directors. The first Board of Directors, or its successors as selected by the Developer, shall manage the affairs of the Association until the appointment of the first non-Developer Co-owners to the Board. Elections for non-Developer Co-owners Directors shall be held as provided in subsections (B) and (C) below.

(B) Appointment of Non-Developer Co-owners to Board Prior to First Annual Meeting. Not later than 120 days after conveyance of legal or equitable title to non-Developer Co-owners of 25% of the Units that may be created (based on Percentage of Value), at least one of the three Directors shall be selected by non-Developer Co-owners. When the required percentage of

conveyances has been reached, the Developer shall notify the non-Developer Co-owners and request that they hold a meeting and elect the required Directors. Upon certification by the Co-owners to the Developer of the Directors(s) so elected, the Developer shall then immediately appoint such Director(s) to the Board to serve until the First Annual Meeting of members unless he is removed pursuant to Section 7 of this Article or he resigns or becomes incapacitated.

(C) Election of Directors at and After First Annual Meeting.

(1) Not later than 120 days after conveyance of legal or equitable title to non-Developer Co-owners of 75% of the Units that may be created (based upon Percentage of Value), and before conveyance of 90% of such Units, the non-Developer Co-owners shall elect all Directors on the Board, except that the Developer shall have the right to designate at least one Director as long as the Developer owns and offers for sale at least 10% of the Units in the Project or as long as 10% of the Units remain that may be created. Whenever the 75% conveyance level is achieved, a meeting of Co-owners shall be promptly convened to effectuate this provision, even if the First Annual Meeting has already occurred.

(2) Regardless of the percentage of Units which have been conveyed, upon the expiration of 54 months after the first conveyance of legal or equitable title to a non-Developer Co-owner of a Unit in the project, the non-Developer Co-owners have the right to elect a number of members of the Board of Directors equal to the percentage of Units they own (based upon Percentage of Value) and the Developer has the right to elect a number of members of the Board of Directors equal to the percentage of Units which are owned by the Developer (based upon Percentage of Value) and for which maintenance expenses are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in subsection (1). Application of this subsection does not require a change in the size of the Board of Directors.

(3) At the First Annual Meeting two Directors shall be elected for a term of two years and one Director shall be elected for a term of one year. If the Developer is retaining two directorships, one shall have a two year term, and one shall have a one year term. If the Developer is retaining only one directorship, it shall be a two year term. At such meeting all nominees shall stand for election as a group, and each Unit shall have the right to vote for up to the number of directorships up for election. Voting rights are not cumulative, meaning a Co-owner may not place all of his votes for one nominee. The two persons receiving the highest number of votes shall be elected for a term of two years and the person receiving the next highest number of votes shall be elected for a term of one year. At each annual meeting held thereafter, Directors shall be elected depending upon the number of Directors whose terms expire after the First Annual Meeting, the term of office (except for one of the Directors elected at the First Annual Meeting) of each Director shall be two years. The Directors shall hold office until their successors have been elected and hold their first meeting.

(4) If the calculation of the percentage of members of the Board of Directors that the non-developer Co-owners have the right to elect under subsections (B) and (C)(1), or if the product of the number of members of the Board of Directors multiplied by the percentage of Units held by the non-developer Co-owners under subparagraph (C)(2) results in a right of non-developer Co-owners to elect a fractional number of members of the Board of Directors, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the Board of Directors that the non-developer Co-owners have the right to elect. After application of this formula the Developer shall have the right to elect the remaining members of the board of directors. Application of this subparagraph shall not eliminate the right of the Developer to designate one director as provided in subparagraph (1).

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

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

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

(A) To manage and administer the affairs of and to maintain the Condominium Project and the Common Elements thereof.

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

(C) To carry insurance and collect and allocate the proceeds thereof.

(D) To rebuild Common Elements after casualty.

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

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

(G) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Association, and to secure the same by mortgage, pledge, or other lien on

property owned by the Association; provided, however, that any such action must be approved by affirmative vote of all of the members of the Association.

(H) To make rules and regulations in accordance with Article VI, Section 10 of these Bylaws.

(I) To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Condominium and to delegate to such committees any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board.

(J) To enforce the provisions of the Condominium Documents.

