

PURCHASER INFORMATION BOOKLET

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TIMBER RIDGE
MASTER DEED

LIBER 289 PAGE 808

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

6-4-110
This Master Deed is made and executed on this 6th day of September, 1984 by Apfel-Rowe, a Michigan Co-Partnership, hereinafter referred to as "Developer", whose office is situated at Hilton Shanty Creek, Bellaire, MI 49615, represented herein by one of its Co-Partners who is fully empowered and qualified to act in behalf of the Co-Partnership, in pursuance of the provisions of the Michigan Condominium Act (being Act 59 of the Public Acts of 1978, as amended, hereinafter referred to as the "Act").

W I T N E S S E T H :

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

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

ARTICLE I

TITLE AND NATURE

The Condominium Project shall be known as Timber Ridge, Antrim County Condominium Subdivision Plan No. 22. The architectural plans for the Project were approved by the Township of Kearney. The Condominium Project is established in accordance with the Act. The buildings and units contained in the Condominium, including the number, boundaries, dimension and area of each unit is capable of individual utilization on account of having its own entrance from and exit to a common elements of the Condominium Project. Each Co-owner in the Condominium Project shall have an exclusive right to his unit and shall have undivided and inseparable rights to share with other Co-owners the common elements of the Condominium Project as are designated by the Master Deed.

ARTICLE II

LEGAL DESCRIPTION

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

110-110-00-50
In the Township of Kearney, Antrim County, Michigan; Commencing at the Southeast corner of Section 32, Town 30 North, Range 7 West; thence North 65 deg 20' West 2934.72 feet to a concrete monument on the North line of Deskin Drive at its Westernmost end as recorded in the plat of EAST POINTE; thence South 84 deg 12' East 66. ; thence North 63 deg 33'40" East 184.69 feet; thence South 58 deg 40'40" East 66. feet to the South line of Deskin Drive, being the point of beginning of this description; thence North 31 deg 19'20" East along said drive 202.90 feet; thence South 11 deg 33'50" East 340.85 feet; thence South 28 deg 18'10" West 131.32 feet; thence North 56 deg 33'38" West 200. feet; thence North 18 deg 26'22" East

175. feet to the point of beginning; being a part of the West 1/2 of the Southeast 1/4 of Section 32, Town 30 North, Range 7 West.

Together with and subject to the following non-exclusive easements:

PARKING AND UTILITY EASEMENTS:

In the Township of Kearney, Antrim County, Michigan; Commencing at the Southeast corner of Section 32, Town 30 North, Range 7 West; thence North 65 deg 20' West 2934.72 feet to a concrete monument on the North line of Deskin Drive at its Westernmost end as recorded in the plat of EAST POINTE; thence South 84 deg 12' East 66. feet; thence North 63 deg 33' 40" East 184.69 feet; thence South 58 deg 40' 40" East 66. feet to the South line of Deskin Drive, being the point of beginning; thence South 18 deg 26' 22" West 175. feet; thence North 26 deg 08' 16" West 87.18 feet to the Southeasterly line of Deskin Drive; thence Northeasterly along said drive on a curve to the left 130. feet (radius of said curve is 239.11 feet, long chord bears North 46 deg 53' 51" East 128.41 feet) to the point of beginning; recorded in Liber 289, Page 102, Antrim County Records.

SEWAGE EASEMENT:

In the Township of Kearney, Antrim County, Michigan; Commencing at the Southeast corner of Section 32, Town 30 North, Range 7 West; thence North 65 deg 20' West 2934.72 feet to a concrete monument on the North line of Deskin Drive at its Westernmost end as recorded in the plat of EAST POINTE; thence South 84 deg 12' East 66. feet; thence North 63 deg 33' 40" East 184.69 feet; thence South 58 deg 40' 40" East 66. feet to the South line of Deskin Drive; thence South 18 deg 26' 22" West 175. feet to the point of beginning; thence South 41 deg 03' 26" East 315.42 feet; thence South 55 deg East 110. feet; thence North 35 deg East 180. feet; thence North 55 deg West 110. feet; thence South 35 deg West 80. feet; thence North 64 deg 54' 31" West 107.81 feet; thence North 56 deg 33' 38" West 200. feet to the point of beginning; recorded in Liber 289, Page 101, Antrim County Records.

