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Penny A. Pepera
Register of Deeds
Manistee, Michigan 49660**MASTER DEED
PORTAGE POINT INN CONDOMINIUMS**

THIS MASTER DEED has been executed on July 31, 1996, by Northwoods Development, LLC, an Indiana limited liability company (the "Developer"), having its principal office at 4514 North College Avenue, Indianapolis, Indiana 46205, pursuant to the provisions of the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended (hereinafter the "Act").

RECITALS:

A. The Developer desires to establish the real property described in Article II below, together with all improvements located and to be located thereon, and all appurtenances thereto, as a condominium project under the Act.

B. The Developer has prepared and executed this Master Deed, together with the Condominium Bylaws attached hereto as Exhibit A and the Condominium Subdivision Plan attached hereto as Exhibit B, to accomplish this purpose.

ARTICLE I**DEDICATION**

By executing and recording this Master Deed, the Developer establishes Portage Point Inn Condominiums (hereinafter the "Condominium Project") as a condominium project under the Act. Hereafter, the Condominium Project shall be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved and in every manner utilized subject to the provisions, covenants, conditions, restrictions and obligations set forth in this Master Deed (including Exhibits A and B hereto) and to the provisions of the Act. All of the provisions, covenants, conditions, restrictions and obligations set forth in this Master Deed (including Exhibits A and B hereto) shall run with the real property included in the Condominium Project and shall burden and benefit the Developer and all persons acquiring or owning an interest in the Condominium Project, or in the real property hereby dedicated to the Condominium Project, and their grantees, successors, assigns, heirs and personal representatives. The units and other improvements contained in the Condominium Project, including the number, boundaries, dimensions, area and volume of each unit, are set forth in the Condominium Subdivision Plan attached hereto as Exhibit B. The Condominium Project contains individual residential units and related commercial units and each unit is capable of individual utilization on account of having its own entrance from an exit to a common element. Each co-owner shall have the exclusive right to the occupancy of his or her unit and subject to easements and restrictions of record, shall have undivided and inseparable rights to share the general common elements of the Condominium Project with the other co-owners.

ARTICLE II

LEGAL DESCRIPTION

The real property which is dedicated to the Condominium Project established hereby consists of the following eleven parcels of land legally described as follows:

Parcel 1

Containing 2 floors.

Part of Lot 12, "Hotel Reserve" Block 18, of the Plat of Portage Point according to the Recorded Plat thereof as recorded in Liber 2B of Plats, Page 68, Manistee County Records, Michigan.

Described as commencing at the NE Corner of Lot 12 "Hotel Reserve" Block 18 of said Plat

Thence N-79°-00'-00"-W 65.33 feet;

Thence S-10°-21'-52"-W 126.29 feet;

Thence S-79°-38'-08"-E 14.50 feet;

Thence directly above Second Floor Elevation 602.00 for Point of Beginning.

Thence S-79°-38'-08"-E 9.50 feet;

Thence S-53°-49'-12"E 8.88 feet;

Thence S-10°-21'-52"-W 16.30 feet;

Thence N-74°-46'-54"-W 8.88 feet;

Thence N-79°-38'-08"-W 14.00 feet;

Thence N-10°-21'-52"-E 12.50 feet;

Thence N-55°-21'-52"-E 6.36 feet;

Thence N-10°21'-52"-E 7.00 feet to the Point of Beginning. Also commencing at same Point of Beginning directly above on Third Floor Elevation 612.00 feet directly above.

Thence S-79°-38'-08"-W 17.50 feet;

Thence S-10°-21'-52"-W 24.00 feet;

Thence N-79°-38'-08"-W 32.00 feet;

Thence N-10°-21'-52"-E 24.00 feet;

Thence S-79°-38'-08"-E 14.50 feet to the Point of Beginning.

Containing First Floor 455 square feet. Second Floor 768 square feet. 1,223 square feet total.

Parcel 2

Containing 2 floors.

Part of Lot 12, "Hotel Reserve" Block 18, of the Plat of Portage Point according to the Recorded Plat thereof as recorded in Liber 2B of Plats, Page 68, Manistee County Records, Michigan.

Described as commencing at the NE Corner of Lot 12 "Hotel Reserve" Block 18 of said Plat

Thence N-79°-00'-00"-W 65.33 feet;

Thence S-10°-21'-52"-W 98.29 feet;

Thence Directly Above Second Floor Elevation 602.00 for Point of Beginning.

Thence S-79°-38'-08"-E 24.00 feet;

Thence S-10°-21'-52"-W 28.30 feet;

Thence N-79°-38'-08"-W 24.00 feet;

Thence N-10°-21'-52"-E 28.00 feet to the Point of Beginning together with Third Floor:
Elevation 612.00 feet directly above.

Containing First Floor 672 square feet. Second Floor 672 square feet. 1,344 square feet total.

Parcel 3

Containing 2 floors.

Part of Lot 12, "Hotel Reserve" Block 18, of the Plat of Portage Point according to the Recorded Plat thereof as recorded in Liber 23 of Plats, Page 68, Manistee County Records, Michigan.

Described as commencing at the NE Corner of Lot 12 "Hotel Reserve" Block 18 of said Plat

Thence N-79°-00'-00"-W 65.33 feet;

Thence S-10°-21'-52"-W 126.29 feet;

Thence directly above Second Floor Elevation 602.00 for Point of Beginning.

Thence N-79°-38'-08"-W 28.00 feet;

Thence S-10°-21'-52"-W 24.00 feet;

Thence S-79°-38'-08"-E 24.00 feet;

Thence N-10°-21'-52"-E 7.50 feet;

Thence S-79°-38'-08"-E 4.00 feet;

Thence N-10°-21'-52"-E 16.50 feet to the Point of Beginning.

Commencing at same Point of Beginning directly above on Third Floor Elevation 612.00 feet directly above.

Thence N-79°-38'-08"-W 28.00 feet;

Thence S-10°-21'-52"-W 24.00 feet;

Thence N-79°-38'-08"-E 28.00 feet;

Thence N-10°-21'-52"-E 24.00 feet;

Containing First Floor 642 square feet. Second Floor 672 square feet. 1,314 square feet total.

Parcel 4

Containing 2 floors.

Part of Lot 12, "Hotel Reserve" Block 18, of the Plat of Portage Point according to the Recorded Plat thereof as recorded in Liber 2B of Plats, Page 68, Manistee County Records, Michigan.

Described as commencing at the NE Corner of Lot '12 "Hotel Reserve" Block 18 of said Plat

Thence N-79°-00'-00"-W 65.33 feet;

Thence S-10°-21'-52"-W 150.28 feet;

Thence directly above Second Floor Elevation 602.00 for Point of Beginning.

Thence N-10°-21'-52"-E 3.50 feet;

Thence S-79°-38'-08"-E 10.00 feet;

Thence S-10°-21'-52"-W 3.50 feet;
Thence S-79°-38'-08"-E 14.00 feet;
Thence S-10°-21'-52."-W 28.00 feet;
Thence N-79°-38'-08"-E 24.00 feet;
Thence N-10°-21'-52"-E 28.00 feet to the Point of Beginning. Commencing at same
Point of Beginning directly above on Third Floor Elevation 612.00 feet directly above.
Thence S-79°-38'-08"-E 24.00 feet;
Thence S-10°-21'-52"W 28.00 feet;
Thence N-79°-38'-08"-W 24.00 feet;
Thence N-10°-21'-52"-E 24.00 feet to the Point of Beginning.
Containing Second Floor 707 square feet. Third Floor 672 square feet. 1,379 square feet total.

Parcel 5

Part of Lot 12 "Hotel Reserve" Block 18 of the Plat of Portage Point, according to the Recorded Plat thereof as recorded in Liber 2B of Plats, Page 68, Manistee County Records, Michigan.

Described as commencing at the NE Corner of Lot 12 "Hotel Reserve" Block 18 of Said Plat;

Thence N-79°-00'-00"-W 65.33 feet;
Thence S-10°-21'-52"-W 86.29 feet to the Point of Beginning.
Thence S-79°-38'-08"-E 36.33 feet;
Thence S-10°-21'-52"-W 32.47 feet;
Thence S-53°-49'-12"-E 8.88 feet;
Thence S-10°-21'-52"-W 120.65 feet;
Thence N-79°-38'-08"-W 22.63 feet;
Thence S-10°-21'-52"-W 15.00 feet;
Thence N-79°-38'-08"-W 33.00 feet;
Thence N-10°-21'-52"-E 68.80 feet;
Thence N-79°-38'-08"-W 12.10 feet;
Thence S-10°-21'-52"-W 31.30 feet;
Thence N-79°-38'-68"-W 30.10 feet;
Thence N-10°-21'-52"-E 3.00 feet;
Thence N-79°-38'-08"-W 5.50 feet;
Thence N-10°-21'-52"-E 7.50 feet;
Thence N-79°-38'-08"-W 2.80 feet;
Thence S-10°-21'-52"-W 7.50 feet;
Thence N-79°-38'-08"-W 14.00 feet:
Thence N-10°-21'-52"-W 21.50 feet;
Thence S-79°-38'-08"-E 1.80 feet;
Thence N-10°-21'-52"-E 4.50 feet;
Thence S-79°-38'-08"-E 29.60 feet;
Thence N-10°-21'-52"-E 24.80 feet;
Thence S-79°-38'-08"-E 30.00 feet;
Thence S-10°-21'-52"-W 13.30 feet;

Thence S-79°-38'-08"-E 12.10 feet;
Thence N-10°-21'-52"-E 20.60 feet;
Thence N-79°-38'-08"-W 16.40 feet;
Thence N-10°-21'-52"-E 24.00 feet;
Thence S-79°-38'-08"-E 28.00 feet;
Thence N-10°-21'-52"-E 40.00 feet to the Point of Beginning
Containing 10,798 Square feet.

Parcel 6

On Second Floor Office Area (Commercial)
Part of Lot 12, "Hotel Reserve" Block 18, of the Plat of Portage Point according to the Recorded Plat thereof as recorded in Liber 2B of Plats, Page 68, Manistee County Records, Michigan.

Described as commencing at the NE Corner of Lot '12 "Hotel Reserve" Block 18 of said Plat
Thence N-79°-00'-00"-W 65.33 feet;
Thence S-10°-21'-52"-W 178.28 feet;
Thence Directly Above Second Floor Elevation 602.00 for point of Beginning.
Thence S-79°-38'-08"-E 24.00 feet;
Thence S-10°-21'-52"-W 65.00 feet;
Thence N-79°-38'-08"-W 24.00 feet;
Thence N-10°-21'-52"-E 65.00 feet; to the Point of Beginning.
Containing 1,560 square feet total.

Parcel 7

Part of Lots 8 and 9, Block 18 in the Plat of Portage Point, according to the Recorded Plat thereof. Recorded in Liber 2B of Plats, Page 68, Manistee Records, Michigan.

More particularly described as commencing at the NW corner of Lot 8, Block 18 of said Plat;
Thence S-87°-07'-45"-E along the South line of Ninth Street 35.00 feet to the Point of Beginning.
Thence S-87°-07'-45"-E along the South line of Ninth Street 56.00 feet
Thence S-01°-43'-52"-W 76.00 feet;
Thence N-87°-07'-45"-W 56.00 feet;
Thence N-01°-43'-52"-E 76.00 feet to the Point of Beginning.
Containing 4,255 square feet.

Parcel 8

Part of Lot 8, Block 18 in the Plat of Portage Point, according to the Recorded Plat thereof. Recorded in Liber 2B of Plats, Page 68, Manistee Records, Michigan.

More particularly described as commencing at the Northwest Corner of Lot 8, Block 18 of said Plat;

Thence S-87°-07'-45"-E along the South line of Ninth Street 35.00 feet;

Thence S-01°-43'-52"-W 76.00 feet;

Thence N-87°-07'-45"-W 35.00 feet;

Thence N-01°-43'-32"-E 76.00 feet to the Point of Beginning.

Containing 2,659 square feet.

Parcel 9

Part of Lots 14, 15 and 16, Block 4 in the Plat of Portage Point according to the Recorded Plat thereof. Recorded in Liber 2B of Plats, Page 68, Manistee Records, Michigan.

More particularly described as commencing at the SE Corner of Block 4 of Said Plat;

Thence N-87°-07'-45"-W 286.18 feet along the North line of Ninth Street, to the Point of Beginning

Thence N-00°-39'-53"-W 40.07 feet;

Thence S-87°-07'-45"-E 67.47 feet;

Thence S-02°-52'-15"-W 40.00 feet to the North line of Ninth Street;

Thence N-87°-07'-45"-W along the North line of Ninth Street 65.00 feet to the Point of Beginning Containing 2,650 square feet.

Parcel 10

Part of Lots 13 and 14, Block 4 in the Plan of Portage Point, according to the Recorded Plat thereof. Recorded in Liber 2B of Plats, Page 68, Manistee County Records, Michigan.

More particularly described as commencing at the SE Corner of Said Plat;

Thence N-87°-07'-45" W 221.18 feet along the North line of Ninth Street to the Point of Beginning.

Thence N-02°-52'-15"-E 40.00 feet;

Thence S-87°-07'-45"-E 62.00 feet;

Thence S-02°-52'-15"-W 40 feet to the North line of Ninth Street;

Thence N-87°-07'-45"-W along the North line of Ninth Street, 62.00 feet to the Point of Beginning.

Containing 2,480 square feet.

Parcel 11

Part of Lots 11, 12 and 13, Block 4 in the Plat of Portage Point, according to the Recorded Plat thereof. Recorded in Liber 2B of Plats, Page 68, Manistee Records, Michigan.

More particularly described as commencing at the SE Corner of Block 4;

Thence N-87°-07'-45"-W along the North line of Ninth Street 141.18 feet to the Point of Beginning.

Thence N-02°-52'-15"-E 70.00 feet;

Thence S-87°-07'-45"-E 60.00 feet;

Thence S-02°-52'-15"-W 70.00 feet to the North line of Ninth Street;

Thence N-87°-07'-45"-W 60.00 feet to the Point of Beginning.

Containing 4,200 square feet.

Date August 1, 1996

This is to certify that there ~~is~~ no tax liens or titles on this property and that the taxes are paid for FIVE YEARS previous to the date of this instrument. This certification does not include taxes, if any now in the process of collection by the City, Village or Township Treasurer, or any denied Homestead Property Affidavit.

ARTICLE III

DEFINITIONS

MANISTEE COUNTY TREASURER

(X) [Signature]

When used in any of the Condominium Documents (as hereinafter defined) or in any contract, deed, mortgage, lien, easement or other instrument affecting the Condominium Project or the establishment or transfer of any interest therein, the following terms shall carry the definitions which follow them unless the context clearly indicates to the contrary:

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

(b) "Adjacent Property" means the Inn Property exclusive of the Condominium Premises.

(c) "Apartment Unit" means a residential unit in the Condominium Project which is not designated by this Master Deed as being a cottage unit.

(d) "Association" means Portage Point Inn Condominium Association, a nonprofit corporation organized under Michigan law in which all co-owners shall be members and which shall administer, operate, manage and maintain the Condominium Project. Any action required of or permitted to the Association shall be exercisable by its Board of Directors unless explicitly reserved to the members by the Condominium Documents or the laws of the State of Michigan, and any reference to the Association shall, where appropriate, also constitute a reference to its Board of Directors.

(e) "Bylaws" means Exhibit A hereto, being the bylaws setting forth the substantive rights and obligations of the co-owners and required by Section 53 of the Act to be recorded as part of the Master Deed. The Bylaws shall also constitute the corporate bylaws of the Association as provided for under the Michigan Nonprofit Corporation Act.

(f) "Common Elements," when used without modification, means both the general and limited common elements as defined in Article V hereof.

(g) "Condominium Documents" means and includes this Master Deed, the Bylaws attached hereto as Exhibit A, the Condominium Subdivision Plan attached hereto as Exhibit B, and the Articles of Incorporation and the Rules and Regulations, if any, of the Association.

(h) "Condominium Premises" means and includes the land and all buildings, improvements and structures thereon, and all easements, rights and appurtenances belonging to the Condominium Project as described above.

(i) "Condominium Project" means Portage Point Inn Condominiums, a Condominium Project established pursuant to the Act.

(j) "Condominium Subdivision Plan" means Exhibit B hereto.

(k) "Consolidating Master Deed" means the final amended Master Deed which describes Portage Point Inn Condominiums as a completed project and shall reflect the entire land area of the Condominium Project, and all units and common elements therein, and expresses percentages of value pertinent to each unit. Such Consolidating Master Deed, when recorded in the Office of the Manistee County Register of Deeds, shall supersede the previously recorded Master Deed and all amendments thereto for Portage Point Inn Condominiums.

(l) "Convertible Area" means those portions of the common elements of the Condominium Project, as shown on the Condominium Subdivision Plan and described in Article X hereof, within which additional units or general or limited common elements and improvements may be created by the Developer.

(m) "Co-owner" means each person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which has an ownership interest in one or more units in the Condominium Project. The term "co-owner" includes a land contract vendee unless the land contract provides otherwise and notice of such fact is of record with the Manistee County Register of Deeds. The term "owner," wherever used, shall be synonymous with the term "co-owner".

(n) "Cottage Unit" means Unit 7 (Johnson Cottage), Unit 8 (Hull Cottage), Unit 9 (Lakeview Cottage), Unit 10 (Rexwood Cottage), and Unit 11 (Avalon Cottage), and such other free standing units, if any, as may subsequently be constructed on the Condominium Premises and designated by the Developer as cottage units by appropriate Amendment of this Master Deed.

(o) "Developer" means Northwoods Development, LLC, an Indiana limited liability company, which has prepared and executed this Master Deed and its successors and assigns.

(p) "Family" means an individual or group of two (2) or more individuals related by blood, marriage or adoption, together with all natural and foster children, who are regularly domiciled together as a single housekeeping group.

(c) "Inn Property" means the following real property:

Lots 3, 4, and 5, Block 3; Lots 10, 11, 12, 13, 14, 15, the East 1/2 of Lot 16 (Except the West 3 feet thereof) and the South 20 feet of Lot 9, Block 4; Lots 8, 9, 10, 11, 12, 13, 14, and that part of Lot 15 lying East of the West Line of Lot 8 extended South, all in Block 18; Lot 6, Block 19; Lots 1, 2, 3, and 4, Block 25, also the South 1/2 vacated Tenth Street, North of Lots 14, 15 and East 1/2 of 16, Block 4 also all that part of South Park, Portage Point lying North of a line beginning at a point on the Easterly Line of South Park 160 feet North from SE Corner and running Westerly to a point on the West Line of said South Park 100 feet North from the SW Corner. That part of vacated Seventh Street in Portage Point lying East of Avenue A as now located and the vacated portion of Avenue A between South Park and Block 25; also the S 1/2 of vacated Tenth Street North of Lots 14, 15, and E 1/2 Lot 16, Block 4 all in the Plat of Portage Point according to the Plat thereof as Recorded in Liber 2B of plats page 68, Manistee County Records.