Section 5. Management Agent. The Board of Director may employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto) at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Sections 3 and 4 of this Article, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association. In no event shall the Board be authorized to enter into any contract with a professional management agent, or any other contract providing for services by the Developer, sponsor or builder, in which the maximum term is greater than 3 years or which is not terminable by the Association upon 90 days written notice thereof to the other party and no such contract shall violate the provisions of Section 55 of the Act.

Section 6. Vacancies. Vacancies in the Board of Directors which occur after the Transitional Control Date caused by any reason other than the removal of a Director by vote of the members of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum, except that the Developer shall be solely entitled to fill the vacancy of any Director whom it is permitted in the first instance to designate. Each person so elected shall be a Director until a successor is elected at the next annual meeting of the members of the Association. Vacancies among non-Developer Co-owners elected Directors which occur prior to the Transitional Control Date may be filled only through election by non-Developer Co-owners and shall be filled in the manner specified in Section 2(B) of this Article.

Section 7. Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the Directors may be removed with or without cause by the affirmative vote of more than 50% of all of the Co-owners (based upon Percentage of Value) and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal 40% requirement set forth in Article VIII, Section 4. Any Director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting. The Developer may remove and replace any or all of the Directors selected by it at any time or from time to time in its sole discretion. Likewise, any Director selected by the non-Developer

Co-owners to serve before the First Annual Meeting may be removed before the First Annual Meeting in the same manner set forth in this paragraph for removal of Directors generally.

Section 8. First Meeting. The first meeting of a newly elected Board of Directors shall be held within ten 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 meeting, providing a majority of the whole Board shall be present.

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director personally, by mail, telephone or telegraph, at least 10 days prior to the date named for such meeting.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President on three days notice to each Director given personally, by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of two Directors.

Section 11. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meetings of the Board shall be deemed a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum present, the majority of those present may adjourn the meeting to a subsequent time upon 24 hours prior written notice delivered to all Directors not present. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring with the minutes thereof, shall constitute the presence of such Director for purposes of determining a quorum.

Section 13. First Board of Directors. The actions of the first Board of Directors of the Association or any successors thereto selected or elected before the Transitional Control Date shall be binding upon the Association so long as such actions are within the scope of the powers and duties which may be exercised generally by the Board of Directors as provided in the Condominium Documents.

Section 14. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premium on such bonds shall be expenses of administration.

**ARTICLE XII
OFFICERS**

Section 1. Officers. The principal officers of the Association shall be a President, who shall be a member of the Board of Directors, a Vice President, a Secretary, and a Treasurer. The Directors may appoint an Assistant Treasurer, and an Assistant Secretary, and such other officers as in their judgment may be necessary. Any two offices except that of President and Vice President may be held by one person.

(A) President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the president of an association, including, 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.

(B) Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to so do on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

(C) Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; he shall have charge of the corporate seal, if any, and of such books and papers as the Board of Directors may direct; and he shall, in general, perform all duties incident to the office of the Secretary.

(D) Treasurer. The Treasurer shall have responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and 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 may, from time to time, be designated by the Board of Directors.

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

Section 3. Removal. Upon affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purposes. No such removal action may be taken, however, unless the matter shall have been included in the notice of such meeting. The officer who is proposed to be removed shall be given an opportunity to be heard at the meeting.

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

**ARTICLE XIII
FINANCE**

Section 1. Records. The Association shall keep detailed books of account showing all expenditures and receipts of administration and which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does such audit need to be a certified audit. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual audited financial statement within 90 days following the end of the Association's fiscal year upon request therefor. The costs of any such audit and any accounting expenses shall be expenses of administration.

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

Section 3. Bank. Funds of the Association shall be initially deposited in such bank or savings association as may be designated by the Directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time. The funds may be invested from time to time in accounts or deposit certificates of such bank or savings association as are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and may also be invested in interest-bearing obligations of the United States Government.

**ARTICLE XIV
INDEMNIFICATION OF OFFICERS AND DIRECTORS**

Every Director and Officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a Director or officer of the Association, whether or not he is a Director or officer at the time such expenses are incurred, except in such cases wherein the Director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the Director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the Director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association. The foregoing

right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled. At least 10 days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all Co-owners thereof. The Association is authorized to carry officers' and directors' liability insurance covering acts of the officers and Directors of the Association in such amounts as it shall deem appropriate.