ARTICLE III

DEFINITIONS

Certain terms are utilized not only in this Master Deed and Exhibits "A" and "B" hereto, but are or may be used in various other instruments such as, by way of example and not limitation, the Articles of Incorporation and Corporate Bylaws and Rules and Regulations of the Timber Ridge Association, a Michigan Non-Profit Corporation, and deeds, mortgages, liens, and land contracts, easements and other instruments affecting the establishment of, or transfer of, interests in Timber Ridge, as a Condominium. Wherever used in such documents or any other pertinent instrument the terms set forth below shall be defined as follows:

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

B. "Arbitration Association" means the American Arbitration Association or its successor.

C. "Association" shall mean the non-profit corporation organized under Michigan Law of which all Co-owners shall be members which corporation shall administer, operate, manage and maintain the Condominium. Any action required or permitted to the Association shall be exercisable by its Board of Directors unless specifically reserved to its members by the Condominium Documents or the laws of the State of Michigan.

D. "Association Bylaws" means the Corporate Bylaws of Timber Ridge Association, the Michigan Non-profit Corporation organized to manage, maintain and administer the Condominium.

E. "Common Elements", where used without modification, shall mean both the General and Limited Common Elements described in Article IV hereof, which are portions of the Condominium Project other than the Condominium Units.

F. "Condominium Bylaws: means Exhibit "A" hereof, being, the Bylaws setting forth the substantive rights and obligations of the Co-owners and required by Section 3 (8) of the Act to be recorded as part of the Master Deed.

G. "Condominium Documents" wherever used means and includes this Master Deed and Exhibits "A" and "B" hereof, the Articles of Incorporation, Bylaws and Rules and Regulations, if any, of the Association and any other instrument referred to in the Master Deed or Bylaws which affects the rights and obligations of the Co-owners in the Condominium.

H. "Condominium Premises" means and includes the land and the buildings, all improvements and structures thereof, and all easements, rights and appurtenances belonging to Timber Ridges as described above.

I. "Condominium Project", "Condominium", or "Project" means Timber Ridge as an approved Condominium Project established in conformity with the provisions of the Act.

J. "Condominium Subdivision Plan" means Exhibit "B" hereto.

K. "Consolidating Master Deed" means the final amended Master Deed which shall describe Timber Ridge as a completed Condominium Project and shall reflect the entire land area added to the Condominium from time to time under Article VI hereof and all units and common elements therein, and which shall express percentages of value pertinent to each Unit as finally readjusted. Such consolidating Master Deed, when recorded in the office of the Antrim County Register of Deeds, shall supersede the previously recorded Master Deed and all amendments thereto for Timber Ridge.

L. "Co-owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which own one or more units in the Condominium Project and may include a land contract.

M. "Developer" shall mean Apfel-Rowe, a Michigan Co-Partnership which has made and executed this Master Deed and its successors and assigns.

N. "Unit", "Condominium Unit", or "Apartment" each mean the enclosed space constituting a single complete residential unit in Timber Ridge as such space may be described on Exhibit "B" hereto, and shall have the same meaning as the term "condominium unit" as defined in the Act.

O. "Master Deed" shall mean the condominium document recording the condominium Project to which are attached as exhibits and incorporated by reference the Bylaws for the Project and the Condominium Subdivision Plan for the Project.

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

ARTICLE IV

COMMON ELEMENTS

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

A. The General Common Elements are:

1. The land and beneficial easements described in Article II hereof, including sidewalks and parking spaces not designated as Limited Common Elements.

2. The electrical wiring network throughout the Project, including that contained within unit walls, up to the point of connection with but not including electrical fixtures, plugs and switches within any Unit.

3. The telephone wiring network throughout the Project up to the point of entry to each unit.

4. The water distribution system throughout the Project, including that contained within unit walls, up to the point of connection with plumbing fixtures within any unit.