More particularly described as commencing at the SE Corner of Lot 4, Block 25 of the Recorded Plat of Portage Point for the Point of Beginning.

Thence N-72°-20'-39" W 458.79 feet to West Line of South Park; Thence N-07°-57'-26" E 320.98 feet; Thence N-65°-25'-45" W 25.01 feet; Thence N-12°-03'-01" E 30.13 feet; Thence N-89°-39'-16" W 13.39 feet; Thence N-01°-43'-52" E 271.94 feet to the South R.O.W. of Ninth Street; Thence N-29°-53'-49" E 44.90 feet to North R.O.W. of Ninth Street; Thence N-00°-39'-53" W 154.49 feet to Center Line of vacated Tenth Street; Thence S-86°-46'-26" E 98.41 feet along Center Line of Tenth Street; Thence N-19°-02'-01" E 84.55 feet; Thence S-71°-17'-38" E 228.26 feet to the Westerly R.O.W. Line of Avenue A; Thence N-51°-01'-06" E 72.92 to the Easterly R.O.W. Line of Avenue A and NE Corner of Lot 3, Block 3; Thence S-72°-30'-00" E 89.94 feet along the North Line of Lot 3, Block 3 to a Traverse Line along the Shore of Portage Lake; Thence S-03°-53'-02" W along Lake Traverse Line 255.97 feet; Thence S-32°-14'-19" E along Lake Traverse 29.90 feet; Thence S-00°-51'-38" W along Lake Traverse 410.62 feet; Thence S-15°-56'-50" W along Lake Traverse 302.63 feet to the Point of Beginning containing 10.35 acres more or less and is subject to the rights of the public and of any governmental unit in any part thereof taken, used or deeded for street, road or highway purposes.

(r) "Lobby, Lounge and Porch" means those portions of Unit 5 shown and designated on the Condominium Subdivision Plan as being the "Lobby", the "Lounge", the "Men's Restroom", the "Women's Restroom", the "Hall" and the "Porch".

(s) "Main Stairs" means the stairway located in, and which is part of, Unit 5 and connects said unit to the common hall from which Units 1, 2, 3 and 4 are accessed.

(t) "Parking Area" means an area suitable for the parking of automobiles and other motor driven land vehicles.

(u) "Principal Co-owners" means the individual or individuals who are from time to time the co-owners of a unit; provided, however, that with respect to each unit owned by two or more individuals other than as tenants by the entireties, and with respect to which each unit having a corporation, partnership, association, trust or other legal entity as a co-owner, "Principal Co-owners" mean the individuals from time to time designated in writing to the Association and the Developer by the owners of the unit as being the individuals to be treated as if they were the sole individual co-owner of a unit in the Project and who shall have the right, together with their families, to personally use and enjoy all easements, licenses and other rights granted to co-owners of the Project by the Condominium Documents. No more than four (4) individuals shall be designated as principal co-owners with respect to any unit, and once a designation has been made, it may not be changed for a period of six months unless the Association and the Developer otherwise consent in the sole and exclusive exercise of their discretion.

(v) "Related Condominium Project(s)" means each condominium project, whether a residential, marina, commercial or mixed use project, hereafter established by the Developer or its successors and assigns on all or any portion of the Adjacent Property.

(w) The phrase "successors and assigns" means, when used in relationship to the Developer, (i) such person or persons, corporations, partnership, trusts or other legal entities as may, by way of merger, consolidation, acquisition, liquidation or otherwise, acquire all of the rights, duties and obligations which the Developer or a Related Company may have in or with respect to the Condominium Project at the time of such acquisition, whether voluntarily or by operation of law, and (ii) such person or persons, corporations, partnership, trusts or other legal entities to whom the Developer or any Related Company may voluntarily transfer, by one or more duly recordable instruments in writing, any specific item of property, easement, right or power reserved to the Developer or any Related Company by the terms of this Master Deed, any Consolidating Master Deed or any other Condominium Document. Neither the Association nor any co-owner of a unit shall be deemed to be or treated in any manner whatsoever as the successor or assign of the Developer or any Related Company with respect to any item of property, easement, right or power reserved to the Developer or any Related Company by the terms of this Master Deed, any Consolidating Master Deed or any other Condominium Document, in the absence of an instrument in writing in duly recordable form expressly providing to the contrary.

(x) "Unit" means, with respect to apartment and commercial units, the space constituting a complete residential or commercial area in the Condominium Project as such space is depicted on the Condominium Subdivision Plan, the exterior boundaries of which shall be the interior surfaces of the walls, floors and ceilings enclosing such unit. With respect to the cottage

units, "Unit" means the land area depicted on the Condominium Subdivision Plan within which the owner is entitled to erect and maintain a single family residence in accordance with the requirements of this Master Deed and the other Condominium Documents. Regardless of how used, the term shall also have the same meaning as the term "condominium unit" as defined in the Act.

(y) "Utility and Common Facility Maintenance Agreement" means that certain agreement bearing such title dated July 31, 1996 and recorded in the Manistee County Records governing the maintenance, repair and replacement of various facilities and improvements located on the Inn Property and by its terms being binding upon and running with the land constituting the Condominium Premises.

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

ARTICLE IV

TITLE AND NATURE

The Condominium Project shall be known as Portage Point Inn Condominiums, Manistee County Subdivision Plan No. 13-96. The improvements contained in the Condominium Project, including the number, boundaries, dimensions and area of each unit, are set forth completely in the Condominium Subdivision Plan. The Condominium Project contains individual residential units and related commercial units, and each unit has been designed and intended for separate ownership and use. Each co-owner in the Condominium Project shall have an exclusive right to occupy his or her unit and subject to the restrictions set forth in the Condominium Documents, shall have undivided and inseparable rights to share with other co-owners the use and enjoyment of the common elements.

ARTICLE V

COMMON ELEMENTS

The common elements of the Condominium Project and the respective responsibilities for maintenance, decoration, repair or replacement thereof are as follows:

- A. General Common Elements. The general common elements are as follows:

(1) The land described in Article II hereof and all rights pertaining thereto except to the extent contained within the boundaries of a cottage unit..

(2) Exclusive of any wiring and equipment owned by any utility or governmental entity, all electrical wiring located on the Condominium Premises, including that contained within unit walls, up to the point of connection with, but not including, electrical plugs, fixtures and switches in any unit, plus all service panels, circuit breakers and related equipment which serves more than one unit in the Condominium Project and does not serve the Adjacent Property (it being the intent hereof to include all electrical wiring and electrical service equipment as a general common element unless (i) it is owned by a utility or governmental entity, (ii) it exclusively serves a single unit or a limited common element appurtenant thereto, or (iii) it also provides service to the Adjacent Parcel).

(3) The water and sewer systems located on the Condominium Premises, including all plumbing contained in unit walls, from the point of connection with plumbing fixtures in any unit to the point or points at which the lines or leads providing water and sewer to the same intersect with the boundary line of the Condominium Premises provided that the line or item of equipment in question does not exclusively serve a Unit or a limited common element appurtenant thereto and does not also serve the Adjacent Parcel (it being the intent hereof to include all water and sewer lines, all piping and plumbing, and all related equipment, such as water heaters and fire sprinkling equipment, other than plumbing fixtures serving a single unit as a general common element unless the same, such as a water heater, exclusively serves a unit or also serves the Adjacent Parcel).

(4) All natural gas leads and lines located on the Condominium Premises unless such leads and lines also serve the Adjacent Parcel.

(5) The heating, ventilating and air conditioning systems serving the Condominium Project exclusive of heaters, furnaces, ventilators and air conditioners which also serve the Adjacent Parcel or exclusively serve a unit or a limited common element appurtenant thereto.

(6) All beneficial easements and licenses identified in the Condominium Documents.

(7) Except as otherwise specifically provided below in Section C of this Article, such other elements of the Condominium Project not designated herein as general or limited common elements which are not enclosed within the boundaries of a unit or appurtenant limited common element and which are intended for common use or are necessary for the existence and upkeep of the Condominium Project.

Some or all of the utility lines, systems and related equipment described above may be owned by the local public authority or by the company that is providing the pertinent service. Accordingly, such utility lines, systems and equipment shall be general common elements only to the extent of the co-owners' interest therein, if any, and the Developer makes no warranty whatever with respect to the nature or extent of such interest, if any.

B. Limited Common Elements. The limited common elements which are appurtenant to one or more units, the use of which is subject to the control of the owner(s) of such unit(s) as provided by the Condominium Documents, are as follows:

(1) All foundations, supporting columns, exterior walls, interior walls, floors, ceilings and other structural components of the building(s) in which the apartment units are located shall be limited common elements appurtenant to the apartment units contained in the Condominium Project.

(2) With respect to the apartment units, the interior surfaces of unit perimeter walls (including the interior surfaces of windows, screens and doors therein), and the interior surfaces of the ceilings and floors contained within the unit, shall be appurtenant limited common elements of that unit.

(3) Each item of electrical, water, sewer, heating, ventilating and air conditioning equipment which exclusively serves a unit or an appurtenant limited common element shall be a limited common element of the unit served thereby.

C. Property Retained by the Developer. The following items of property located on or within the Condominium Premises are hereby reserved to, and shall remain the sole and exclusive property of, the Developer and its successors and assigns:

(1) All items of property located within the Condominium Premises which are not general common elements because they also serve the Adjacent Parcel are hereby reserved to, and shall remain the sole and exclusive property of, the Developer and its successors and assigns.

(2) All cables, wires, switch boards, public telephones and other apparatuses or items of equipment (regardless of whether located within any unit or common element of the Condominium Project or otherwise, including, specifically, the walls of any unit or common element) comprising part of the telephone system serving the Condominium Premises, up to the point of the telephone jack(s) contained within each unit, shall be and remain the sole and exclusive property of the Developer and its successors and assigns (it being the purpose hereof to retain to the Developer ownership of any and everything comprising part of the telephone system serving the Condominium Premises wherever located and howsoever installed up to the point of the telephone jack(s) located in each unit). The existence of the telephone system within the Condominium Project shall not be deemed or construed in any manner whatsoever as an undertaking or commitment by

the Developer or its successors or assigns to operate the same for any particular period of time, or as an undertaking or commitment that the same shall be operated free of charge or cost to the Association or co-owners. The Developer or its successors and assigns may, at their option, at any time, in the sole and exclusive exercise of their discretion, cease operation thereof and remove all or any part of the equipment and wires comprising the same as they may determine to be appropriate, and during such period as such system may be in operation, the Developer or its successors and assigns may assess the Association and co-owners such fees and charges as they may from time to time determine to be appropriate for rendering the telephone services which such system permits to be provided in the absence of any service, management or other agreement being in effect between the Developer or its successors or assigns and the Association or the co-owners with respect to fees and charges for the rendering of such services.

D. Upkeep of Common Elements and Payment of Utility Bills. The respective responsibilities for the maintenance, decoration, repair and replacement of the common elements and for the payment of utility bills are as follows:

(1) The cost of decorating and maintaining, but not of repairing or replacing, except in case of co-owner fault, all surfaces referred to in subsection B.(2) above shall be borne by the co-owner of the unit to which such limited common elements appertain.

(2) The cost of decorating, maintaining, repairing and replacing the items referred to in subsection B.(1) above shall be the sole responsibility of the co-owners of the apartment units.

(3) The responsibility for, and the costs of, maintaining, repairing and replacing all property owned by the Developer or its successors and assigns, as set forth and described in subsection C.(1) and (2) above shall be borne by the Developer, its successors and assigns; provided, however, that nothing herein shall be deemed or construed in any manner whatsoever as (i) absolving the Association or any co-owner from liability to the Developer or its successors or assigns for the cost of any maintenance, repair or replacement made necessary in whole or in part by their acts or omissions, or (ii) as precluding the Developer or its successors or assigns from charging or otherwise allocating all or any part of any such costs to or among the Association or co-owners pursuant to the terms of any service, management or other agreement which may now or hereafter exist between the Developer or its successors or assigns and the Association or any of the co-owners, or as part of the fees and charges established by the Developer or its successors or assigns for the rendering of services which such systems permit to be provided in the absence of any such agreement.

(4) The cost of decorating, maintaining, repairing and replacing all structures within the boundaries of the cottage units shall be borne by the co-owner of the unit containing the structures.

(5) Except as provided above, the cost of maintaining, decorating, repairing and replacing all general and limited common elements shall be borne by the Association, unless the need for maintenance, repair or replacement is due to the act or neglect of a co-owner or his or her agent, guest, invitee, family member or pet, in which case such co-owner shall be wholly and solely responsible. Except as otherwise provided herein or in the bylaws, any damage caused to a unit or its contents by the maintenance or repair activities of the Association or by the common elements shall be repaired at the expense of the Association.

(6) Each co-owner shall be responsible for payment of the utilities attributable to his or her unit.

Any maintenance, repair or replacement (the cost of which is to be borne by the co-owner) may, if not performed by the co-owner, be performed by or under the direction of the Association, and the cost may be assessed against the responsible co-owner.

E. Use of Common Elements. No co-owner shall use his or her unit or the common elements in any manner inconsistent with the purposes of the Condominium Project or in any manner which will interfere with or impair the rights of any other co-owner in the use and enjoyment of his or her unit or the common elements.

ARTICLE VI

UNIT DESCRIPTION AND PERCENTAGE OF VALUE

A. Description. Each unit in the Condominium Project is described in this section with reference to the Condominium Subdivision Plan attached hereto as Exhibit B. Each apartment and commercial unit includes all space contained within the interior finished unpainted walls and ceilings and from the unfinished subfloor as shown on the Condominium Subdivision Plan. Each cottage unit includes all space within the perimeter boundaries of such unit as shown on the Condominium Subdivision Plan.

B. Determination of Values. The percentage of value assigned to each unit is set forth in subparagraph C below. The percentages of value were computed based on the Developer's assessment of the relative value of the units after considering the type and location of each unit and the initial prices for which the residential units would be offered for sale, with the resulting percentages reasonably adjusted to total precisely one hundred percent (100%). The percentage of value assigned to each unit shall be determinative of the proportionate share of each respective co-owner (i) in the common elements of the Condominium Project, and (ii) in the proceeds and expenses of the administration of the Condominium Project and the value of such co-owner's vote at meetings of the Association when voting is by value. The total value of the Condominium Project is 100. Except as otherwise expressly provided by this Master Deed, the percentage of value allocated to each unit may be changed only with the prior written

approval of each holder of a first mortgage lien on any unit in the Condominium Project and with the unanimous consent of all of the co-owners expressed in an amendment to this Master Deed, duly approved and recorded.

C. Percentages of Value. Set forth below are:

- (1) Each unit number as it appears on the Condominium Subdivision Plan.
- (2) The percentage of value assigned to each unit.

<u>Unit Number</u>	<u>Percentage of Value Assigned</u>
1	12%
2	12%
3	11%
4	12%
5	6%
6	6%
7	12%
8	10%
9	5%
10	6%
<u>11</u>	<u>8%</u>
Total	100%

ARTICLE VII

EASEMENTS AND LICENSES

A. Easement for Maintenance of Encroachments. In the event any portion of a unit or common element encroaches upon another unit or common element due to shifting, settling or moving, or due to survey errors, or construction deviations, reciprocal easements shall exist for the maintenance of such encroachment for so long as such encroachment exists, and for maintenance thereof after rebuilding in the event of any destruction. There shall be easements to, through and over those portions of the land, structures, buildings, improvements, walls, including interior walls, and water contained in the Condominium Project for the continuing maintenance, repair, placement and removal, as appropriate, of all utilities (including, but not limited to, electricity, gas, sewer and water) serving the Condominium Project, for the continuing maintenance and repair of the foundations and support systems of all improvements contained in the Condominium Project, and for the installation and continuing maintenance and repair of any improvements deemed necessary by the Association.

B. Easements Retained by Developer.

(1) Access Easements. The Developer reserves to (i) itself and its successors and assigns, (ii) the Related Condominium Projects and their respective co-owners, and (iii) the Adjacent Parcel for the use and benefit of all persons now or hereafter becoming an owner or lessee thereof in whole or in part, a perpetual nonexclusive easement for the unrestricted use of all roads, exterior walkways and lawn areas in the Condominium Project for the purpose of ingress and egress to, over and from all or any portion of the Condominium Premises, including, specifically, ingress and egress to and from all other areas of the Inn Property and all easements and other property reserved to or retained by any such party pursuant to this Master Deed, said easements to be for the use and benefit of the parties and lands hereinabove identified and the guests, customers, invitees and licensees of such parties or the owners of such lands.

(2) Surface Water Drainage Easement. The Developer hereby reserves to (i) the Adjacent Parcel and (ii) the lands of the Related Condominium Projects a nonexclusive easement over the entire Condominium Premises for the drainage of rain, melting snow and other surface water emanating or flowing in any manner whatsoever therefrom.

(3) Utility Easements. The Developer reserves to (i) itself and its successors and assigns and (ii) the Adjacent Parcel perpetual easements to construct, modify, repair, maintain, utilize, tap, tie into, extend and enlarge all utility lines and mains located in or servicing the Condominium Project including, but not limited to, electrical, gas, water, storm, and sanitary sewer lines and mains, to the extent determined by the Developer and its successors and assigns, or any successor in whole or in part to the Adjacent Parcel, in the sole and exclusive exercise of their discretion, to be necessary, desirable or convenient in order to provide the utility services now or hereafter needed by the Related Condominium Projects or the Adjacent Parcel for any lawful use to which they may be put, said easements to be for the use and benefit of the parties and lands hereinabove identified. In the event any such person utilizes, taps, ties into, extends or enlarges any utilities located on the Condominium Premises, such person shall be obligated to pay all of the expenses reasonably necessary to restore the Condominium Premises to their state immediately prior to such utilization, tapping, tying-in, extension or enlargement, and such restoration shall be promptly made.

(4) Parking Easement. The Developer reserves to (i) itself and its successors and assigns and (ii) the Adjacent Parcel for the use and benefit of all persons now or hereafter becoming an owner or lessee thereof in whole or in part, a perpetual easement for the unrestricted use of all parking areas in the Condominium Project for the purpose of motor vehicle parking, said easement to be for the use and benefit of the parties and lands hereinabove identified and the guests, customers, invitees and licensees of such parties or the owners of such lands.