ARTICLE XV AMENDMENTS

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

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

Section 3. Voting. These Bylaws may be amended by the Co-owners at any regular annual meeting or a special meeting called for such purpose by an affirmative vote of not less than 66-2/3% of all Co-owners (based upon Percentage of Value). No consent of mortgagees shall be required to amend these Bylaws unless such amendment would materially alter or change the rights of such mortgagees, in which event the approval of 66-2/3% of the mortgagees shall be required, with each mortgagee to have one vote for each first mortgage held.

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

Section 5. When Effective. Any amendment to these Bylaws shall become effective upon recording of such amendment in the office of the Charlevoix County Register of Deeds.

Section 6. Binding. A copy of each amendment to the Bylaws shall be furnished to every member of the Association after adoption; provided, however, that any amendment to these Bylaws that is adopted in accordance with this Article shall be binding upon all persons who have an interest in the project irrespective of whether such persons actually receive a copy of the amendment.

ARTICLE XVI COMPLIANCE

The Association and all present or future Co-owners, tenants, future tenants, or any other persons acquiring an interest in or using the Project in any manner are subject to and shall comply with the Act, as amended, and the mere acquisition, occupancy or rental of an 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 XVII
REMEDIES FOR DEFAULT**

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

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

Section 2. Recovery of Costs. In any proceeding arising because of an alleged default by an Co-owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees (not limited to statutory fees) as may be determined by the court, but in no event shall any Co-owner be entitled to recover such attorney's fees.

Section 3. Removal and Abatement. The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the Common Elements or 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. The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein.

Section 4. Assessment of Fines. The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations in accordance with Article XVIII of these Bylaws.

Section 5. Non-waiver of Right. The failure of the Association or of any Co-owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Co-owner to enforce such right, provision, covenant or condition in the future.

Section 6. Cumulative Rights, Remedies and Privileges. All rights, remedies and privileges granted to the Association or any Co-owner or Co-owners pursuant to any terms, provisions, covenants or conditions of the aforesaid Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

Section 7. Enforcement of Provisions of Condominium Documents. A Co-owner may maintain an action against the Association and its officers and Directors to compel such persons to enforce the terms and provisions of the Condominium Documents. A Co-owner may maintain an action against any other Co-owner for injunctive relief or for damages or any combination thereof for noncompliance with the provisions of the Condominium Documents or the Act.

ARTICLE XVIII ASSESSMENT OF FINES

Section 1. General. The violation by any Co-owner, occupant or guest of any of the provisions of the Condominium Documents including any duly adopted rules and regulations shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines against the involved Co-owner. Such Co-owner shall be deemed responsible for such violations whether they occur as a result of his personal actions or the actions of his family, guests, tenants or any other person admitted through such Co-owner to the Condominium Premises.

Section 2. Procedures. Upon any such violation being alleged by the Board, the following procedures will be followed:

(A) Notice. Notice of the violation, including the Condominium Document provision violated, together with a description of the factual nature of the alleged offense set forth with such reasonable specificity as will place the Co-owner on notice as to the violation, shall be sent by first class mail, postage prepaid, or personally delivered to the representative of said Co-owner at the address shown in the notice required to be filed with the Association pursuant to Article VIII, Section 3 of these Bylaws.

(B) Opportunity to Defend. The offending Co-owner shall have an opportunity to appear before the Board and offer evidence in defense of the alleged violation. The appearance before the Board shall be at its next scheduled meeting, but in no event shall the Co-owner be required to appear less than 10 days from the date of the notice.

(C) Default. Failure to respond to the notice of violation constitutes a default.

(D) Hearing and Decision. Upon appearance by the Co-owner before the Board and presentation of evidence of defense, or, in the event of the Co-owner's default, the Board shall, by majority vote of a quorum of the Board, decide whether a violation has occurred. The Board's decision is final.

Section 3. Amounts. Upon violation of any of the provisions of the Condominium Documents and after default of the offending Co-owner or upon the decision of the Board as recited above, the following fines, plus any repair or out-of-pocket expenses or fees incurred, may be levied:

(A) First Violation. Up to \$100.00.

(B) Second Violation. Up to \$200.00 fine.

(C) Third and Subsequent Violations. Up to \$400.00 fine.

Section 4. Continuing Violations. In the event that a violation continues beyond 10 days from the date of the offending Co-owner's hearing at which the Board determines that a violation has occurred, the continuing violation will be treated as a separate and subsequent violation and the new and increased fines may be levied on each occasion of any subsequent violation determination without the necessity of a further hearing or hearings thereon.