5. The water and waste disposal system (including septic tank and drainage field) throughout the Project up to the point of entry to each dwelling unit.

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

7. The television antenna systems, including the signal splitters and electrical outlets up to the point of connection with the television antenna systems in each unit.

8. The exterior stairs and walkway servicing the units.

9. The three Whirlpool baths shown on Exhibit "B" hereof and the gas line servicing such Whirlpool baths.

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

B. The Limited Common Elements are:

1. The decks, adjoining each unit shall be subject to the exclusive use and enjoyment of the owner of such unit.

2. The interior surfaces of walls, windows, doors, ceilings, and floors contained within a unit shall be subject to the exclusive use and enjoyment of the Co-owner of such unit.

C. The respective responsibilities for the maintenance, decoration, repair and replacement are as follows:

1. The cost of maintenance and repair (but not replacement except in the case of Co-owner fault) of each deck, described in Article IV B-1 above shall be borne by the Co-owners of the units which such deck service.

2. The costs of decoration and maintenance (but not repair or replacement except in cases of Co-owners fault) of all surfaces referred to in Article IV B-2 above shall be borne by the Co-owner of each unit to which such Limited Common Elements are appurtenant.

3. The costs of maintenance, repair and replacement of all General and Limited Common Elements other than as described above shall be borne by the Association.

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

ARTICLE V

UNIT DESCRIPTION AND PERCENTAGE OF VALUE

A. Each unit in the Condominium Project is described in this paragraph with reference to the Condominium Subdivision Plan of Timber Ridge as surveyed by Nicholas B. DeYoung and attached hereto as Exhibit "B". Each unit shall include all that space contained within the interior finished unpainted walls and ceilings and from the finished subfloor and as shown on the floor plans and sections in Exhibit "B" hereto and delineated with heavy outlines. Architectural Plans are on file with the Antrim County Building Department.

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

Unit 1	8.0%
Unit 2	8.0%
Unit 3	8.0%
Unit 4	8.0%
Unit 5	9.0%
Unit 6	9.0%
Unit 7	8.0%
Unit 8	8.0%
Unit 9	8.0%
Unit 10	8.0%
Unit 11	9.0%
Unit 12	9.0%
TOTAL	100.0%

The determination was generally made on the basis of Unit square footage.

ARTICLE VI

EASEMENTS

In the event any portion of a Unit or Common Element encroaches upon another Unit or Common Element due to shifting, settling or moving of a building or due to a survey errors, or construction deviations, reciprocal easements shall exist for the maintenance of such encroachment for so long as such encroachment exists, and for maintenance thereof after rebuilding in the event of any destruction. There shall be easements to, through and over those portions of the land, structures, buildings, improvements and walls (including interior Unit Walls) contained therein for the continuing maintenance and repair of all utilities in the condominium. There shall exist easements of support with respect to any Unit interior wall which supports a Common Elements.

ARTICLE VII

AMENDMENT

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

A. No unit dimensions may be modified without the consent for the Co-owner of such unit nor may the nature or extent of Limited Common Elements or the responsibility for maintenance, repair or replacement thereof be modified without the written consent of the Co-owner of any unit to which the same re appurtenant.

B. The Developer may, without the consent of any Co-owner or any other person, amend this Master Deed and the Condominium Bylaws and the Plans attached as Exhibit "B" in order to correct survey or other errors made in such documents and to make such other amendments to such instruments and to the Bylaws attached hereto as Exhibit "A" as do not materially affect any rights of any Co-owner or mortgagee in the Project, including, but not limited to, amendments for the purpose of facilitating conventional mortgage loan financing for existing or prospective Co-owners and to enable the purchase of such mortgage loans by the prospective co-owners and to enable the purchase of such mortgage loans by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association and/or other agency of the Federal Government or the State of Michigan.

C. The value of the vote of any Co-owner and the corresponding proportion of common expenses assessed against such Co-owner shall not be modified without the written consent of such Co-owner and his mortgagee nor shall the percentage of value assigned to any unit be modified without like consent.