(5) Easement for Expansion. The Developer reserves for itself and its successors and assigns an exclusive easement to use all or such portion of the common elements as the Developer, its successors and assigns, may determine, in the sole and exclusive exercise of its

discretion, to be necessary, desirable or convenient in order to facilitate the expansion of the Condominium Project through converting or adding the lands identified in Articles X and XI hereof and for doing all things reasonably necessary and proper in connection therewith. In connection with any such expansion and use of the easement provided hereby, Developer and its successors and assigns shall be obligated to pay all expenses reasonably necessary to restore the Condominium Premises to their state immediately prior to utilization of the areas permitted hereby.

C. Easements and Licenses Granted to the Condominium Project by the Developer.

(1) Road and Walkway Easement. The Developer hereby grants to the Association, for the use and benefit of all of the co-owners and their respective guests, successors and assigns, a nonexclusive easement to use all roads and walkways now or hereafter located on the Adjacent Parcel upon and subject to the same terms and conditions as the Developer and its successors and assigns may from time to time permit such areas to be used by guests, lessees, invitees and licensees of the Adjacent Parcel.

(2) Parking Easement. The Developer hereby grants to the Association, for the use and benefit of all of the co-owners and their respective guests, successors and assigns, a nonexclusive easement to use all parking areas now or hereafter located on the Adjacent Parcel upon and subject to such reasonable terms and conditions as the Developer and its successors and assigns may from time to time establish to regulate parking.

(3) Main Stairway Easement. The Developer hereby excepts and reserves from Unit 5, and grants to the Association for the use and benefit of the co-owners and their respective guests, successors and assigns, a nonexclusive easement to use the Main Stairs for purposes of ingress and egress to Units 1, 2, 3, and 4.

(4) Lobby, Lounge and Porch Easement. The Developer hereby excepts and reserves from Unit 5, and grants to the Association for the use and benefit of the co-owners and their respective guests, successors and assigns, a nonexclusive easement in gross to use the Lobby, Lounge and Porch to the extent necessary in order to obtain ingress and egress to and from Units 1, 2, 3 and 4 and the common elements located in the building containing said units by way of the Main Stairs; provided, however, that the owner of Unit 5 shall be entitled to reasonably regulate such ingress and egress so as to prevent undue interference with its use of the Lobby, Lounge and Porch for commercial purposes. Without limiting the foregoing general right of the owner of Unit 5 to reasonably regulate ingress and egress, the owner of Unit 5 shall be entitled to restrict ingress and egress movement to defined areas and to change the location of such areas at its pleasure.

(5) License to Use Grounds and Recreational Amenities. The Developer hereby grants to the Association, for the sole use and benefit of only the principal co-owners and their family members, a nonexclusive license to use all lawn areas and recreational amenities now or hereafter located on the Adjacent Parcel upon and subject to the same terms and conditions as

the Developer and its successors and assigns may from time to time permit such areas to be used by guests, lessees, and invitees of the Adjacent Parcel.

Notwithstanding anything in this subsection C to the contrary, the Developer hereby reserves unto itself and its successors and assigns the sole and exclusive right, at any time and in the sole and exclusive exercise of its discretion, to terminate, relocate or further condition or restrict the easements set forth in subparagraphs (1) and (2) immediately above, including, specifically, but not limited to, by adding the lands subject to such easements to the Condominium Project or a Related Condominium Project and creating units or limited common elements thereon. Any such termination, relocation or further restriction shall be given effect by an amendment to this Master Deed as provided by law. All co-owners and mortgagees of units, and all other persons now or hereafter having any interest in the Condominium Project or the easements hereinabove identified, shall be conclusively deemed to have irrevocably and unanimously consented to any termination, relocation or further restriction undertaken by the Developer or its successors and assigns, and to have irrevocably and unanimously appointed the Developer and its successors and assigns to make, execute and file any amendment to this Master Deed or other instrument or document necessary, desirable or convenient in order to effectuate any such abandonment, termination or restriction.

D. Cottage Unit Landscaping Maintenance Easement. The Developer hereby reserves from Units 7, 8, 9, 10 and 11 and grants to the Association an easement to access all areas of Units 7, 8, 9, 10 and 11 which are from time to time landscaped for the purpose of maintaining such landscaping as required by Article VII F. of this Master Deed.

ARTICLE VIII

RESTRICTIONS RUNNING WITH THE LAND

The following restrictions may not be amended or waived and shall constitute covenants running with the Condominium Premises and are for the mutual benefit of, and shall be enforceable by, (i) the various co-owners of the Condominium Project, (ii) the Related Condominium Projects and their respective co-owners, (iii) the owner of the Adjacent Parcel and (iv) the Developer and its successors and assigns:

A. Except for Units 5 and 6, each unit shall be used solely and exclusively for single family residential purposes.

B. Except for Units 5 and 6, no unit or limited common element appurtenant thereto shall be used, directly or indirectly, in any manner whatsoever for business or commercial purposes; provided, however, that the foregoing shall not be deemed or construed in any manner as prohibiting or restricting the right of the Developer and its successors and assigns to lease unsold units or the right of co-owners to lease their units as permitted by the Bylaws.

C. Unit 5 shall be used solely for restaurant, banquet, conference, entertainment and related purposes, and Unit 6 shall be used solely for general office purposes; provided, however, that by appropriate amendment of this Master Deed, the owners of such units shall be entitled to convert such units to single family residences so long as such conversion is effected pursuant to plans and specifications approved by the Developer or its successors and assigns.

D. The Condominium Project shall be maintained at all times in a manner consistent with the highest standards of a beautiful and serene lake front resort property for the benefit not only of its co-owners but also of the Related Condominium Projects, the Adjacent Parcel and the Developer and its successors and assigns. Without limiting the generality of the foregoing, the exterior of all structures or improvements located on the Condominium Project which are painted or stained shall be repainted or stained at least once within each period of five (5) consecutive years, shall be regularly maintained and repaired, and when necessary, shall be replaced with components and structures of comparable kind and quality.

E. No building, structure or other improvement now or hereafter located on the Condominium Premises shall be constructed, nor shall any exterior modification be made to any existing building, structure or other improvement, unless and until plans and specifications therefore have first been approved in writing by the Developer and its successors and assigns.

F. Unless the Board of Directors of the Association agrees in writing with the owner of a cottage unit that the owner shall be, for a specified period of time not to exceed one year, responsible for maintenance of the landscaping contained within the owner's unit, the Association shall be responsible for the maintenance of all lawns, trees, shrubs and other landscaping items from time to time existing within the boundaries of the cottage units, just as if such landscaped areas were general common elements.

G. Each co-owner of a cottage unit carry fire and extended coverage, vandalism and malicious mischief and liability insurance appropriate to the ownership, use and maintenance of the unit as a single family residence, and such insurance shall be carried and administered in accordance with the following provisions:

(a) The insurance shall be purchased by the co-owner for and on behalf of both the co-owner and the Association and shall be such as will (i) insure the Association against liability for injury to persons and/or property and death of any person or persons occurring in or about the unit and (ii) insure that any improvements which are damaged or destroyed are capable of being repaired or rebuilt to substantially the same condition. Such policy shall be in form and substance satisfactory to the Association and shall be written by an insurance company licensed to do business in Michigan acceptable to the Association.

(b) The policy shall specifically provide that it shall not be canceled without written notice being given to the Association at least thirty (30) days in advance.

(c) The policy shall contain a waiver of subrogation pursuant to which the insurer waives the right to proceed against the Association and other co-owners for loss or damage caused by or resulting from the acts of carelessness or negligence of the co-owners and the Association and its officers, agents, employees.

(d) The co-owner shall deliver to the Association such satisfactory evidence of the insurance as the Association may from time to time request, including, if requested, a duplicate copy of the policy.

(e) If the co-owner fails to obtain or maintain satisfactory insurance, the Association may, but shall not be obligated to, obtain or maintain such insurance and pay the premiums therefor, or take such other action as the Association deems appropriate. The co-owner shall be obligated to repay to the Association all sums expended in connection with obtaining or maintaining insurance upon demand, together with interest at the rate of ten percent (10%) per annum.

(f) If any improvements located in the unit are damaged or destroyed, then unless the co-owner and the Association otherwise agree in writing to the contrary, the damaged or destroyed property shall be repaired, to the extent the available insurance proceeds permit, to such condition as shall be at least as good as the condition of the property immediately prior to its damage or destruction.

(g) The co-owner shall be responsible for the reconstruction, repair and maintenance of the improvements located in the unit. Immediately after a casualty causing damage to property for which the co-owner has responsibility, the co-owner shall obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of the required reconstruction or repair, and if the co-owner declines to make-up the difference, the co-owner and the Association shall in good faith negotiate alternative repairs capable of being made with the available insurance. The co-owner and the Association shall cooperate to settle all insurance matters as soon as possible. All insurance proceeds shall be deposited with the Association (or such third party as shall be acceptable to the co-owner and the Association) and shall be made available to the co-owner to repair the property on a construction draw basis or by such other means as shall be acceptable to the Association.

ARTICLE IX

RESERVATION OF RIGHT TO EXPAND CONDOMINIUM

The Condominium Project established pursuant to this Master Deed consists of eleven (11) units, but may be expanded to contain up to one hundred fifteen (115) residential units, six (6) commercial units and one hundred fifteen (115) marina boat slip units. Such expansion may

take place, at the option of the Developer and its successors and assigns, by adding all or a portion of the Adjacent Parcel to the Condominium Project or converting some or all of the convertible areas of the Condominium Project identified in Article X, or by a combination of both. Accordingly, the Developer expressly reserves the right for the benefit of itself and its successors and assigns, to expand the Condominium Project as hereinbelow provided in Articles X and XI. Therefore, any other provisions of this Master Deed notwithstanding, the number of units in the Condominium Project may, at the sole option of the Developer or its successors or assigns, from time to time, within a period ending no later than six (6) years from the date of recording of this Master Deed, be increased by the addition to this Condominium Project of all or any portion of the Adjacent Parcel or by conversion of some or all of the convertible areas identified in Article XI, or by a combination of both.

ARTICLE X

FUTURE DEVELOPMENT LAND

The Developer, for itself and its successors and assigns, hereby reserves the right to expand the Condominium Project during the six (6) year period specified in Article IX by adding all or such portion of the Adjacent Parcel to the Condominium Project. The Developer shall be unrestricted in its discretion in determining what portions, if any, of the Adjacent Parcel shall be added to the Condominium Project. Developer shall also be unrestricted in determining the order in which portions of the Adjacent Parcel are added to the Condominium Project. The Developer and its successors and assigns shall be entitled to construct up to one hundred six (106) residential units, four (4) commercial units and one hundred fifteen (115) marina boat slip units within the Adjacent Parcel. The nature, appearance, location and order of all such additional units constructed on the Adjacent Parcel shall be determined by the Developer and its successors or assigns in the sole and exclusive exercise of their discretion. In addition, the Developer and its successors and assigns may terminate, relocate or further restrict some or all of the easements specifically identified in Section C of Article VII above as being subject to termination, relocation or restriction. Any units and other improvements to the Adjacent Parcel shall be located as the Developer and its successors and assigns shall determine to be appropriate.

Any increase in size of this Condominium Project shall be given effect by an appropriate amendment or amendments to this Master Deed in the manner provided by law. Any such amendment or amendments shall be prepared by and at the discretion of the Developer or its successors or assigns and shall appropriately readjust the percentages of value set forth in Article VI hereof in order to preserve a total value of 100 for the entire Condominium Project as expanded by such amendment or amendments of this Master Deed. The precise determination of the readjustments in percentages of value shall be within the sole and exclusive judgment of Developer and its successors or assigns except that such readjustments shall reflect a continuing reasonable relationship to the relative value which would have existed among such units assuming all units had been built and sold at the same time. Any such amendment or

amendments to the Master Deed shall also contain such further definitions and descriptions of general or limited common elements as the Developer or its successors or assigns determine to be necessary or convenient to adequately describe the additional section or sections being added to the Condominium Project by such amendment.

In connection with any such amendment, the Developer shall have the right to change the nature of any common element previously included in the Condominium Project for any purpose reasonably necessary or convenient to achieve the purposes of this Article IX, including, but not limited to, connecting roadways and sidewalks in the Condominium Project to any roadways and sidewalks that may be located on or planned for in the Adjacent Parcel, and to provide access to any unit that is located on or planned for in the Adjacent Parcel from the roadways and sidewalks located in the Condominium Project.

All co-owners and mortgagees of units and other persons interested or who become interested in the Condominium Project from time to time shall be deemed to have irrevocably and unanimously consented to any such amendment or amendments of this Master Deed needed to effectuate the foregoing and to any proportionate reallocation of percentages of value of existing units which the Developer or its successors or assigns determine to be necessary in conjunction with any such amendment or amendments. All such interested persons irrevocably appoint the Developer and its successors and assigns as their true and lawful agent and attorney-in-fact 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 effected without the necessity of re-recording an entire Master Deed or the Exhibits thereto and may incorporate by reference all or any pertinent portion of this Master Deed and the Exhibits hereto; PROVIDED, HOWEVER, that a Consolidating Master Deed shall be recorded pursuant to the Act and, when recorded, shall supersede the previously recorded Master Deed and all amendments thereto.

Nothing herein contained shall in any way obligate Developer to enlarge the Condominium Project beyond the phase established by this Master Deed and the Developer or its successors and assigns may, at their discretion, establish all or a portion of the Adjacent Parcel as a separate condominium project (or projects) or any other form of development. There are no restrictions on the right of the Developer, or its successors or assigns, relative to expansion of the Condominium Project through addition of Adjacent Parcel other than as explicitly set forth herein. There is no obligation on the part of the Developer, or its successors and assigns, to add all or any portion of the Adjacent Parcel to the Condominium Project, nor is there any obligation to add portions thereof in any particular order or to construct particular improvements thereon in any specific locations.

ARTICLE XI

CONVERTIBLE AREAS

The Developer, for itself and its successors and assigns, hereby reserves the right to convert (i) Unit 6 and (ii) the area adjacent to Unit 5 designated as being a convertible area on the Condominium Subdivision Plan to the uses specified below at any time, and from time to time, during the six (6) year period specified in Article IX. With respect to Unit 6, the Developer and its successors and assigns shall be entitled to convert the same either into (i) not more than two (2) residential units or (ii) into two (2) commercial units for such business purposes as the Developer shall determine to be appropriate and in accordance with applicable law. With respect to the area adjacent to Unit 5, the Developer and its successors and assigns shall be entitled to construct a porch or building extension so as to incorporate all or any portion of the area into Unit 5 in such manner as the Developer and its successor and assigns determine to be appropriate.

Except as hereinabove otherwise provided, the Developer and its successors and assigns shall be unrestricted in their discretion in determining whether to convert any such convertible area and subject to the foregoing limitations, the units and other improvements to be located therein. The nature, appearance, location and order of all such additional units constructed in the convertible areas shall be determined by Developer and its successors and assigns in the sole and exclusive exercise of their discretion. Any units and other improvements in the convertible areas shall be located as the Developer, its successors and assigns, shall determine to be appropriate, but shall be consistent with the existing improvements of the Condominium Project.

Any such conversion shall be given effect by an appropriate amendment or amendments to this Master Deed in the manner provided by law. Any such amendment or amendments shall be prepared by and at the discretion of the Developer and its successors and assigns and shall appropriately readjust the percentages of value set forth in Article V hereof in order to preserve a total value of 100 for the entire Condominium Project as expanded by the creation of additional units. The precise determination of the readjustments in percentages of value shall be within the sole and exclusive judgment of Developer, its successors or assigns, except that such readjustments shall reflect a continuing reasonable relationship to the relative value which would have existed among such units assuming all units had been built and sold at the same time. Any such amendment or amendments to the Master Deed shall also contain such further definitions and descriptions of general or limited common elements as the Developer or its successors or assigns determines to be necessary or convenient to adequately describe and effect the conversion of the areas as permitted hereby.

All co-owners and mortgagees of units and other persons interested or who become interested in the Condominium Project from time to time shall be deemed to have irrevocably and unanimously consented to any such amendment or amendments of this Master Deed needed to effectuate the foregoing and to any proportionate reallocation of percentages of value of existing units which the Developer or its successors and assigns determines to be necessary in

conjunction with any such amendment or amendments. All such interested persons irrevocably appoint the Developer and its successors and assigns as their true and lawful agent and attorney-in-fact 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 effected without the necessity of re-recording an entire Master Deed or the exhibits thereto and may incorporate by reference all or any pertinent portion of this Master Deed and the exhibits hereto; PROVIDED, HOWEVER, that a Consolidating Master Deed shall be recorded pursuant to the Act and, when recorded, shall supersede the previously recorded Master Deed and all amendments thereto. There is no obligation on the part of the Developer, or its successors and assigns, to convert all or any portion of the convertible areas described in this Article XI, nor is there any obligation to convert in any particular order or to construct particular improvements thereon in any specific locations.

ARTICLE XII

AMENDMENT

This Master Deed may be amended with the consent of sixty-six and two-thirds percent (66-2/3%) in value and in number of the co-owners and sixty-six and two-thirds percent (66-2/3%) in number of the unit mortgagees (allowing one vote for each mortgage held) except as hereinafter set forth:

- A. No unit dimensions may be modified without the consent of the co-owner of such unit nor may the nature or extent of a limited common element or the responsibility for maintenance, repair or replacement thereof be modified without the written consent of the co-owners of any unit or units to which the same is appurtenant.
- B. Except as provided in Articles X and XI, the value of the vote of any co-owner and the corresponding proportion of common expenses assessed against such co-owner shall not be modified without the written consent of such co-owner and his or her mortgagee nor shall the percentage of value assigned to any unit be modified without like consent.
- C. Except as otherwise provided by Article XII of the Bylaws, the Condominium Project may not be terminated, vacated, revoked or abandoned without the written consent of ninety-five percent (95%) of all co-owners in value and in number and ninety-five percent (95%) in number of all unit mortgagees (allocating one vote for each mortgage held).
- D. This Article X and any provision granting or reserving rights unto the Developer and its successors or assigns, the Related Condominium Projects or the Adjacent Parcel shall not be amended or modified by any other amendment to this Master Deed without the written consent of the Developer or its successors or assigns, the Related Condominium Projects or the owner of the Adjacent Parcel, as may appropriately be the case.

E. The Developer or its successors or assigns may at any time and from time to time amend this Master Deed and the Condominium Subdivision Plan in such respects as it or its successors or assigns may determine to be appropriate in the sole and exclusive exercise of their discretion without the consent of any unit co-owner or mortgagee provided that such amendment does not materially alter or change the rights of any unit co-owner or mortgagee. An amendment which does not materially change the rights of a co-owner or mortgagee includes, without limitation, any amendment made in order to correct survey or other errors in the Condominium Documents, any modification of the types and sizes of unsold condominium units and their appurtenant limited common elements, any amendment made to ease or promote the efficient operation or administration of the Condominium Project or any portion thereof in furtherance of one or more of the specified purposes for which the same may be used as set forth in this Master Deed, and amendments made for the purpose of facilitating conventional mortgage loan financing of units for existing or prospective co-owners.