Section 5. Collection. The fines levied pursuant to Section 3 above shall be assessed against the Co-owner and shall be due and payable either by separate invoice or together with the next periodic assessment. Failure to pay the fine will subject the Co-owner to all liabilities set forth in the Condominium Documents, including, without limitation, those described in Article II and Article XVII of these Bylaws.

Failure or delay on the part of the Association in the assessment of any fine does not waive any right the Association has hereunder. Failure to impose a monetary fine for a violation does not limit the Association's right to impose a subsequent, higher fine.

ARTICLE XIX RIGHTS RESERVED TO DEVELOPER

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, including the right and power to approve or disapprove any act, use, or proposed action or any other matter or thing, may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its acceptance of such powers and rights and such assignee or transferee shall thereupon have the same rights and powers as herein given and reserved to the Developer. Any rights and powers reserved or granted to the Developer or its successors shall terminate, if not sooner assigned to the Association, at the conclusion of the Construction and Sales Period as defined in Article III of the Master Deed. The immediately preceding sentence dealing with the termination of certain rights and powers granted or reserved to the Developer is intended to apply, insofar as the Developer is concerned, only to the Developer's rights to approve and control the administration of the Condominium and shall not, under any circumstances, be construed to apply to or cause the termination of any real property rights granted or reserved to the Developer or its successors and assigns in the Master Deed or elsewhere (including, but not limited to, access easements, utility easements and all other easements created and reserved in such documents which shall not be terminable in any manner hereunder and which shall be governed only in accordance with the terms of their creation or reservation and not hereby).

The Developer shall have the right to enforce these Bylaws throughout the Construction and Sales Period, which right of enforcement shall include (without limitation) an action to restrain the Association or any Co-owner from any activity prohibited by these Bylaws.

**ARTICLE XX
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.

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 ON THIS SHEET AND IN THE SURVEYOR'S CERTIFICATE ON SHEET 2.

EMMET COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 201
EXHIBIT B

TO THE MASTER DEED OF

THE COTTAGES

DESCRIBED AS:

Part of the West 1/2 of Section 11, T34N, R6W, Resort Township, Emmet County

Commencing at the North 1/4 corner of Section 11, T34N, R6W, Resort Township, Emmet County, Michigan; thence along the north-south 1/4 line of said section 11, S 00°15'50"E 2846.20 feet to the Center of said Section 11; thence along the east-west 1/4 line of said Section 11 S 89°59'46"W 1324.44 feet; thence S 00°20'46"E 34.00 feet to the PLACE OF BEGINNING; thence S 48°52'46"W 293.26 feet; thence N 71°19'46"W 139.56 feet; thence S 79°37'47"W 494.20 feet; thence N 29°59'55"W 234.74 feet; thence N 60°28'59"E 337.30 feet; thence N 49°26'02"E 550.91 feet; thence N 89°59'46"E 72.55 feet; thence S 7°27'01"E 402.81 feet; thence S 52°43'44"E 150.58 feet to the PLACE OF BEGINNING.