D. The Condominium Project may not be terminated, vacated, revoked or abandoned without the written consent of ninety-five (95%) percent of all co-owners and all mortgagees (allocating one vote for each mortgage held).

WITNESSES:

A. S. Bond, Jr.

APFEL-ROWE, a Michigan Co-partnership

By: H. Grant Rowe

Michele R. Fortuna
Michele R. Fortuna

Its: Partner

STATE OF MICHIGAN)
: SS
COUNTY OF ANTRIM)

On this 6th day of September, 1984, the foregoing Master Deed was acknowledged before me, by H. GRANT ROWE, a Co-partner of Apfel-Rowe, a Michigan Co-Partnership, on behalf of said Partnership.

My Commission expires: 3-2-88

Michele R. Schultz
Michele R. Schultz Notary Public
Antrim County, Michigan

This instrument is drafted by:
A.S. Bond, Jr. Attorney
Hilton Shanty Creek
Bellaire, Michigan 49615

When recorded return to:
The Real Estate Place
Hilton Shanty Creek
Bellaire, Michigan 49615

CERTIFICATION 9-6-84

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

ll
Beverly Edgington, Antrim County Treasurer

LIBER 289 PAGE 814

EXHIBIT "A"
CONDOMINIUM BYLAWS
TIMBER RIDGE

ARTICLE I

ASSOCIATION OF CO-OWNERS

Section 1. Timber Ridge, a residential Condominium Project located in the Township of Custer, Antrim County, Michigan, shall be administered by an Association of Co-owners which shall be a non-profit corporation, hereinafter called the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Master Deed, these Bylaws, the Articles of Incorporation, Bylaws and duly adopted Rules and Regulations of the Association, and the laws of the State of Michigan. All Co-owners acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

Section 2. Membership in the Association and voting by members of the Association shall be in accordance with the following provisions:

(a) Each Co-owner shall be a member of the Association and no other person or entity shall be entitled to membership.

(b) The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Unit in the Condominium.

(c) Except as limited in these Bylaws, each Co-owner shall be entitled to one vote for each Condominium Unit owned when voting by number and one vote, the value of which shall equal the total of the percentages allocated to the Unit owned by such Co-owner as set forth in Article V of the Master Deed, when voting by value. Voting shall be by value except in those instances when voting is specifically required to be both in value and in number.

(d) No Co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Condominium Project to the Association. No Co-owner, other than the Developer, shall be entitled to vote prior to the First Annual Meeting of Members held in accordance with Section 7 of this Article I. The vote of each Co-owner may only be cast by the individual representative designated by such Co-owner in the notice required in subparagraph "e" below or by a proxy given by such individual representative. The Developer shall be entitled to vote for each Unit which it owns and with respect to which it is paying full monthly assessments.

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

(f) There shall be an annual meeting of the members of the Association commencing with the First Annual Meeting held as provided in Section 7 of this Article I. Other meetings may be provided for in the Bylaws of the Association. Notice of time, place and subject matter of all meetings, as provided in the corporate Bylaws of the Association, shall be given to each Co-owner by mailing the same to each individual representative designated by the respective Co-owners.

(g) The presence in person or by proxy of thirty-five percent

(35%) in number and in value of the 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.

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

(i) A majority, except where otherwise provided herein, shall consist of more than fifty percent (50%) in value of those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth and may require such majority to be one of both number and value of designated voting representatives present in person or by proxy, or by written ballot, if applicable, at a given meeting of the members of the Association.

(j) Other provisions as to voting by members, not inconsistent with the provisions herein contained, may be set forth in the Association Bylaws.

Section 3. The Association shall keep detailed books of account showing all expenditures and receipts of administration which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other Association records shall be open for inspection by the Co-owner and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does such audit need to be a certified audit. Any institutional holder of a first mortgage lien on any Unit in the condominium shall be entitled to receive a copy of such annual audited financial statement within 90 days following the end of the the Association's fiscal year upon request therefor. The costs of any such audit and any accounting expenses shall be expenses of administration. The Association also shall maintain on file current copies of the Master Deed for the Project, any amendments thereto and all other Condominium Documents and shall permit all Co-owners, prospective purchasers and prospective mortgagees interested in the Project to inspect the same during reasonable hours.