WITNESSES:

NORTHWOODS DEVELOPMENT, LLC, an
Indiana Limited Liability Company

By Northwoods Development Company, Inc., an
Indiana Corporation, its Managing Member

Charles E. School
Charles E. School
Patricia A. Conlin
PATRICIA A. CONLIN

By Michael C. DeVoe
Michael C. DeVoe, President

State of Michigan)
) ss.
County of Kent)

On this 31st day of July, 1996, the foregoing Master Deed was acknowledged before me by Michael C. DeVoe, the President of Northwoods Development Company, Inc. which is the managing member of Northwoods Development, LLC, on behalf of said limited liability company.

Patricia A. Conlin
PATRICIA A. CONLIN, Notary Public
Notary Public, Kent County, MI
My Commission Expires Aug. 25, 1999
County, Michigan
My commission expires:

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**BYLAWS
OF
PORTAGE POINT INN CONDOMINIUM ASSOCIATION**

(EXHIBIT "A" TO MASTER DEED OF
PORTAGE POINT INN CONDOMINIUMS)

ARTICLE I

ASSOCIATION OF CO-OWNERS

Section 1. Formation by Association. Portage Point Inn Condominiums, a Condominium Project located in the Township of Onkama, Manistee County, Michigan, shall be administered by an association of co-owners which shall be a non-profit corporation organized under the applicable laws of the State of Michigan under the name Portage Point Inn Condominium Association, hereinafter called the "Association". The Association shall be 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 required by Section 53 of the Act and the bylaws provided for under the Michigan Nonprofit Corporation Act.

Section 2. Membership. Each co-owner in the Condominium Project shall be a member of the Association and no other person or entity shall be entitled to membership. A land contract vendee shall be considered and treated as a "co-owner" unless the land contract provides to the contrary and notice of such fact is of record with the Manistee County Register of Deeds. As used herein, the term "co-owner" shall be synonymous with "member" of the Association.

Section 3. Evidence of Membership. Membership in the Association shall be established by acquisition of fee simple title to, or a land contract vendee's interest in, a unit in the Condominium Project and by recording with the Register of Deeds in the County where the Condominium Project is located, a deed, a land contract or memorandum thereof, or other appropriate instrument establishing a change of ownership to such unit, and upon the furnishing of evidence of the same satisfactory to the Association, the new co-owner shall become a member of the Association, and the membership of the prior co-owner shall be terminated.

Section 4. Assignment of Association Assets. The share of a co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his or her unit in the Condominium Project.

ARTICLE II

VOTING

Section 1. Voting by Number and Value. Except as limited in these bylaws, each co-owner shall be entitled to one vote for each unit owned when voting by number and one vote, the value of which shall equal the total of the percentages allocated to the units owned by such co-owner as set forth in Article V of the Master Deed, when voting by value. Voting shall be by value except in those instances when voting is specifically required to be both in value and in number.

Section 2. Right to Vote. No co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he or she has presented evidence of ownership of a unit in the Condominium Project to the Association. Except to the extent necessary for the election of nondeveloper co-owner elected Directors as required by Sections 3, 4, 5 or 8 of Article IV of these bylaws, no co-owner, other than the Developer, shall be entitled to vote on any matter at any meeting of members prior to the First Annual Meeting of members held in accordance with Section 2 of Article III hereof. The vote of each co-owner may only be cast by the individual representative designated by such co-owner in the notice required by Section 3 below or by a proxy given by such individual representative. The Developer shall be entitled to vote for each unit which it owns; provided, however, that notwithstanding the foregoing, the Developer shall not be entitled to vote with respect to the election of Directors specifically required to be elected by nondeveloper co-owners pursuant to the applicable provisions of Article IV of these bylaws.

Section 3. Designation of Voting Representative. Each co-owner may, and non-marital joint co-owners and co-owners who are not individuals shall, file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such co-owner(s). Such notice shall state the name and address of the individual representative designated, the number or numbers of the unit or units owned, and the name and address of each person, firm, corporation, partnership, association, trust or other entity which is a co-owner. Such notice shall be signed and dated by the co-owner(s). The individual representative designated may be changed by the co-owner(s) at any time by filing a new notice in the manner herein provided.

Section 4. Quorum. The presence in person or by proxy of fifty-one percent (51%) in number and in value of the co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required herein to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy

shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

Section 5. Proxies. Votes may be cast in person or by proxy or by a writing duly signed by the co-owner or the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association.

Section 6. Vote Required for Action. When an action, other than the election of Directors, is to be taken by a vote of the members of the Association, it shall be authorized by a majority of votes cast, unless a greater plurality is required by law or any other provision of these bylaws. A majority, except where otherwise provided herein, shall consist of more than fifty percent (50%) in value of those qualified to vote and present in person or by proxy (or by written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth and may require such majority to be one of both number and value of designated voting representatives present in person or by proxy, or by written ballot, if applicable, at a given meeting of the members of the Association. With respect to the election of directors, those candidates receiving the greatest plurality of votes cast at such an election shall be elected as Directors.

ARTICLE III

MEETINGS

Section 1. Location and Conduct. Meetings of the Association shall be held at such place in Manistee County, Michigan, as may be designated from time to time 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 the members of the Association shall be held on such date and at such time as shall be determined by the Board of Directors of the Association; provided, however, that such meeting shall be held not later than one hundred twenty (120) days after such date as shall be the earlier of (i) the first anniversary of the date upon which legal or equitable title to a unit is conveyed to a nondeveloper co-owner, or (ii) such date as legal or equitable title to one-third (1/3) of the units in the Condominium Project that may be created are conveyed to nondeveloper co-owners. At the first and each subsequent annual meeting, the nondeveloper co-owners shall elect, and the Developer shall appoint, Directors in accordance with the applicable provisions of Article IV, and so long as the

Advisory Committee shall remain in existence, the nondeveloper co-owners shall elect members of the Advisory Committee as provided by Article V. In addition, the members of the Association shall also transact such other business as may properly come before the meeting. Annual meetings subsequent to the first annual meeting shall be held on the first of Monday of September of each succeeding year at such time as the Board of Directors shall determine. All meetings of the Members of the Association shall be held at such locations within Manistee County, Michigan, as may be determined from time to time by the Board of Directors.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the co-owners as directed by resolution of the Board of Directors or upon a petition signed by one-third (1/3) of the co-owners presented to the Secretary of the Association. In addition, the President shall call such special meetings as may be from time to time required by the provisions of Article IV of these bylaws. In the event the President shall fail or refuse for any reason to call a special meeting as required hereby within seven (7) days of a request therefor, or shall fail for any reason to convene such a special meeting within thirty (30) days of a request therefor, then any director or co-owner who requested such meeting shall be entitled to call and convene the same by providing notice of such meeting to the other co-owners in accordance with these bylaws. Notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. It shall be the duty of the Secretary (or any Association officer in the Secretary's absence) to cause notice to be given to each co-owner of record of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, at least ten (10) days but not more than sixty (60) days prior to such meeting. The mailing, postage prepaid, or the hand delivery to a mailbox, of a notice to each co-owner or to the representative of each co-owner at the address shown in the notice required to be filed with the Association by Article II, 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. Attendance of a member at a regular or special meeting in person or by proxy shall constitute a waiver of notice of such meeting, except where the member attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting has not been lawfully called or convened.

Section 5. Adjourned Meetings. 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 such time and place as they determine to be appropriate. Notice of such adjourned date shall be given as required by Section 3 above, except that such notice need be given only two (2) days prior to such adjourned meeting. At any such adjourned meeting which has been called for failure of a quorum at the originally scheduled meeting, the quorum requirement shall be reduced to twenty-five percent (25%) of all co-owners in number and in value.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Qualification and Compensation. The affairs of the Association shall be governed by a Board of Directors all of whom must be members of the Association or officers, partners, trustees, employees, agents or spouses of members of the Association except for the first Board of Directors and any Directors thereafter designated to the Board of Directors by the Developer as hereinbelow provided in this Article IV. Directors shall serve without compensation; provided, however, that Directors may be reimbursed for reasonable travel and other expenses incurred in discharging their duties pursuant to and in accordance with such reimbursement policies as may be from time to time established by the Board of Directors or by the members of the Association.

Section 2. Size. The First Board of Directors shall be composed of that single person selected by the incorporator of the Association and such first Board of Directors shall manage the affairs of the Association until a successor Board of Directors is established as provided by this Article IV. Each subsequent Board of Directors shall be composed of not less than three (3) nor more than nine (9) persons. The number of persons comprising each such subsequent Board of Directors shall be determined by the Developer until the earlier of such date as (i) legal or equitable title to seventy-five percent (75%) of the units in the Condominium Project that may be created are conveyed to nondeveloper co-owners, or (ii) shall be fifty-four (54) months after the date of the first conveyance of legal or equitable title of a unit to a nondeveloper co-owner. Thereafter, the number of persons comprising each subsequent Board of Directors shall be determined by vote of the members prior to the establishment of each such Board of Directors; provided, however, that if a motion is not made and carried to increase or decrease the number of Directors, then the Board of Directors shall consist of the same number of persons as theretofore comprised the full Board of Directors. In addition, following expiration of the Developer's right to determine the size of the Board of Directors, the members may provide, by resolution duly made and passed, that in lieu of annually electing all Directors, the Directors shall be divided into 2 or 3 classes, each to be as nearly equal in number as possible, with terms of office such that the term of Directors in the first class will expire at the first annual meeting following their election, that of the second class to expire at the second annual meeting after their election, and that of the third class, if any, to expire at the third annual meeting after their election. At each annual meeting after such classification of the Board of Directors, a number of Directors equal to the number of the class whose term is expiring shall be elected to hold office until the second succeeding annual meeting if there are 2 classes, or until the third succeeding annual meeting if there are 3 classes.

Section 3. Election of 25% Nondeveloper Directors. Not later than one hundred and twenty (120) days after such date as legal or equitable title to twenty-five percent (25%) of the units in the Condominium Project that may be created are conveyed to nondeveloper co-owners,

a special meeting of members shall be held for the purpose of selecting a Board of Directors to replace the First Board of Directors. It shall be the duty of the President to call such meeting, and the duty of the Secretary to provide notice thereof to each co-owner, as otherwise provided by these bylaws. At such meeting, the nondeveloper co-owners shall elect at least one (1) director and not less than twenty-five percent (25%) of all members of the full Board of Directors being established, in accordance with the other applicable provisions of these bylaws. The Developer shall be entitled to appoint all other persons to serve as Directors on such Board of Directors.

Section 4. Election of 33-1/3% Nondeveloper Directors. Unless the Board of Directors shall already contain the number of nondeveloper co-owner elected Directors hereinbelow set forth, then not later than one hundred and twenty (120) days after such date as legal or equitable title to fifty percent (50%) of the units in the Condominium Project that may be created are conveyed to nondeveloper co-owners, a special meeting of members shall be held for the purpose of selecting a Board of Directors to replace the Second Board of Directors. It shall be the duty of the President to call such meeting, if necessary, and the duty of the Secretary to provide notice thereof to each co-owner, if such meeting is called, as otherwise provided by these bylaws. At such meeting, if any, the nondeveloper co-owners shall elect at least one (1) director and not less than thirty-three and one-third percent (33-1/3%) of all members of the full Board of Directors being established, in accordance with the other applicable provisions of these bylaws. The Developer shall be entitled to appoint all other persons to serve as Directors on such Board of Directors.

Section 5. Majority Election of Nondeveloper Directors. Notwithstanding anything in Sections 3 and 4 of this Article IV to the contrary, except as otherwise provided by Section 6 below, not later than one hundred and twenty (120) days after such date as legal or equitable title to seventy-five percent (75%) of the units in the Condominium Project that may be created are conveyed to nondeveloper co-owners, and before conveyance of ninety percent (90%) of such units, a special meeting of members shall be held for the purpose of selecting a new Board of Directors, all the members of which shall be elected by majority vote of the nondeveloper co-owners. It shall be the duty of the President to call such meeting, and the duty of the Secretary to provide notice thereof to each co-owner, as otherwise provided by these bylaws.

Section 6. Developer's Right to Elect a Director. Notwithstanding anything in this Article IV to the contrary, the Developer shall be entitled to appoint one (1) Director to the Board of Directors each and every time a new Board of Directors is established so long as, at the time any such new Board is created, the Developer owns and offers for sale ten percent (10%) or more of the units in the Condominium Project or ten percent (10%) or more of the units remain that may be created.

Section 7. Alternative to Special Meetings. In lieu of holding any special meeting of members for the purpose of establishing a new Board of Directors containing the number of

nondeveloper co-owners elected Directors required by Sections 3, 4, 5 or 8 of this Article IV, such new Board of Directors may be established, and nondeveloper co-owner elected Directors may be elected, at the First or any subsequent Annual meeting of members held on or before such date as may be the latest date permitted by such provisions for reconstituting the Board of Directors as thereby required. Notice of the fact that a new Board of Directors will be established, and nondeveloper co-owner elected Directors will be elected, at any such annual meeting need not be specified in the notice of such meeting given to co-owners as required by these bylaws. Except as may be otherwise required by Sections 4, 5 or 8 of this Article IV, a Board of Directors established at any annual or special meeting of members shall hold office and manage the affairs of the Association until the election of successor Directors at the next annual meeting of members.

Section 8. Percentage Nondeveloper Director Election After 54 Months. Except as otherwise provided by Section 6 of this Article IV, fifty-four (54) months from and after such date as legal or equitable title to a unit in the Condominium Project is conveyed to a nondeveloper co-owner, the nondeveloper co-owners shall have the right to elect such number of members of the Board of Directors as shall be equal to the percentage of units they hold, and the Developer shall be entitled to appoint such number of members of the Board of Directors as shall be equal to the percentage of units owned by the Developer and for which all assessments are payable by the Developer. The right hereby conferred upon the nondeveloper co-owners to elect Directors may increase, but shall not decrease, the number of Directors which the nondeveloper co-owners are otherwise entitled to elect pursuant to the provisions of this Article IV. Nothing herein shall be deemed or construed in any manner so as to prohibit the Developer from appointing one member of the Board of Directors as provided by Section 6 of this Article IV, or as requiring a change in the size or method of determining the size of the Board of Directors as otherwise set forth in these bylaws. Any Director or nondeveloper co-owner may request a special meeting of the members of the Association for the purpose of electing Directors as provided by this Section 8 by giving written notice of such person's desire for such a meeting to the President. Upon receipt of any such notice, it shall be the duty of the President to call such meeting for such a date as shall be no later than sixty (60) days subsequent to the date of his or her receipt of such request, and the duty of the Secretary to provide notice thereof to each co-owner, as otherwise provided by these bylaws. Absent a special meeting of members of the Association for the purpose of electing Directors as provided by this Section, the Board of Directors then in office shall continue to serve until the next annual meeting of members, at which time Directors shall be elected as provided by this or the then applicable section of this Article IV.

Section 9. Computation of Units. As used in Sections 2 through 8 of this Article IV, Section 2 of Article III, and Section 1 of Article V, the phrase "units in the Condominium Project that may be created" means the maximum number of units stated in the Master Deed that may be built by the Developer in all phases of the Condominium Project assuming the Developer

fully exercises its right to expand the Condominium Project by adding additional land thereto or converting convertible areas as permitted thereby.

Section 10. Rounding of Fractions. For purposes of determining the number of Directors on the Board of Directors that nondeveloper co-owners have a right to elect pursuant to Sections 3, 4, 5 and 8 of this Article IV, a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number; provided, however, that this Section shall not be used to eliminate the right of the Developer to appoint one (1) member of the Board of Directors as provided by Section 6 of this Article IV.

Section 11. Board Powers and Duties. The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not prohibited by the Condominium Documents or required thereby to be exercised and done by the co-owners. Specifically, the Board of Directors shall be responsible for the following:

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

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

(c) To carry public liability, property damage, fire and other casualty insurance with respect to the Condominium Premises and collect and allocate the proceeds thereof.

(d) To rebuild improvements which are general 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, sell, convey, assign, mortgage or lease any real or personal property (including 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 business of the Association, and to secure the same by mortgage, pledge, or other lien, on property owned by the Association.

(h) To make rules and regulations in accordance with Article XIII, Section 9 of these bylaws.

(i) To establish such committees composed of such co-owners as it deems necessary, convenient or desirable for the purpose of studying and making recommendations to, and implementing and otherwise carrying out such actions as may be specifically directed by, the Board of Directors with respect to such issues and matters as it may from time to time determine; provided, however, that no such committee shall be vested with any discretion or authority to make any decision concerning the administration or operation of the condominium or take any action which is the legal duty of the Board of Directors.

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

(k) To prepare and submit to each co-owner for review a proposed budget for the Association for each fiscal year no later than thirty (30) days prior to the commencement of such fiscal year, and within ninety (90) days of the close of each fiscal year, to prepare and submit to each co-owner for review a report on the financial condition of the Association as of the end of such fiscal year.

Section 12. Employment of Agents. The Board of Directors may employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto) at a 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 11 and 12 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.

Section 13. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the members of the Association shall be filled by vote of the majority of remaining Directors, even though they may constitute less than a quorum; provided, however, that so long as the Developer is entitled to appoint one or more Directors pursuant to the provisions of this Article IV, a vacancy occurring in a seat held by a Developer appointed Director shall be filled by such person as may be designated by the Developer, and a vacancy occurring in a seat held by a nondeveloper co-owner elected Director shall be filled by a nondeveloper co-owner or other independent and qualified person. Each person so elected shall be a Director until a successor is elected at the next meeting of the Association at which Directors are elected.

Section 14. Removal. At any annual or special meeting of the Association duly called, any one or more of the Directors may be removed with or without cause by the affirmative vote of more than fifty percent (50%) of all of the co-owners in value and number and a successor

may be elected at the same meeting to fill the vacancy thus created; provided, however, that a Director appointed by the Developer may not be removed without cause unless the Developer shall consent to such removal, and a Director elected by nondeveloper co-owners may not be removed without cause unless, in addition to the affirmative vote hereinabove required, more than fifty percent (50%) of all nondeveloper co-owners in number and value present and voting at such meeting shall vote in favor of such removal; and, provided further, so long as the Developer is entitled to appoint one or more Directors pursuant to the provisions of this Article IV, a vacancy thus created in a seat held by a Developer appointed Director shall be filled by such person as may be designated by the Developer, and a vacancy thus created in a seat held by a nondeveloper co-owner elected Director shall be filled by a vote of the nondeveloper co-owners only or by the Board of Directors as provided Section 14 of this Article IV. Any director whose removal has been proposed by the co-owners shall be given an opportunity to be heard at the meeting. Prior to such time as a nondeveloper co-owner elected director shall be elected to the Board of Directors, the Developer may remove and replace any or all of the Directors at any time or from time to time at its sole discretion, and notwithstanding anything in these bylaws to the contrary, the Developer may remove and replace any Developer appointed Director at any time or from time to time at its sole discretion.