SHEET INDEX

- 1 COVER
- 2 SURVEY PLAN
- 3 SITE / UTILITY PLAN

DEVELOPER

CECIL FARMS DEVELOPMENT COMPANY L.L.C.
600 CROOKED TREE DRIVE
PETOSKEY, MICHIGAN 49770

SURVEYOR

BIDSTRUP & YOUNG INC.
607 E. LAKE STREET
HARBOR SPRINGS, MICHIGAN 49740



THIS PROPOSED SHEET PREPARED BY:
BIDSTRUP & YOUNG, INC.
607 E. LAKE STREET
HARBOR SPRINGS, MICHIGAN 49740

James E. Young

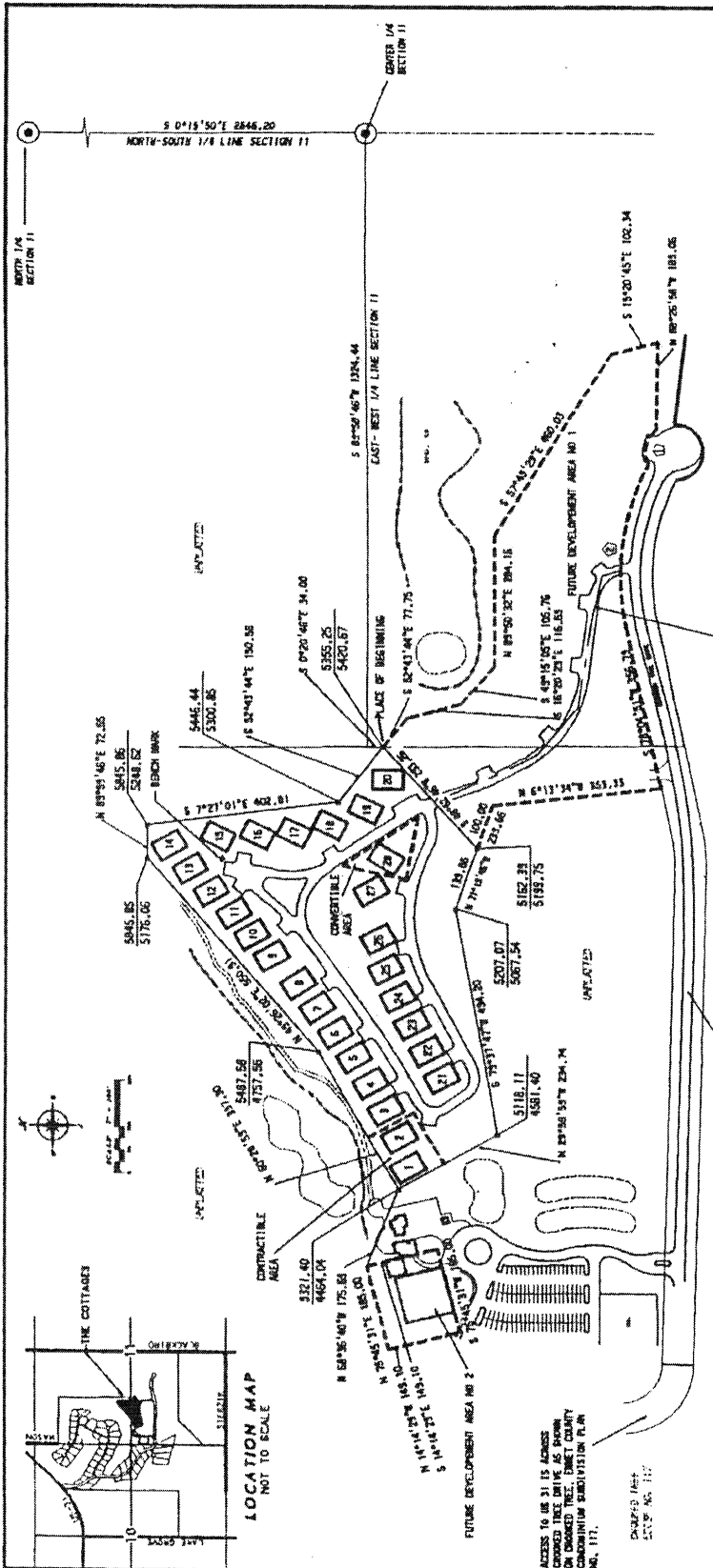
JAMES E. YOUNG, P.S. NO. 24626
DATE: APRIL 15, 1999

EMMET COUNTY REGISTER OF DEEDS

THE COTTAGES

COVER

1



NO.	RADIUS	DELTA	CHORD	ARC
1	60.00	78°43'42"	76.15	N 77°22'03"W 82.55
2	530.01	39°00'54"	333.37	N 82°24'38"W 360.31

- LEGEND:
- PROPOSED IRON ROD ON MINOR BOUNDARY POINT
 - ⊙ SECTION CORNER
 - PROPOSED CONCRETE MONUMENT ON MAJOR BOUNDARY

NOTES:

THE BEARINGS SHOWN ARE ASSUMED. ROTATE 00°00'00" CLOCKWISE TO THE BEARINGS SHOWN ON THE PLAT OF PARK VIEW ACRES AS RECORDED IN LIBER 6 OF PLATS ON PAGE 35 OF THE EMBET COUNTY RECORDS.

THE PROJECT IS NOT WITHIN THE 100 YEAR FLOODPLAIN.

ALL ADJACENT LAND IS UN-PLATTED.

BENCH MARK: TOP OF STEAMER NOZZLE FIRE HYDRANT NEAR UNIT 15 ELEVATION 800.54 (MAY DATUM).