Section 15. First Meeting of Each New Board. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the Member meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 16. 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. Written notice of regular meetings of the Board of Directors shall be given to each Director by mail, telegraph or personal delivery at least ten (10) days prior to the date named for such meeting.

Section 17. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days written notice to each Director, by telegraph or personal delivery, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of one Director; provided, however, that if a director requested special meeting is not so called by the President or Secretary within seven (7) days of such request, or if called is scheduled to be held more than twenty-one (21) days after the request, then the Director requesting the meeting may call the same by giving notice to each Director as otherwise herein permitted.

Section 18. 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 a meeting of the Board shall constitute waiver of notice of such meeting and a waiver of any objection to the time and place of such meeting, except where a Director attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting has not been lawfully called or convened. If all the Directors are present at any meeting of the Board and no objection to the calling or convening of such meeting is made, no notice shall be required and any business may be transacted at such meeting.

Section 19. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may then adjourn the meeting to a subsequent time upon twenty-four (24) hours prior written notice delivered to all Directors not present. Any business which might have been transacted at the meeting as originally called may be transacted at the adjourned meeting.

Section 20. Committees. The Board of Directors may designate one (1) or more committees, consisting of one or more Directors of the Association, to exercise all or any portion of the power and authority of the Board of Directors with respect to the management of the affairs of the Association as the Board of Directors from time to time determines to be appropriate; provided, however, that so long as a Developer appointed Director shall be a member of the Board of Directors, no such committee may be established unless all Developer appointed Directors then sitting on the Board of Directors shall vote in favor of the Board resolution to establish such committee; and, provided further, that no such committee may be established while a vacancy exists on the Board of Directors or at a meeting attended by less than all Directors.

Section 21. Actions of First Board. All of the actions (including, without limitation, the adoption of these bylaws and any Rules and Regulations for the Association, and any undertakings or contracts entered into with others on behalf of the Association) of the first Board of Directors of the Association or any successors thereto appointed by the Developer before the First Annual Meeting of Members shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the members of the Association at the first or any subsequent annual meeting of members so long as such actions are within the scope of the powers and duties which may be exercised by any Board of Directors as provided in the Condominium Documents.

ARTICLE V

ADVISORY COMMITTEE

Section 1. Formation. Not later than the earlier of (i) one hundred twenty (120) days after such date as legal or equitable title to one-third (1/3) of the units in the Condominium Project that may be created are conveyed to nondeveloper co-owners or (ii) such date as shall be the first anniversary of the date upon which legal or equitable title to a unit in the Condominium Project is conveyed to a nondeveloper co-owner, an advisory committee of three (3) nondeveloper co-owners shall be established for the purpose of facilitating communications between the nondeveloper co-owners and the Board of Directors and otherwise aiding with the transition of control of the Association and the Condominium Project from the Developer to nondeveloper co-owners. The members of the advisory committee may, in the first instance, be appointed by the Board of Directors of the Association. If the Board of Directors so determines or if more than twenty percent (20%) in number and value of nondeveloper co-owners shall so petition the President in writing, then the President shall call a special meeting of members for the purpose of permitting nondeveloper co-owners to elect the members of the advisory committee. The members of the advisory committee shall serve for a period of one year and until their successors are elected at an annual meeting of members as provided by Section 2 of Article III. The advisory committee shall automatically cease to exist when nondeveloper co-owners shall elect a majority of the Board of Directors of the Association.

Section 2. Meetings with Directors. During the existence of the advisory committee, the Board of Directors shall meet with the advisory committee at such times as may be reasonably requested by the advisory committee; provided, however, at least ten (10) days advance notice shall be given to the Board of Directors of the time any such meeting is desired by the advisory committee; and, provided, further, that there shall be no more than four (4) such meetings per year unless both entities agree. Unless otherwise consented to by the Board of Directors, all meetings of the Board of Directors and the advisory committee shall be held in Jackson County, Michigan.

Section 3. Informational Meetings. Prior to convening the first annual meeting of members of the Association, the Board of Directors, the President or the advisory committee may, upon the giving of such notice as is required to be given for a special meeting of members of the Association, call meetings of the nondeveloper co-owners for informational purposes. No such meeting shall be construed as, or shall have the effect of, an annual or special meeting of members of the Association, and such action, if any, as may be taken at any such meeting shall be construed as merely being a recommendation to the Board of Directors to consider for adoption the action so taken.

Section 4. Advisory Committee Operation. Insofar as applicable, the provisions of Article III and Article IV of these bylaws shall be applicable to, and shall govern the internal

operation and procedures of the advisory committee and all meetings of nondeveloper co-owners.

ARTICLE VI

OFFICERS

Section 1. Number. 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 (2) offices may be held by one person.

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 an affirmative vote of 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 or special meeting of the Board.

Section 4. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and of the Board of Directors. The President 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 or she may in his or her discretion deem appropriate to assist in the conduct of the affairs of the Association. No person shall serve more than two successive terms as President.

Section 5. Vice President. The Vice President shall take the place of the President and perform the duties of such office whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed by the Board of Directors.

Section 6. 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. The Secretary shall have charge of the corporate seal and of such books and papers as the Board of Directors may direct and shall, in general, perform all duties incident to the office of Secretary.

Section 7. Treasurer. The Treasurer shall have responsibility for overseeing the Association's funds and securities and shall be responsible for supervision of the keeping of full

and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall also be responsible for overseeing 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. The Treasurer may delegate all aspects of such activities to an authorized agent, employee or officer of the Association so long as appropriate supervisory control thereover is maintained.

Section 8. Other 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 VII

FINANCE

Section 1. Accounting and Records. The Association shall keep or cause to be kept detailed books of account showing all expenditures and receipts of administration which shall specify the maintenance and repair expenses of the common elements and any other expenses incurred by or on behalf of the Association and the co-owners. Accrual basis accounting shall be used in keeping all books of account for the Association. Such accounts and all other Association records shall be open for inspection by the co-owners from 9:30 a.m. to 4:30 p.m. Monday through Friday, excepting holidays. The books of account shall be audited by qualified independent auditors whenever the Board of Directors shall determine that an audit is necessary or desirable; provided, however that such auditors need not be certified public accountants nor does such audit need to be a certified audit. The costs of any such audit and any accounting expenses shall be expenses of administration. No later than ninety (90) days following the end of each fiscal year, the Board of Directors shall prepare and distribute to each co-owner a balance sheet and a report on the financial condition of the Association as of the end of such fiscal year. The Association also shall maintain on file current copies of the Master Deed for the Condominium Project, any amendments thereto and all other condominium documents, and shall permit all co-owners, prospective purchasers and prospective mortgagees interested in the Condominium Project to inspect the same during the hours described above.

Section 2. Fiscal Year. The fiscal year of the Association shall be the calendar year.

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

ARTICLE VIII

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. Third Party Actions. The Association may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal (other than an action by or in the right of the Association) by reason of the fact that he is or was a director, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not for profit, against expenses (including actual and reasonable attorneys' fees), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association or its members, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association or its members, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 2. Actions Asserting Corporate Rights. The Association may indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not for profit, against expenses (including actual and reasonable attorneys' fees and amounts paid in settlement) incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association or its members and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

Section 3. Indemnification Procedure.

(a) To the extent that a director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 1 or 2 of this Article VIII, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including actual and reasonable attorneys' fees) incurred by him in connection therewith.

(b) Any indemnification under Sections 1 or 2 of this Article VIII (unless ordered by a court) shall be made by the Association only as authorized in the specified case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Sections 1 and 2 of this Article VIII. Such determination shall be made in any of the following ways:

- (1) By the Board of Directors by a majority vote of a quorum consisting of directors who were not party to such action, suit or proceeding.
- (2) If such quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel, who may be the regular counsel of the Association, in a written opinion.
- (3) By the members at a regular or special meeting of members.

Section 4. Expense Advances. Expenses incurred in defending a civil or criminal action, suit or proceeding described in Sections 1 or 2 of this Article VIII may be paid by the Association in advance of the final disposition of such action, suit or proceeding if authorized in a manner provided in subsection (b) of Section 3 of this Article VIII upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association. The undertaking to repay any amount advanced shall be an unlimited general obligation of the person on whose behalf advances are made but need not be secured.

Section 5. Other Agreements. A provision made to indemnify directors or officers in connection with any action, suit or proceeding referred to in Sections 1 or 2 of this Article VIII whether contained in the articles of incorporation, these bylaws, a resolution of members or directors, an agreement or otherwise, shall be invalid only insofar as it is in conflict with Sections 1 to 5 of this Article VIII. Nothing contained in Sections 1 to 5 of this Article VIII shall affect any rights to indemnification to which persons other than directors and officers may be entitled by contract or otherwise by law. The indemnification provided in Section 1 to 5 of this Article VIII continues as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 6. Insurance. The Association may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such whether or not the Association would have power to indemnify him against such liability under Sections 1 to 5 of this Article VIII.

Section 7. Notification of Co-Owners. Notwithstanding anything in this Article VIII to the contrary, no indemnification shall be made to any director, officer, employee or agent unless ten (10) days' advance notice of the making of such payment shall be given to the co-owner's of the Association. Without limiting the method or methods by which the notice required hereby may be served, the mailing, postage prepaid, of a notice to each co-owner or to the representative of each co-owner at the address shown in the notice required to be filed with the Association by Article II, Section 3 of these bylaws fifteen (15) days prior to the making of any such payment shall be deemed notice served for purposes of this Section.

ARTICLE IX

ASSESSMENTS

Sections 1. Personal Property. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium Project owned or possessed in common by the co-owners, and personal property taxes based thereon shall be treated as expenses of administration.

Section 2. Administrative Expenses. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or in connection with, the common elements or the administration of the Condominium Project shall constitute expenses of administration of the Condominium Project, and all sums received as the proceeds of, or pursuant to, any policy of insurance carried by the Association securing the interests of the co-owners against liabilities or losses arising within, caused by or connected with the common elements or the administration of the Condominium Project shall constitute receipts affecting the administration of the Condominium Project, within the meaning of Section 54(4) of the Act. Specifically, and without limiting the generality of the foregoing, all amounts becoming due and payable by the Association pursuant to the Utility and Common Facility Maintenance Agreement shall constitute expenses of administration and shall be assessed against the co-owners as provided in Sections 3 and 4 of this Article.

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

(a) Regular. 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. Such budget shall be prepared and a copy thereof submitted to each co-owner for review no later than thirty (30) days prior to the beginning of such fiscal year. An adequate reserve fund for maintenance, repairs and replacement of those common elements that must be replaced on a periodic basis must be established in the budget and must be funded by regular payments as set forth in Section 4 below rather than by special assessments. The reserve fund shall be established at ten percent (10%) of the Association's budget for its first fiscal year and shall be augmented thereafter by at least ten percent (10%) of each year's annual budget until such time as the aggregate amount of the reserve shall be equal to one hundred percent (100%) of the Association's budget for its current fiscal year; provided, however, that the Board of Directors may establish the reserve at such higher levels as it may from time to time determine to be appropriate; and, provided, further that in no event shall the Association allocate to the reserve less than the lower of ten percent (10%) of each year's annual budget or such amount as may be required to maintain the one hundred percent (100%) reserve required hereby for any fiscal year in which the reserve would be less than the one hundred percent (100%) reserve required hereby. When the budget has been properly prepared and submitted, the assessment for said year shall be established based upon said budget. The Board of Directors shall have the authority to increase the general assessment or to levy such additional assessments as it shall deem to be necessary for the following purposes: (1) to make up any deficit arising from the normal and usual operation and management of the Condominium Project, (2) to provide replacements of existing common elements, (3) to provide additions to the common elements not exceeding Five Thousand Dollars (\$5,000.00) annually, or (4) to meet emergencies or other unforeseeable liabilities and obligations not exceeding Five Thousand Dollars (\$5,000.00) annually. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or the creditors of the members thereof.

(b) Special. Special assessments, in addition to those required in (a) above, may be made by the Board of Directors from time to time and approved by the co-owners as hereinafter provided to meet other needs or requirements of the Association, including, but not limited to (1) assessments for capital improvements for additions of a cost exceeding Five Thousand Dollars (\$5,000.00) per year, (2) assessments to purchase a condominium unit upon foreclosure of the lien for assessments described in Section 6 hereof, (3) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subparagraph (b) (but not including those assessments referred to in subparagraph 3(a) above which shall be levied in the sole

discretion of the Board of Directors) shall not be levied without the prior approval of more than fifty percent (50%) of all co-owners in value and in number. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or the creditors of the members thereof.

Section 4. Apportionment to Co-Owners. Subject to Article IX, Section 9 below, all assessments levied against the co-owners to cover expenses of administration shall be apportioned among and paid by the co-owners in accordance with the percentage of value allocated to each unit in Article V of the Master Deed. Annual assessments as determined in accordance with Article IX, Section 3(a) above shall be payable in such installments at such times as from time to time as determined by the Board of Directors, commencing with acceptance of a deed to a unit or with acquisition of legal or equitable title to a unit by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. Assessments in default shall bear interest at the highest rate permitted by law until paid in full. In addition thereto, a reasonable late charge, not to exceed Twenty Dollars (\$20.00) per assessment, may be assessed for delinquencies to defray the added costs of administration resulting therefrom. Each co-owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments pertinent to his unit which may be levied while such co-owner is the owner thereof. For purposes of this Article IX, both the land contract vendor and the land contract vendee of any unit shall be deemed to be the co-owner of such unit and, with respect to the Association, shall be jointly and severally responsible for payment of all assessments pertinent to such unit notwithstanding anything to the contrary contained in the land contract governing the sale of such unit.

Section 5. No Waiver of Liability. No co-owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the common elements or by the abandonment of his unit.

Section 6. Enforcement. The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. Each co-owner, and every other person who from time to time has any interest in the Condominium Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each co-owner and every other person who from time to time has any interest in the 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 section 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. 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 ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent co-owner(s) at his or their last known address, of a written notice that one or more installments of the assessment levied against the pertinent unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien (iii) the amount outstanding (exclusive of interest, costs, attorney fees and future assessments), (iv) the legal description of the subject unit(s) and (v) the name(s) of the co-owners of the record. Such affidavit shall be recorded in the Office of the Register of Deeds in the county in which the project is located prior to the commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing of the delinquency notice as required above. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the co-owner designated above and shall inform such co-owner that he may request a judicial hearing by bringing suit against the Association. The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorneys' fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the co-owner in default and shall be secured by the lien on his unit. In the event of default by any co-owner in the payment of any installment of the assessment levied against his unit, the Association shall have the right to declare all unpaid installments of the assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any services to a co-owner in default upon seven (7) days written notice to such co-owner of its intention to do so. A co-owner in default shall not be entitled to utilize any of the general ~~common~~ elements of the Condominium Project and shall not be entitled to vote at any meeting of the Association so long as such default continues. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the unit from the co-owner thereof or any persons claiming under him; provided, however, that if the unit shall be subject to a property management rental agreement, then such rental agent shall be liable to any such receiver only for such amount as would be due to the co-owner pursuant to the agreement in connection with each renting of such unit.

Section 7. Mortgagees. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any unit in the Condominium Project

which comes into possession of the unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged unit which accrue prior to the time such holder comes into possession of the unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all units including the mortgaged unit).

Section 8. Purchaser Liability. A purchaser or grantee of a unit shall be entitled to receive from the Association a written statement setting forth the amount of unpaid assessments, if any, against the seller or grantor, and the purchaser or grantee shall not be liable for, nor shall the unit be conveyed or granted subject to a lien for any unpaid assessments against the seller or grantor in excess of the amount set forth in the written statement so furnished; provided, however, that unless the purchaser or grantee requests such written statement from the Association at least five (5) days prior to the closing of the sale or conveyance, the purchaser or grantee shall be liable for any unpaid assessments against the unit together with interest, costs and attorneys' fees incurred in the collection thereof.

Section 9. Developer. The Developer shall not be responsible for payment of any Association assessments with respect to unsold units, but shall pay a proportionate share of the Association's current maintenance expenses actually incurred from time to time based upon the percentage of value of unsold units owned by Developer at the time the expense is incurred to the total percentage of value of all units in the Condominium. Developer shall also maintain, at its own expense, any unsold units owned by it and the Association shall incur no expense with respect thereto.

Section 10. Property Taxes. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

Section 11. Mechanic's Liens. A mechanic's lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

ARTICLE X

ARBITRATION

Section 1. Permissive Arbitration. Disputes, claims, or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between co-owners and the Association shall, upon the election and written consent of the parties to any such disputes, claims or grievances and written notice to the Association, be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding. The Commercial Arbitration Rules of the American

Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration.

Section 2. Court Action. No co-owner or the Association shall be precluded from petitioning the courts to resolve any such disputes, claims or grievances.

Section 3. Arbitration Binding. Election by co-owners or the Association to submit any such dispute, claim or grievance to arbitration shall preclude such parties from litigating such dispute, claim or grievance in the courts.

ARTICLE XI

INSURANCE

Section 1. Mandatory Maintenance. The Association shall carry fire and extended coverage, vandalism and malicious mischief and liability insurance, and worker's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the common elements of the Condominium Project, and such insurance, other than title insurance, shall be carried and administered in accordance with the following provisions:

(a) All such insurance shall be purchased by or in behalf of the Association for the benefit of the Association, and the co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of co-owners. It shall be each co-owner's responsibility to obtain insurance coverage for his improvements and personal property located within his unit or elsewhere on the Condominium Project and for his personal liability for occurrences within his unit or upon limited common elements appurtenant to his unit, and the Association shall have absolutely no responsibility for obtaining such coverages. Specifically, the co-owner's of cottage units shall be responsible for obtaining and maintaining public liability and property damage insurance as set forth in the Master Deed. The Association and all co-owners shall use their best efforts to see that all property and liability insurance carried by the Association or any co-owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any co-owner, the Association, or the Developer.

(b) All common elements of the Condominium Project shall be insured against fire and other perils covered by a standard extended coverage endorsement, as determined from time to time by the Board of Directors of the Association.

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

(d) Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, and the co-owners and their mortgagees as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium Project shall be required as provided in Article XII 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 to such repair or reconstruction.

Section 2. Association as Attorney-in-Fact. Each co-owner, by ownership of a unit in the Condominium Project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and worker's compensation insurance, if applicable, pertinent to the Condominium Project, and the common elements appurtenant thereto with such insurer as may, from time to time, provide such insurance for the Condominium Project. Without limitation on the generality of the foregoing, the Association 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 Project as shall be necessary or convenient to the accomplishment of the foregoing. The exercise or performance of all or any portion of the rights, duties or obligations of the Association with respect to the acquisition, maintenance or settlement of all insurance matters as herein authorized may be delegated by the Association to one or more agents, including, but not limited to a general Management Agent retained to perform management and maintenance functions for the Association.

ARTICLE XII

RECONSTRUCTION OR REPAIR

Section 1. Decision to Repair. Except as otherwise specifically provided by the Master Deed with respect to improvements located within the cottage units, if any part of the Condominium Project shall be damaged, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:

(a) If the damaged property is a common element, the property shall be rebuilt or repaired if any improved unit in the Condominium Project is tenable, unless it is determined by a unanimous vote of all of the co-owners in the Condominium Project that the Condominium Project shall be terminated.

(b) If the Condominium Project is so damaged that all improved units are untenable, the damaged common elements shall not be rebuilt and the Condominium Project shall be terminated, unless seventy-five percent (75%) or more of the co-owners in value and in number agree to reconstruction by vote or in writing one hundred eighty (180) days after the destruction.

Section 2. Repair Standards. Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the plans and specifications for the Condominium Project and shall restore the Condominium Project to a condition as comparable as possible to the condition existing prior to damage unless the co-owners and the Developer, its successors and assigns, shall unanimously decide otherwise.

Section 3. Unit Damage. If the damage is only to a part of a unit which is the responsibility of a co-owner to maintain and repair, it shall be the responsibility of the co-owner to repair such damage.

Section 4. Repair Procedures. The Association shall be responsible for the reconstruction, repair and maintenance of the common elements and any incidental damage to a unit caused by any common element or the reconstruction, repair or maintenance thereof. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair.

Section 5. Eminent Domain. Section 133 of the Act and the following provisions shall control any taking by eminent domain:

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

(b) Common Elements. If there is any taking of any portion of the Condominium Project other than any unit the condemnation proceeds relative to such

taking shall be paid to the co-owners and their mortgagees in proportion to their respective interests in the common elements and the affirmative vote of more than fifty percent (50%) of the co-owners in number and in value shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

(c) Amendment of Master Deed. In the event the Condominium Project continues after taking by eminent domain, then the remaining portion of the Condominium Project shall be re-surveyed and the Master Deed amended accordingly, and, if any unit shall have been taken, then Article V of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining co-owners based upon the continuing value of the condominium of one hundred percent (100%). Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any co-owner or the mortgagee of any unit.

ARTICLE XIII

RESTRICTIONS

Section 1. Residential Use. Except for Units 5 and 6, and except as provided in Section 14 of this Article, all units shall be used for single-family residential purposes only. For the purposes hereof, "single-family" means (a) not more than two persons, whether or not related by blood or marriage; or, alternatively, but not cumulatively, (b)(1) a man or a woman (or a man and woman living together as a husband and wife), (2) the children of either and of both of them, and/or (3) the parents of either but not both of them, or (c) such other definition as is required by applicable law. No more than one residential unit may exist within any unit. No business, commercial, manufacturing, service, or rental enterprise shall be conducted within any unit covered by this Section.

Section 2. Use of Unit By Non-co-Owners.

(a) Except as hereinbelow otherwise provided, the co-owners, including the Developer, may rent, lease or otherwise make their units available to third parties for the same purpose for which the same may be used in accordance with the Condominium Documents for such periods of time, and upon such terms and conditions, as they shall determine to be appropriate. Notwithstanding anything in this Section 2 to the contrary, all tenants or nonco-owner occupants shall comply with all of the conditions of the Condominium Documents of the Condominium Project and all leases, rental or other agreements authorizing the use or occupancy of any unit by any non-co-owner, shall so state. If the Association determines that the tenant or nonco-owner occupant has failed

to comply with the conditions of the Condominium Documents or any rules and regulations promulgated pursuant thereto, the Association shall take the following action:

- (1) The Association shall notify the co-owner by certified mail advising of the alleged violation by tenant.
- (2) The co-owner shall have fifteen (15) days after receipt of such notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.
- (3) If after fifteen (15) days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the co-owners on behalf of the Association, if it is under the control of the Developer, an action for eviction against the tenant or nonco-owner and tenant or nonco-owner occupant for breach of the condition of the Condominium Documents. The relief set forth in this section may be by summary proceeding. The Association may hold both the tenant and co-owner liable for any damages caused to the common elements by the nonco-owner or tenant.

When a co-owner is in arrearage to the Association for assessments, the Association may give written notice of the arrearage to the person occupying or otherwise utilizing a co-owner's unit and such person, after receiving the notice shall deduct from the rental or other payments due the co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not be a breach of the rental lease or other agreements by the tenant.

Section 3. Activity Limitations. No immoral, improper, unlawful or offensive activity shall be carried on in any unit or upon the common elements, limited or general, nor shall anything be done which may be or become an annoyance or a nuisance to the co-owners of the Condominium Project. 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 Project without the written approval of the Association and each co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition.

Section 4. Prohibition Against Dangerous Activities and Articles. No co-owner shall use, or permit the use by any occupant, agent, employee, invitee, guest or member of his family of any firearms, fireworks, air rifles, pellet guns, B-B guns, bows and arrows, spear guns or other similar dangerous weapons, projectiles or devices anywhere on or about the Condominium Project. No co-owner shall use, keep or permit to be used or kept in a unit or on any common element, limited or general, any inflammable oil, fluid or explosive which is not an ordinary and

usual household cooking and cleaning product. Fires for preparing food may be made in grills or other proper containers only in such locations as may be designated by the Association and only if they are continuously supervised by a responsible adult and promptly extinguished. If built in portable containers, such containers shall be removed immediately after each use.

Section 5. Vehicles. Without the prior approval of the Association, no motorized vehicles other than automobiles, light trucks and motorcycles ordinarily used for personal transportation may be used, parked or stored upon the premises of the Condominium Project. Commercial vehicles and trucks may, however, be temporarily parked in or about the Condominium Project while making deliveries to or pickups from the Condominium Project in the ordinary and usual course of business. All motor vehicles shall be parked and/or stored only in such areas as may from time to time be designated as parking and storage areas by the Condominium Documents.

Section 6. Signs. No signs, nameplates or other advertising or descriptive devices shall be displayed which are visible from the exterior of a unit or on the common elements, including, without limitation, "For Sale" or "For Rent" signs, without written permission from the Association.

Section 7. Pets. No animal, including household pets, shall be kept without the prior written consent of the Association, which consent, if given, shall be revocable at any time for failure by the pet owner to observe the provisions of these bylaws or Rules and Regulations of the Association pertaining to pets. Any pets permitted to be kept in the Condominium Project shall have such care and restraint as may be necessary so as not to be obnoxious on account of noise, odor or unsanitary conditions. No savage or dangerous animal shall be kept. No animal may be permitted to run loose upon the common elements and any animal shall at all times be attended by some responsible person while on the common elements. Any person who causes or permits an animal to be brought or kept on the Condominium Project shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as a result of the presence of such animal on the Condominium Project.

Section 8. Landscaping. Without prior written consent of the Association and the Developer and its successors and assigns, no co-owner shall perform any landscaping, plant any trees, shrubs or flowers, place any ornamental materials, cut any trees or remove or modify any natural or planted vegetation located on the Condominium Premises.

Section 9. Rules and Regulations. Reasonable regulations consistent with the Act, the Master Deed and these bylaws, concerning the use of the common elements may be made and amended from time to time by any Board of Directors of the Association, including the First Board of Directors (or its successors appointed by the Developer) prior to the First Annual Meeting of the entire Association held as provided in Article III, Section 2 of these bylaws. Copies of all such regulations and amendments thereto shall be furnished to all co-owners and

shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative of each co-owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty (50%) percent of all co-owners in number and in value.

Section 10. Maintenance By Co-Owner. Each co-owner shall maintain his or her unit and any limited common elements appurtenant thereto for which he or she has maintenance responsibility in a safe, clean and sanitary condition. Specifically, each co-owner of a cottage unit shall be responsible to maintain all structures contained therein in a safe and clean condition. Each co-owner shall also use due care to avoid damaging any of the common elements which may affect any other unit. Each co-owner shall be responsible for all costs resulting from damage to or misuse of any of the common elements by him or her, or his or her guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association in which case there shall be no such responsibility (unless reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible co-owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association may be assessed to and collected from the responsible co-owner in the manner provided in Article IX hereof.

Section 11. Access to Units. The Association or its duly authorized agents shall have access to all units, structures therein and limited common elements appurtenant thereto, during all reasonable hours, as may be necessary for the maintenance, repair or replacement of any of the common elements. The Association or its agents shall also have access to each unit, structure and limited common element at all times 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 and its Management Agent with keys to his or her unit and structures during all periods of absence and in the event of the failure of such co-owner to provide the same, the Association may take such steps as may be reasonable under the circumstances and shall not be liable to such co-owner for any necessary damage caused to his or her unit, structure or any limited common element appurtenant thereto.

Section 12. Prohibition Against Modifications by Co-Owners. Except as hereinbelow otherwise specifically provided, no co-owner shall make alterations in exterior appearance or make structural modifications to any structure located on the Condominium Premises, without the express written approval of the Association and the Developer or its successors and assigns. Neither the Association nor the Developer or its successors and assigns shall have responsibility with respect to any modification or any consequence thereof made by a co-owner, even though the same may have been approved by them. The Association may approve only such modifications as not to impair the soundness, safety, utility or appearance of the Condominium Project. Any approval of plans and specifications for any work performed by any co-owner by the Association or the Developer or its successors and assigns shall not be deemed or construed in any manner as a determination that such work meets or will meet applicable building and other codes or that such work will not materially and adversely affect any unit or common

element, and neither the Association nor the Developer or its successors and assigns shall be liable to any person by reason of consenting to any such work.

Section 13. Restriction Against Alterations and Modification

No buildings, fences, signs, walls, retaining walls, drives, walks or other structures or improvements shall be commenced, erected, maintained or modified, nor shall any addition to, or change or alteration to any land feature or structure be made, including, without limitation, paint or stain colors, building, or installation of doors, windows or screens, except interior alterations which do not affect structural elements, nor shall any hedges, trees or substantial plantings or landscaping modifications be made, until plans and specifications, acceptable to the Developer or its successors and assigns showing the nature, kind, shape, height, materials, color, scheme, location and approximate cost of such structure or improvement and the grading or landscaping plan of the area to be affected, shall be submitted to and approved in writing by the Developer or its successors and assigns and a copy of said plans and specifications, as finally approved, lodged permanently with the Developer or its successors and assigns. Developer and its successors and assigns shall have the right to refuse to approve any such plans or specifications, or grading or landscaping plan which are not suitable or desirable in its opinion for aesthetic or other reasons; and in passing upon such plans, specifications, grading or landscaping, it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is proposed to effect the same, and the degree or harmony thereof with the Condominium Project as a whole and the Adjoining Parcel. The purpose of this section is to assure the continued maintenance of the Condominium Project as a beautiful resort development and shall be binding upon both the Association and upon all co-owners. This section shall apply throughout the period of development and operation.

Section 14. Developer's Rights. Until all units in the Condominium Project are sold by the Developer, its successors and assigns, the Developer and its successors or assigns shall have the right to maintain signs, a sales office, a business office, a construction office, model units, storage areas, reasonable parking incident to the foregoing and such access to, from and over the Condominium Project as may be reasonable to enable development and sale of the Condominium Project by the Developer. The Developer shall restore the areas so utilized to habitable status upon termination of use.

ARTICLE XIV

MORTGAGES

Section 1. Notification 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 "Mortgagees 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.

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

ARTICLE XV

COMPLIANCE

The Association of co-owners and all present or future co-owners, tenants, future tenants, or any other person acquiring an interest in or using the facilities of the Condominium Project in any manner are subject to and shall comply with the Act, as amended, and the mere acquisition, occupancy or rental of any unit or an interest therein or the utilization of or entry upon the Condominium Project 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 XVI

AMENDMENTS

Section 1. Required Vote. Except as hereinbelow otherwise provided, these bylaws may be amended by the Association at any regular annual meeting or a special meeting called for such purpose, by an affirmative vote of sixty-six and two-thirds percent (66-2/3%) of all co-owners in number and in value, and the affirmative vote of sixty-six and two-thirds percent (66-2/3%) of the unit mortgagees (allowing one vote for each unit with respect to which a mortgage is held), except that no change may be made in any provision reserving rights unto, or requiring the approval before the taking of action of, the Developer, its successors and assigns, without the prior written consent of the Developer or its successors or assigns.

Section 2. Proposal by Board of Directors. Amendments to these bylaws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or by one-third or more in number of the members of the Association whether meeting as members or by instrument in writing signed by them. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of Article III of these bylaws.

Section 3. Amendment by Developer. Notwithstanding anything in this Article XVI to the contrary, the Developer or its successors or assigns may at any time and from time to time amend these bylaws in such respects as it or its successors or assigns may determine to be appropriate in the sole and exclusive exercise of their discretion without the consent of any unit co-owner or mortgagee provided that such amendment does not materially alter or change the rights of any unit co-owner or mortgagee. An amendment which does not materially change the rights of a co-owner or mortgagee includes, without limitation, any amendment made in order to correct errors in these bylaws, any modification of the types and sizes of unsold condominium units and their appurtenant limited common elements, any amendment made to ease or promote the efficient operation or administration of the Condominium Project or any portion thereof in furtherance of one or more of the specified purposes for which the same may be used as set forth in the Master Deed, and amendments made for the purpose of facilitating conventional mortgage financing of units for existing or prospective co-owners.

Section 4. Effective Date of Amendments. Any amendment to these bylaws shall become effective upon the recording of such amendment in the Office of the Register of Deeds for Monroe County, Michigan. Co-owners and mortgagees of record shall be notified of proposed amendments of these bylaws not less than ten (10) days before such amendments are recorded.

Section 5. Copies to Co-Owners. A copy of each amendment to these bylaws shall be furnished to every member of the Association after adoption; provided, however, that any amendment to these bylaws which is adopted in accordance with this Article shall be binding upon the persons who have an interest in the Condominium Project irrespective of whether such persons actually receive a copy of such amendment.

ARTICLE XVII

DEFINITIONS

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

ARTICLE XVIII

REMEDIES FOR DEFAULT

Section 1. Relief and Expenses. Any default by a co-owner shall entitle the Association, another co-owner or co-owners or the Developer, its successors and assigns (if such default

pertains to a provision granting or reserving rights unto the Developer, its successors or assigns), to the following relief:

(a) 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 or the Developer, its successors and assigns.

(b) In any proceeding arising because of an alleged default by any co-owner, the Association, co-owner(s) or Developer, its successors and assigns, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (not limited to statutory fees) as may be determined by the Court, but in no event shall any co-owner be entitled to recover attorneys' fees.

(c) The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the common elements, limited or general, or into any unit, where reasonably necessary, and summarily remove and abate, at the expense of the co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents.

Section 2. No Waiver. The failure of the Developer, 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 Developer, the Association or of any such co-owner to enforce such right, provision, covenant or condition in the future.

Section 3. Rights Cumulative. All rights, remedies and privileges granted to the Developer, 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.

ARTICLE XIX

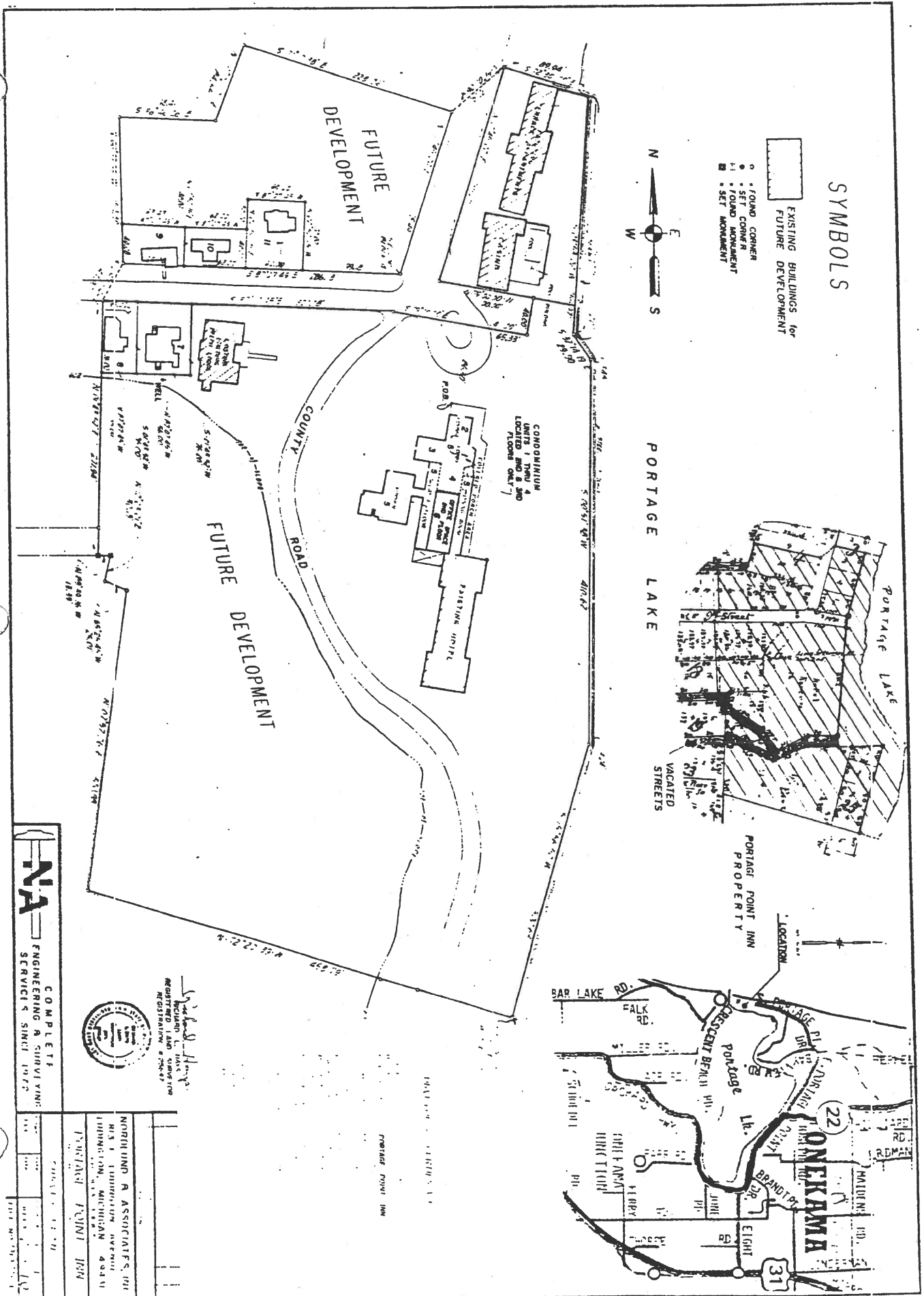
RIGHTS RESERVED TO DEVELOPER

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 person or entity. 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 consent to the acceptance of such powers and rights and such assignee or transferee shall thereupon have the same rights and power as herein given and reserved to the Developer.