CROSSED TREE EASEMENT EAST OF CROSSED TREE CONDOMINIUM

THE DISTANCES OF CROSSED TREE 200' AND 175'



SURVEYOR'S CERTIFICATE

I, JAMES E. YOUNG, PROFESSIONAL SURVEYOR OF THE STATE OF MICHIGAN, HEREBY CERTIFY:

THAT THE SUBDIVISION PLAN (KNOWN AS EMBET COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 142) AS SHOWN ON THE ACCOMPANYING DRAWINGS, REPRESENTS A SURVEY ON THE GROUND MADE UNDER MY DIRECTION, THAT THERE ARE NO EXISTING ENCROACHMENTS UPON THE LANDS AND PROPERTY HEREIN DESCRIBED.

THAT THE REQUIRED MONUMENTS AND IRON MARKERS WILL BE LOCATED IN THE GROUND AS REQUIRED BY RULES PROMULGATED UNDER SECTION 142 OF ACT NUMBER 53 OF THE PUBLIC ACTS OF 1978.

THAT THE ACCURACY OF THIS SURVEY IS WITHIN THE LIMITS REQUIRED BY RULES PROMULGATED UNDER SECTION 142 OF ACT NUMBER 53 OF THE PUBLIC ACTS OF 1978.

THAT THE BEARINGS AS SHOWN, ARE NOTED ON SURVEY PLAN AS REQUIRED BY RULES PROMULGATED UNDER SECTION 142 OF ACT NUMBER 53 OF THE PUBLIC ACTS OF 1978.

James E. Young

JAMES E. YOUNG, P.E., P.S.
 REGISTRATION NO. 24626
 BIDSTRUP & YOUNG, INC.
 607 E. LAKE STREET
 HARBOR SPRINGS, MICHIGAN 49740
 DATE: APRIL 15, 1985

THIS PROPOSED SHEET PREPARED BY:
BIDSTRUP & YOUNG, INC.
 607 E. LAKE STREET
 HARBOR SPRINGS, MICHIGAN 49740

James E. Young

JAMES E. YOUNG, P.E., P.S. 24626
 DATE: APRIL 15, 1985

THE COTTAGES

UNIT DIMENSIONS

UNIT	LONG SIDE	SHORT SIDE
1-6, 9-14	30'00"00"E 62.00	N 60'00"00"E 32.00
7-8,	32'53"52"E 62.00	N 57'00"00"E 32.00
15-15,	28'00"00"W 62.00	S 63'53"54"E 32.00
20,	50'00"00"W 62.00	S 50'00"00"E 32.00
21-26,	28'03"52"E 62.00	N 61'56"00"E 32.00
27,	30'00"00"E 62.00	N 60'00"00"E 32.00
28,	31'56"14"W 62.00	S 58'03"48"E 32.00

ALL UNITS LINES INTERSECT AT 90°

- LEGEND
- ▨ GENERAL COMMON ELEMENT
 - ▭ HARD SURFACE ROADWAY/PARKING
 - WATER MAIN WITH GATE VALVE
 - SEWER MAIN WITH MANHOLE
 - POWER, TELEPHONE, CABLE TV.
 - PROPOSED FIRE INTAKE
 - GAS

NOTES:

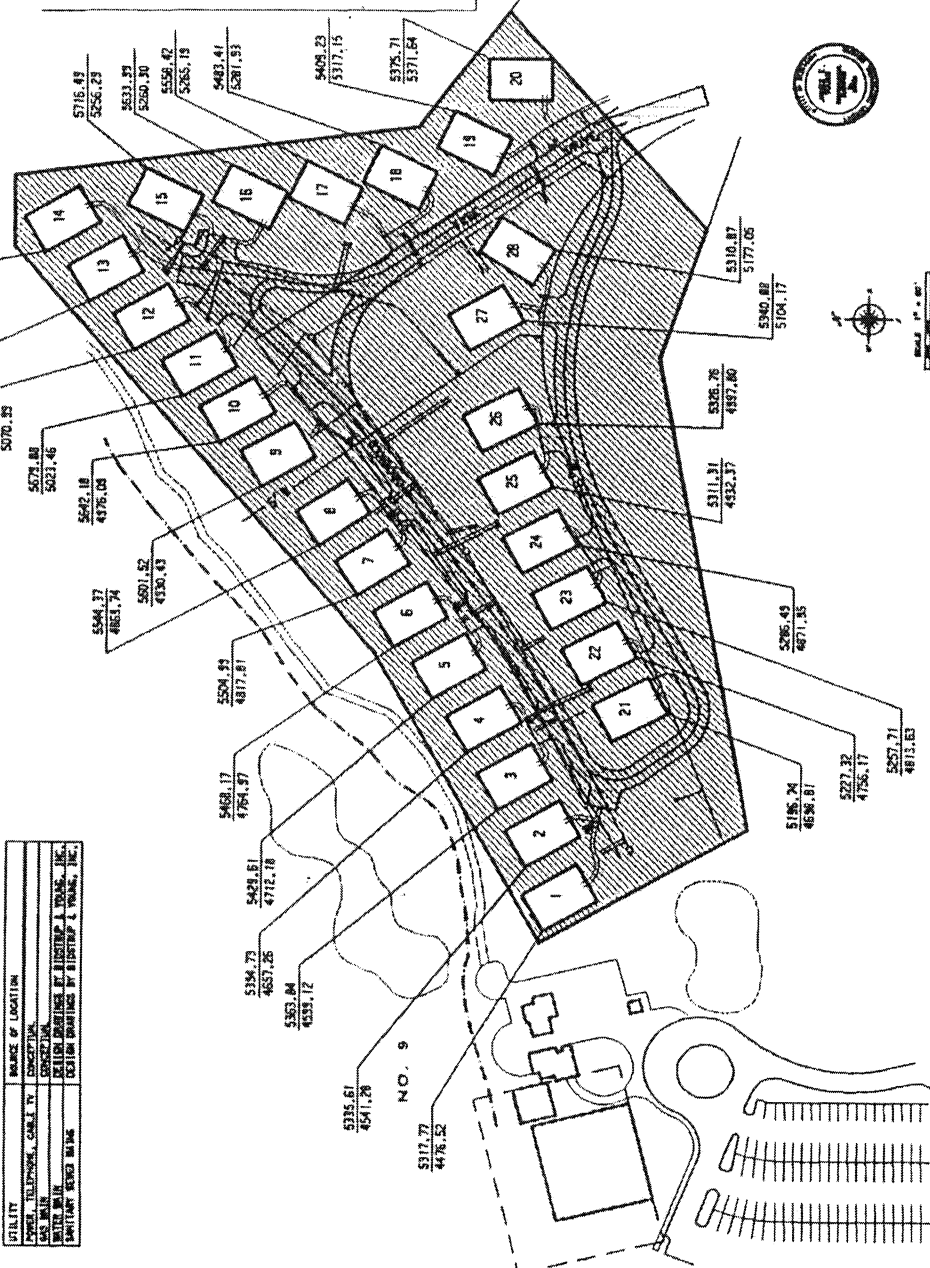
ALL INTERIOR WORK REQUIRED TO SERVE UNITS SHOWN, MAIN LINE UTILITIES, AND WATER SERVICE LINES TO THE CURBWAYS SHOWN ON THIS SHEET MUST BE BUILT.

THE LAYOUT OF THE UTILITIES IS BASED ON DESIGN DIMENSIONS AND INFORMATION SHOWN ON THE "AS-BUILT" DRAWINGS. ACTUAL UTILITY LOCATIONS WILL BE SHOWN ON THE "AS-BUILT" DRAWINGS.

WATER SERVICE LINES ARE 1 1/2" DIAMETER. SEWER SERVICE LINES ARE 8" DIAMETER. GAS SERVICE LINES WILL BE SIZED BY THE UTILITY.

AN OLD GAS SERVICE LINE IN THE AREA OF UNITS 21, 22 AND 23 MUST BE REMOVED OR RELOCATED.

UTILITY	SOURCE OF LOCATION
POWER, TELEPHONE, CABLE TV	ENGINEERING
GAS MAIN	ENGINEERING
WATER MAIN	ENGINEERING
SEWER MAIN	ENGINEERING
EXISTING ROADWAY	ENGINEERING BY BIDSTRUP & YOUNG, INC.
EXISTING DRIVE	ENGINEERING BY BIDSTRUP & YOUNG, INC.



THIS PROPOSED SHEET PREPARED BY:
BIDSTRUP & YOUNG, INC.
 607 E. LAKE STREET
 HARBOR SPRINGS, MICHIGAN 49740

DATE: APRIL 15, 1955

THE COTTAGES

SITE/UTILITY PLAN

3