ARTICLE XX

SEVERABILITY

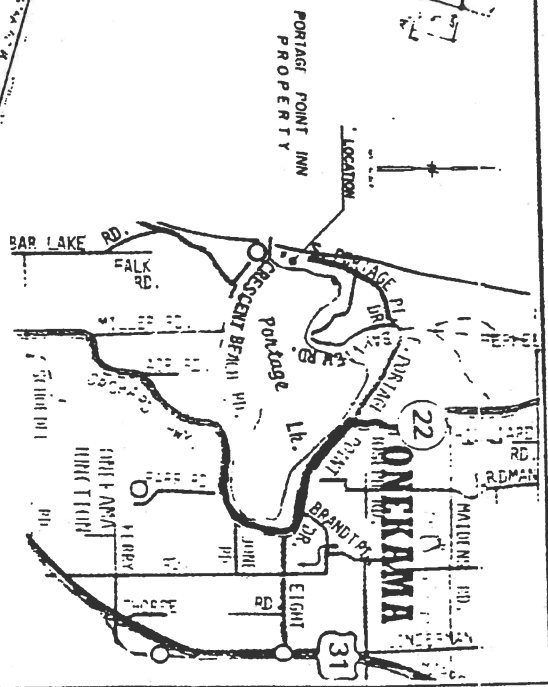
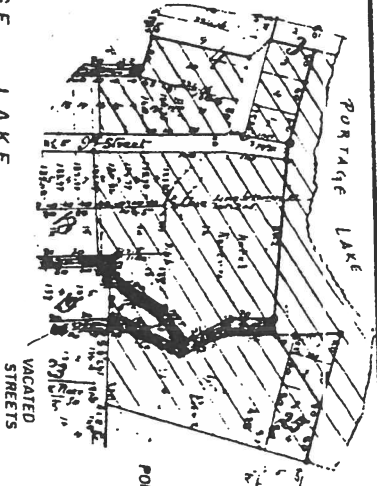
In the event that any of the terms, provisions, or covenants of these bylaws or the Condominium Documents are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify or impair in any manner whatsoever any of the other terms, provisions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



- SYMBOLS**
- EXISTING BUILDINGS (or FUTURE DEVELOPMENT)
 - FOUND CORNER
 - SET CORNER
 - ⊙ FOUND MONUMENT
 - ⊛ SET MONUMENT



PORTAGE LAKE

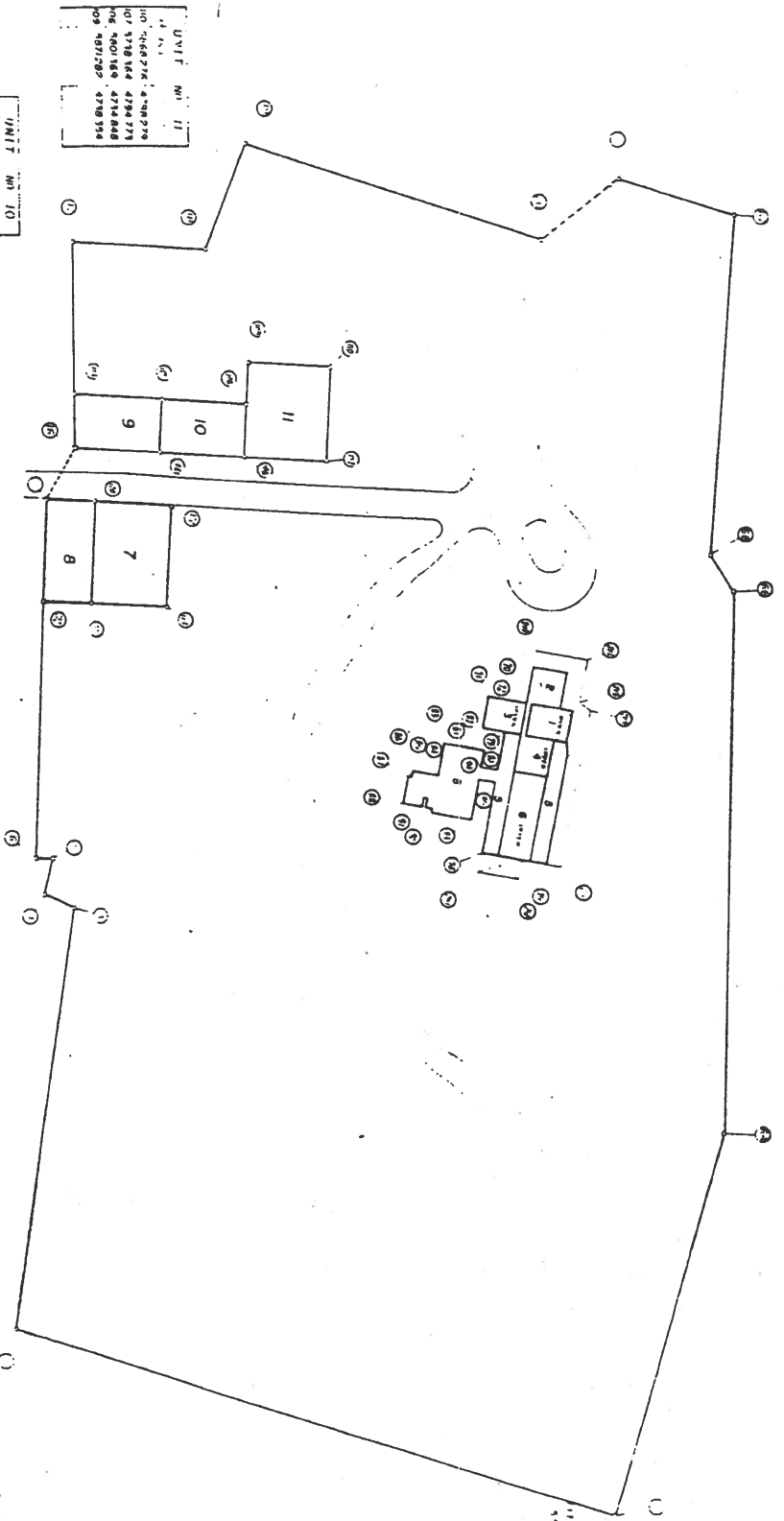


Richard L. H...
REGISTERED LAND SURVEYOR
REGISTRATION # 2862



NA COMPLETE ENGINEERING & SURVEYING SERVICES SINCE 1972

NOBLE AND ASSOCIATES, INC.
1133 LUDINGTON AVENUE
LUDINGTON, MICHIGAN 49341
PORTAGE POINT INN

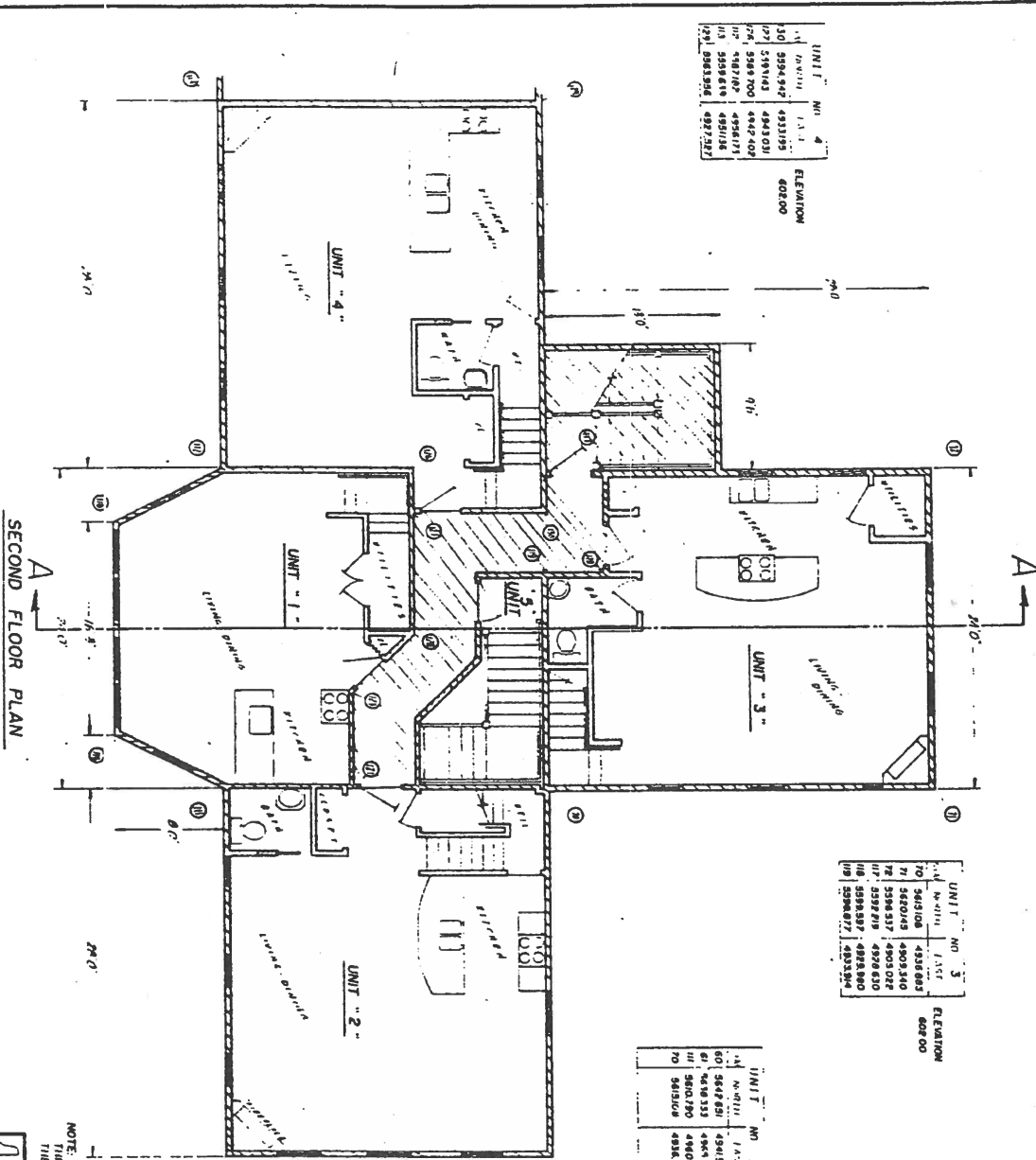


UNIT NO.	AREA	NO.	DATE	BY
UNIT NO. 11	11	11	11/11/11	11/11/11
UNIT NO. 10	10	10	10/10/10	10/10/10
UNIT NO. 9	9	9	9/9/9	9/9/9
UNIT NO. 8	8	8	8/8/8	8/8/8
UNIT NO. 7	7	7	7/7/7	7/7/7

STATION	COORDINATES	UNIT NO.	AREA
1	1000.000	1	1000.000
2	1191.500	2	4562.800
3	4447.040	3	4617.777
4	3467.460	4	3948.000
5	4306.906	5	4501.000
6	4506.086	6	4577.100
7	3506.802	7	4888.100
8	4807.710	8	4600.000
9	4862.210	9	4618.700
10	4704.473	10	4704.473
11	4717.111	11	4717.111
12	6016.598	12	4324.244
13	5851.191	13	5014.000
14	6009.262	14	5014.000
15	5989.216	15	5014.000
16	5726.835	16	5014.000
17	4701.450	17	4701.450
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99	4701.450	99	4701.450
100	4701.450	100	4701.450

NA ENGINEERING & SURVEYING
SERVICES SINCE 1972

PROJECT NO.	LIBERO 635
DATE	11/11/11
BY	11/11/11
CHECKED	11/11/11
APPROVED	11/11/11

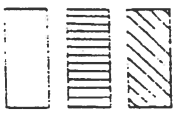


UNIT NO.	NO.	ELEVATION
10	5894.947	4933.995
20	5894.943	4943.031
30	5898.700	4942.402
40	5898.678	4956.171
50	5898.678	4956.171
60	5898.526	4927.327

UNIT NO.	NO.	ELEVATION
10	5861.026	4938.843
20	5861.045	4903.340
30	5898.537	4903.027
40	5897.779	4928.820
50	5898.537	4933.995
60	5898.537	4933.995

UNIT NO.	NO.	ELEVATION
10	5847.851	4941.970
20	5848.333	4945.479
30	5850.170	4940.491
40	5851.026	4938.843

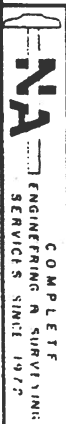
UNIT NO.	NO.	ELEVATION
10	5812.489	4931.026
20	5810.790	4930.491
30	5809.944	4987.664
40	5809.940	4984.737
50	5807.787	4994.171
60	5808.700	4942.402
70	5801.997	4944.650
80	5803.814	4948.987



GENERAL COMMON ELEMENTS
 LIMITED COMMON ELEMENTS
 LIMITS OF OWNERSHIP

SECOND FLOOR PLAN

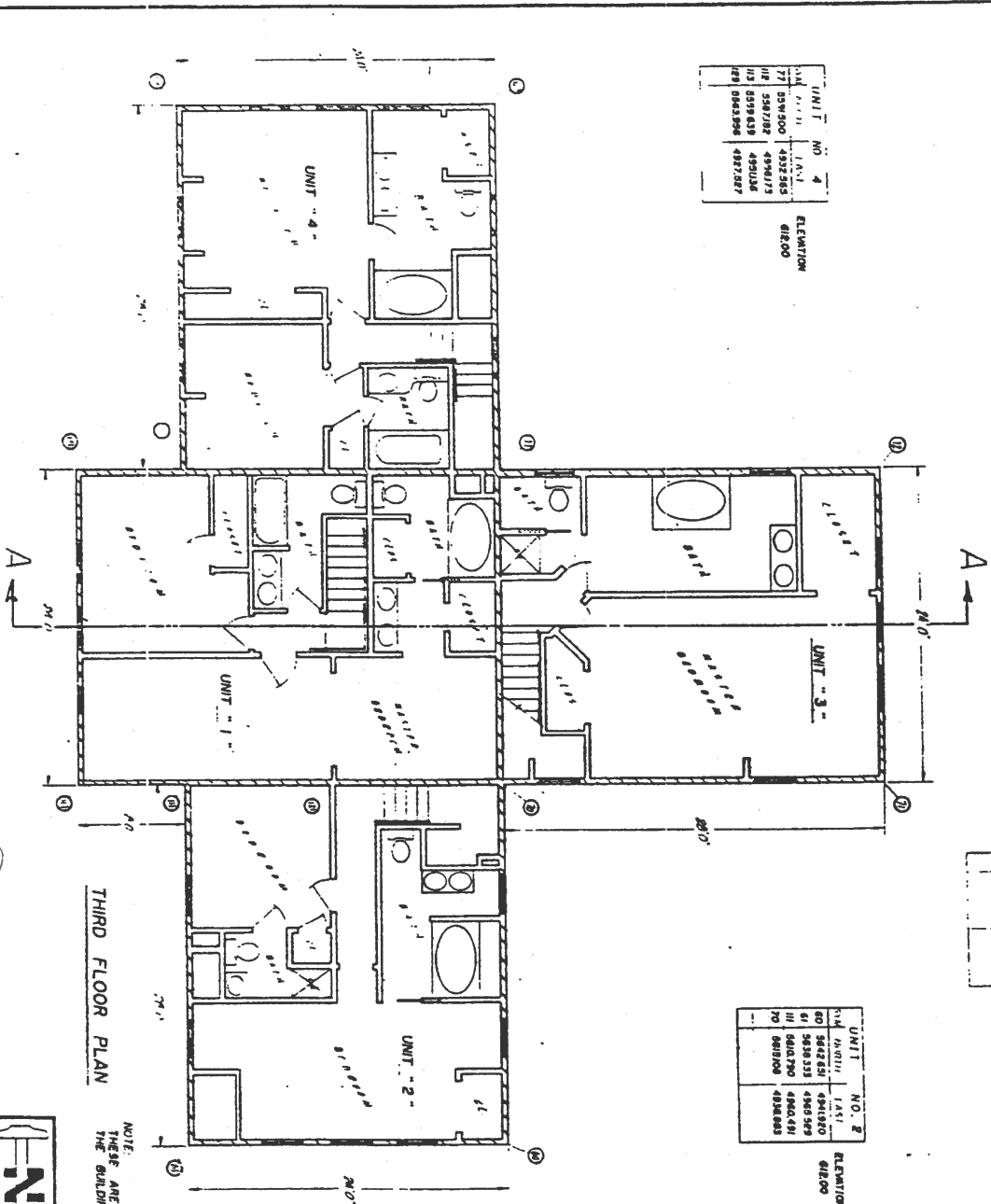
NOTE:
 9' 0" ARE "AS BUILT" FLOOR PLANS PROVIDED BY
 THE BUILDING CONTRACTOR



COMPLETE
 ENGINEERING & SURVEYING
 SERVICES SINCE 1972

NORLUND & ASSOCIATES, INC.
 813 E LINDINGTON AVENUE
 LINDINGTON, MICHIGAN 48841

PREPARED BY: NORLUND & ASSOCIATES, INC.
 DATE: 11/15/72
 FILE NO: 9135.7



UNIT NO.	LAST	ELEVATION
77	588782	4322363
78	588783	4324173
79	588784	4325983
80	588785	4327793

UNIT NO.	LAST	ELEVATION
70	588008	4384843
71	588009	4386653
72	588010	4388463
73	588011	4390273
74	588012	4392083

UNIT NO.	LAST	ELEVATION
60	588228	4380003
61	588229	4381813
62	588230	4383623
63	588231	4385433
64	588232	4387243

UNIT NO.	LAST	ELEVATION
47	588499	435104
48	588500	435285
49	588501	435466
50	588502	435647
51	588503	435828
52	588504	436009
53	588505	436190
54	588506	436371
55	588507	436552

THIRD FLOOR PLAN

NOTE: THESE ARE AS-BUILT - FLOOR PLANS PROVIDED BY THE BUILDING CONTRACTOR.

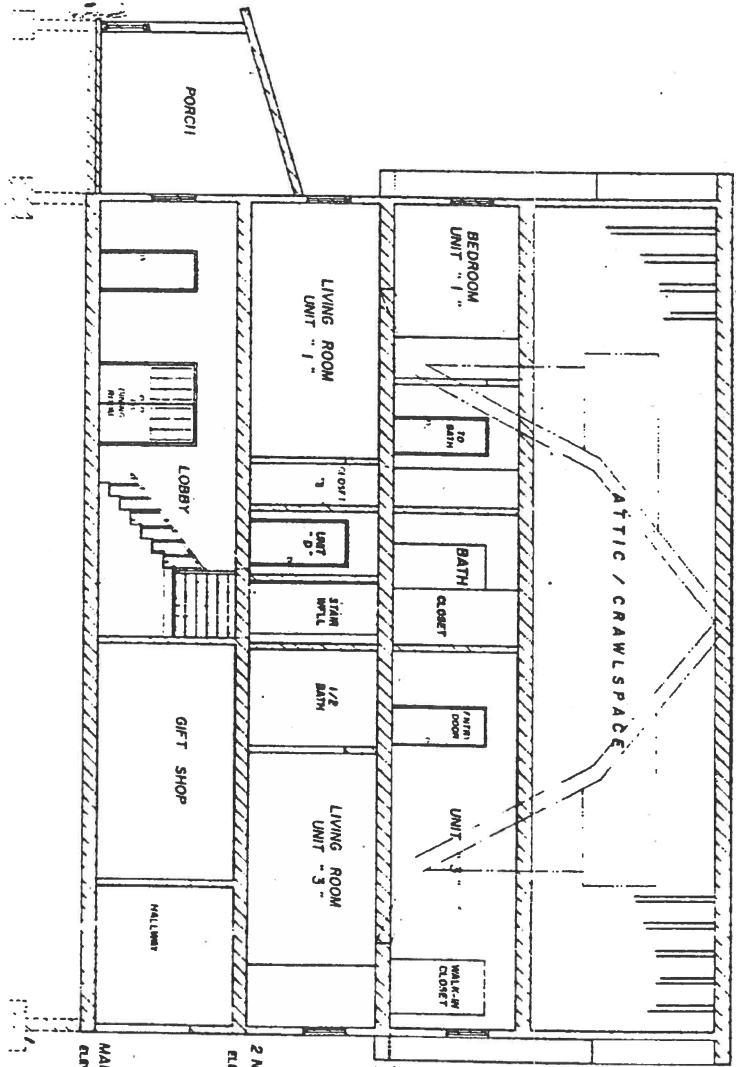
COMPETIT ENGINEERING & SURVEYING SERVICES SINCE 1972



NORDLUND & ASSOCIATE, INC.
615 F. LUDWIGSON AVENUE
LUDWIGSON, MICHIGAN 49641

FORWARD TOWN INN

DATE	BY	REVISION
11/11/77	J. J. J.	1
11/11/77	J. J. J.	2
11/11/77	J. J. J.	3
11/11/77	J. J. J.	4
11/11/77	J. J. J.	5
11/11/77	J. J. J.	6
11/11/77	J. J. J.	7
11/11/77	J. J. J.	8
11/11/77	J. J. J.	9
11/11/77	J. J. J.	10





SECTION A-A

3 RD FLOOR
ELEV. 91'00"

2 ND FLOOR
ELEV. 89'00"

MAIN FLOOR
ELEV. 89'00"

EXACT FOOTING DESIGN UNKNOWN

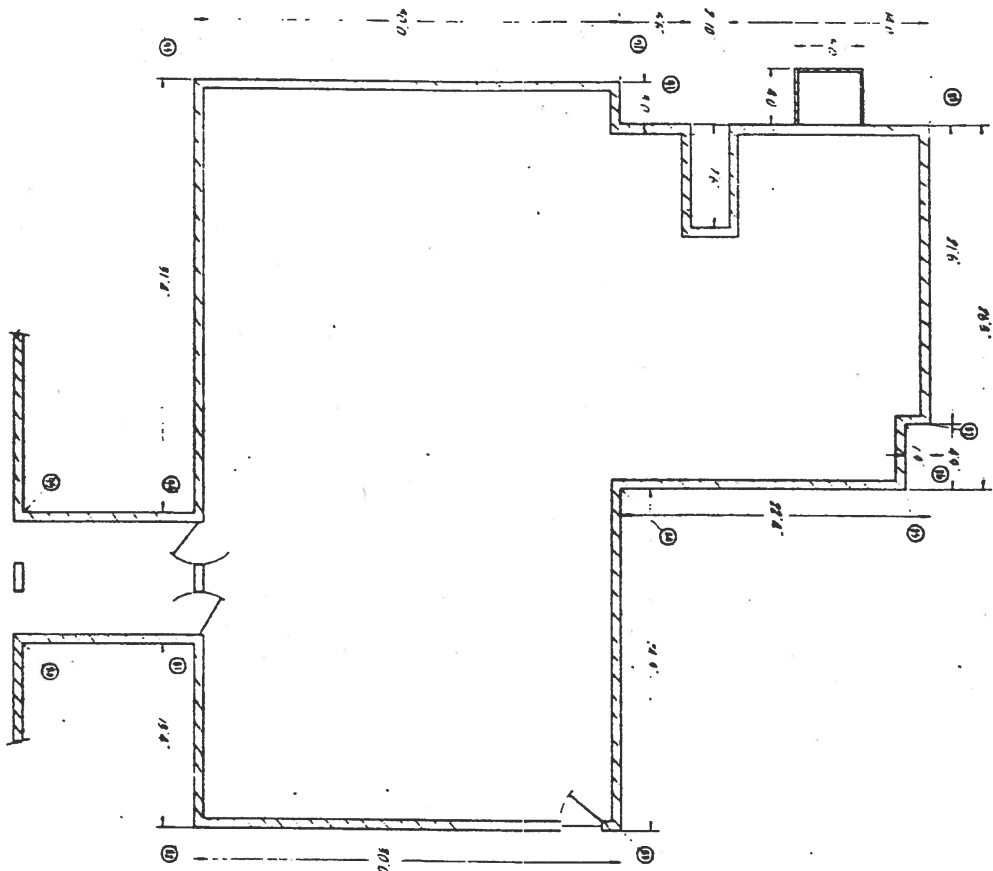
-  GENERAL COMMON LIMITS OF BUILDING COMMON ELEMENT
-  LIMITS OF OWNERSHIP

NA ENGINEERING & SURVEYING
SERVICES SINCE 1972

COMPLETE
SECTION VIEW A-A

PORTAGE PYLON INN
NORWELUND & ASSOCIATE S, INC
415 F LINDINGTON AVENUE
LINDINGTON, MICHIGAN 49131

KITCHEN FLOOR PLAN



UNIT NO.	NO.	ELEVATION
01	5566-448	416.898
02	5566-448	416.898
03	5566-448	416.898
04	5566-448	416.898
05	5566-448	416.898
06	5566-448	416.898
07	5566-448	416.898
08	5566-448	416.898
09	5566-448	416.898
10	5566-448	416.898

ELEVATION
5911

NA COMPLETE ENGINEERING & SURVEYING SERVICES SINCE 1972

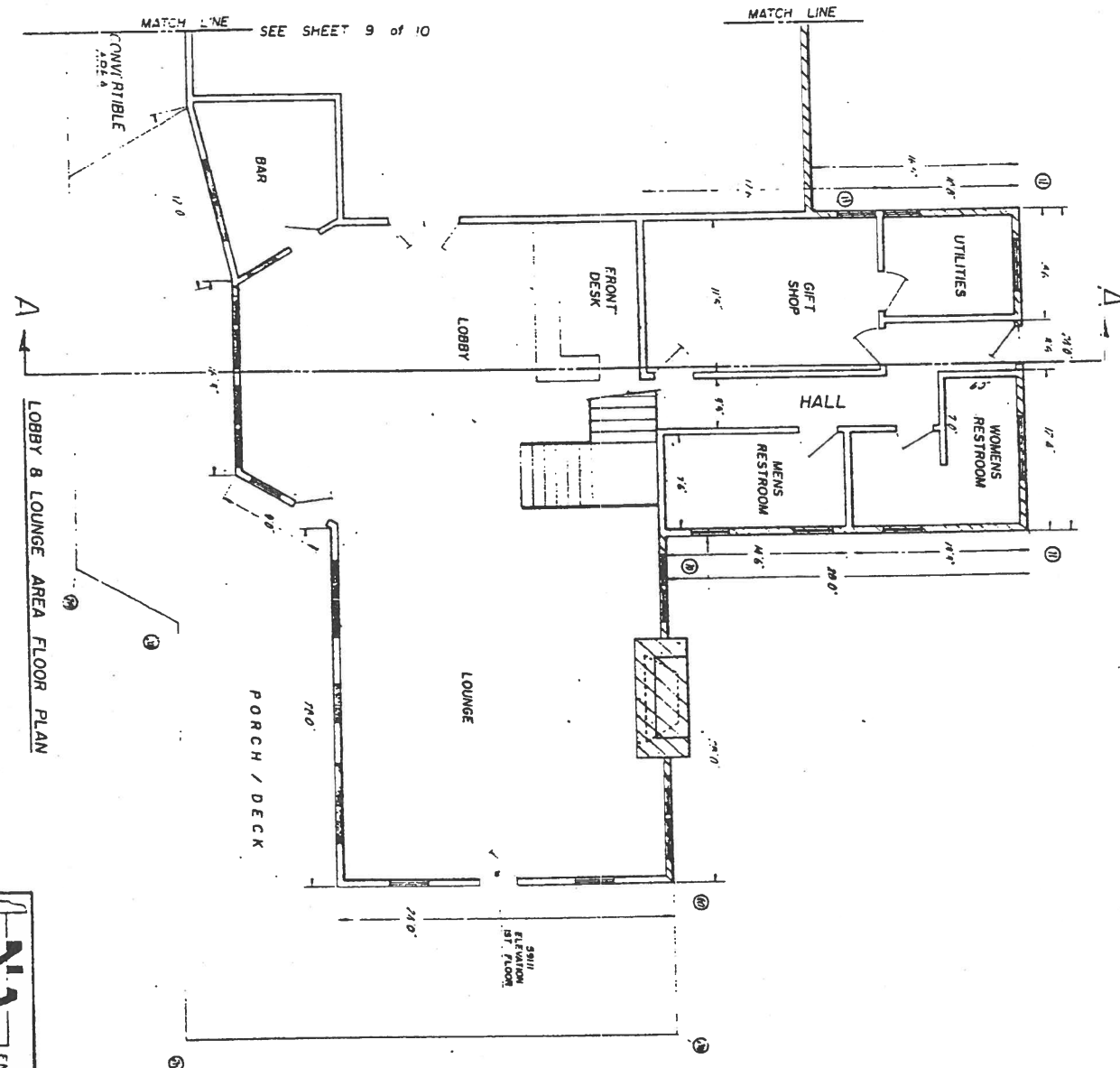
NORDLUND & ASSOCIATES, INC.
813 E LUDINGTON AVENUE
LUDINGTON, MICHIGAN 49431

PORTAGE POINT INN

KITCHEN FLOOR PLAN

DATE: 7/1/72

SHEET NO. 10357



LOBBY & LOUNGE AREA FLOOR PLAN

MATCH LINE SEE SHEET 9 of 10

MATCH LINE

CONVERTIBLE AREA

PORCH / DECK

2ND FLOOR

UNIT	NO.	AREA
1	101	4000.00
2	102	4000.00
3	103	4000.00
4	104	4000.00
5	105	4000.00
6	106	4000.00
7	107	4000.00
8	108	4000.00
9	109	4000.00
10	110	4000.00
11	111	4000.00
12	112	4000.00
13	113	4000.00
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19	119	4000.00
20	120	4000.00

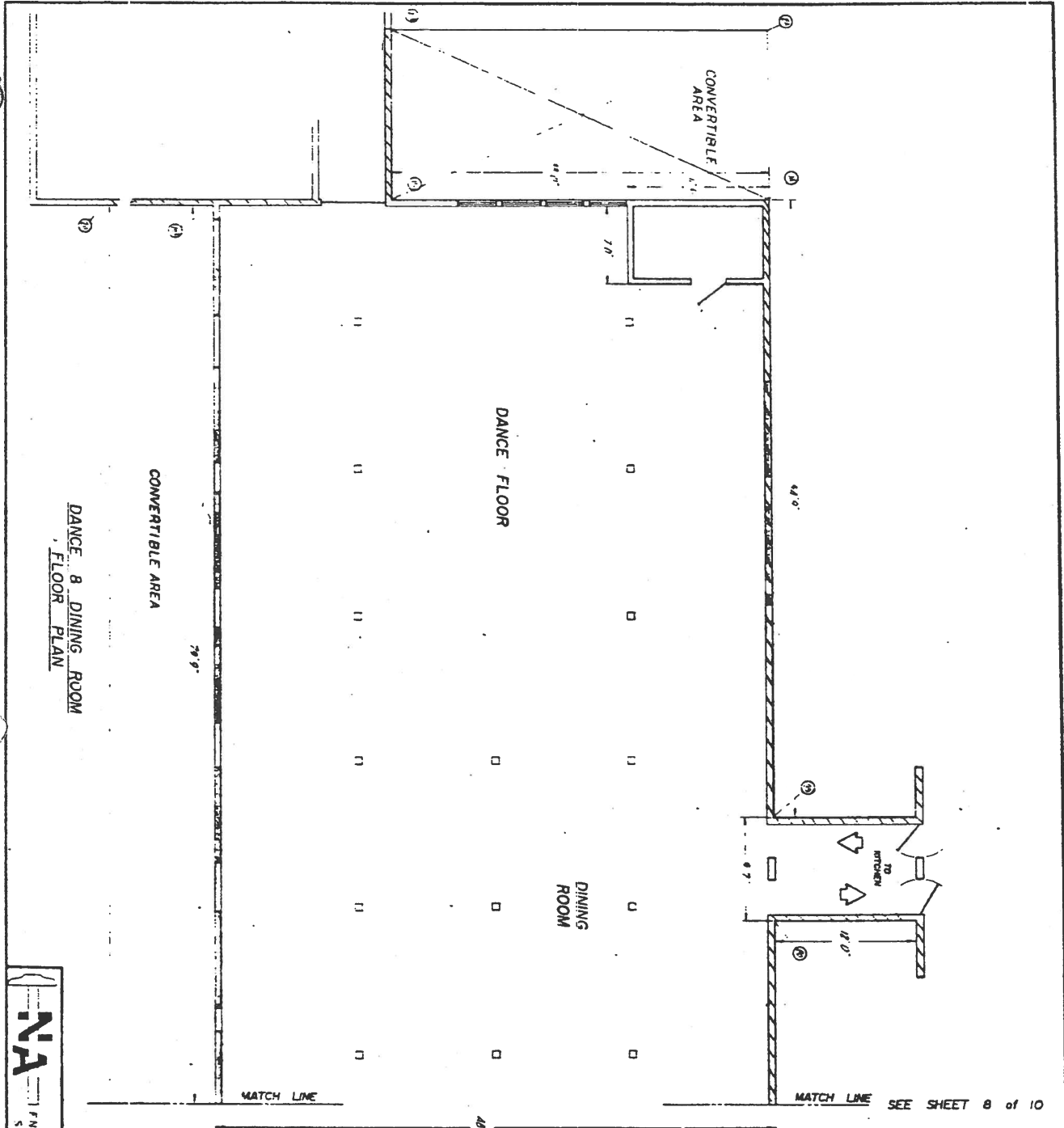
ELEVATION

NA ENGINEERING & SURVEYING SERVICES SINCE 1972

NORDI UND R ASSOCIATES, INC
 815 F LUDINGTON AVENUE
 LUDINGTON, MICHIGAN 49441
 PH: 517-326-1111
 FAX: 517-326-1112

HYRING JOHN INN

DATE: 11/15/88
 DRAWN BY: J. N. ...
 CHECKED BY: J. N. ...
 PROJECT NO. 11111



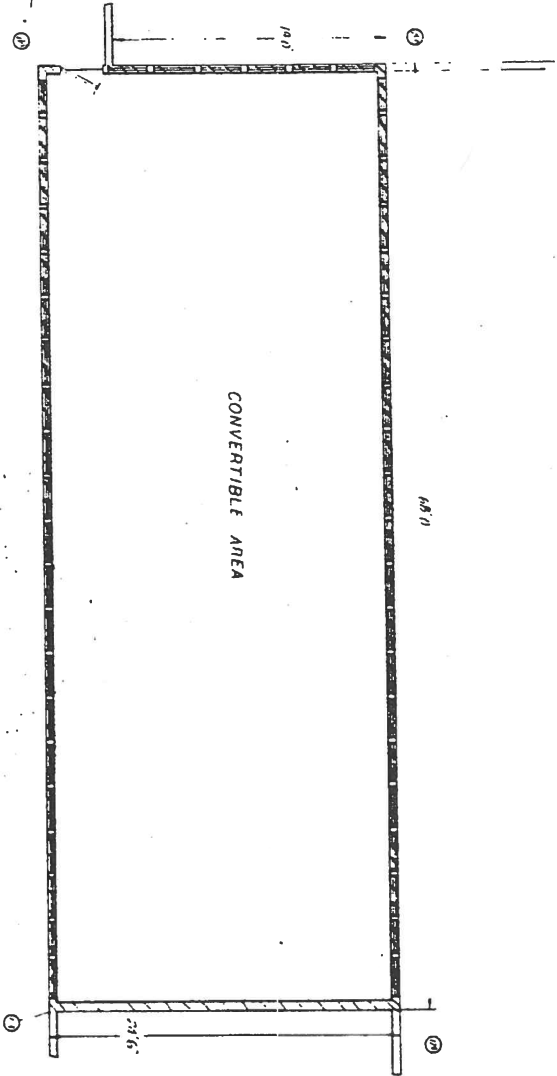
UNIT	NO.	5
101	5607 788	888495
102	4487 101	489414
103	4481 668	489340
104	4486 667	489488
105	4481 412	489310
106	4487 148	489174
107	4487 004	4894 971
108	4481 075	489112
109	4486 419	489378
110	4481 387	489174

ELEVATION
4911

NA COMPLETE
ENGINEERING & SURVEYING
SERVICES SINCE 1972

NORLUND & ASSOCIATES, INC.
815 F. LINDINGTON AVENUE
LANSING, MICHIGAN 48206
FOR T&E CONTACT: 313-487-1111

SECOND FLOOR PLAN



UNIT	NO	5
72	5561 956	4927527
112	5559 839	4941116
261	5619 699	4939449
404	5800 017	4918913

FINISHING
607.00

NIA COMPLETE
ENGINEERING & SURVEYING
SERVICES SINCE 1972

NORRUND R ASSOCIATES, INC
11000 W. LUDINGTON, MICHIGAN 49341

PORTAGE POINT INN

OFFICE AREA FLOOR PLAN

DATE: 12-4-77

BY: [Signature]