Section 4. The affairs of the Association shall be governed by a Board of Directors, all of whom shall serve without compensation and who must be members of the Association except for the First Board of Directors designated in the Articles of Incorporation of the Association and any successors thereto elected by the Developer prior to the First Annual Meeting of Members held pursuant to Section 7 of this Article I. The number, terms of office, manner of election, removal and replacement, meetings, quorum and voting requirements and other duties or provisions of or relating to directors, not inconsistent with the following shall be provided by the Association Bylaws.

(a) The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not prohibited by the Condominium Documents or required thereby to be exercised and done by the Co-owners. In addition to the foregoing general duties imposed by these Bylaws, or any further duties which may be set forth in the Association Bylaws, the Board of Directors shall be responsible specifically for the following:

1. Management and administration of the affairs of and maintenance of the Condominium Project and the Common Elements thereof and enforcement of rules, regulations, restrictions and laws imposed by Federal, State, County and Township governmental authority properly imposed upon or affecting in any manner the Condominium Project and the Common Elements thereof, including without limiting the generality of the foregoing all matters relating to the continued

maintenance of all permanent soil erosion control facilities.

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

3. To carry insurance and collect and allocate the proceeds thereof.

4. To rebuild improvements after casualty.

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

6. To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any Unit in the Condominium and easements, rights-of-way and licenses) on behalf of the Association, including (but without limitation) the lease or purchase of any Unit in the Condominium for use by a resident manager.

7. To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of more than sixty percent (60%) of all of the members of the Association in value.

8. To make rules and regulations in accordance with Article VI, Section 11 of these Bylaws.

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

10. To make rules and regulations and/or enter into agreements with institutional lenders the purposes of which are to obtain mortgage financing for Unit Co-owners which is acceptable for purchase by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association and/or any other agency of the federal government or the State of Michigan.

11. To enforce the provisions of the Condominium Documents.

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

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

Section 5. The Association Bylaws shall provide the designation, number,

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

Section 6. Every director and every officer of the corporation shall be indemnified by the corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved by reason of his being or having been a director or officer of the corporation, whether or not he is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the corporation. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. At least ten (10) days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all Co-owners thereof.

Section 7.

(a) Within one year after the initial conveyance of legal equitable title to a non-developer Co-owner of a Unit in the Project or within 120 days after conveyance of legal or equitable title to non-developer Co-owners 1/3 of the Units that may be created, whichever first occurs, the Developer shall call a special meeting of members for the purpose of electing from among the non-developer Co-owners, persons to serve on an Advisory Committee to the temporary Board of Directors. The purpose of the Advisory Committee shall be to facilitate communications between the initial Board of Directors and the non-developer Co-owners until a meeting of members is held in accordance with the provisions of see Paragraphs (b) and (c) hereof, at which time the Advisory Committee shall cease to exist. The initial Board of Directors and the Advisory Committee shall meet with each other at such time as may be requested by the Advisory Committee; provided, however, that there shall be no more than four such meetings per year unless both entities agree. Developer may call additional meetings of members of the Association for informative or other appropriate purposes.

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

(c) Notwithstanding the formula provided in Section 7 (b) above, 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Unit in the Project, if title to not less than seventy-five percent (75%) of the Units that may be created has not been conveyed, the non-developer Co-owners have the right to elect as provided in the condominium documents, a number of members of the Board of Directors of the Association of Co-owners equal to the percentages of Units they hold, and the developer has the right to elect as provided in the condominium documents, a number of members of the Board equal to the percentage of Units which are owned by the developer and for which all assessments are payable by the developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in subsection (2). Application of

(d) If the calculation of the percentage of members of the Board that the non-developer Co-owners have the right to elect under the above, or if the product of the number of members of the Board multiplied by the percentage of units held by the non-developer Co-owners results in a right of non-developer Co-owners to elect a fractional number of members of the Board, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the Board that the non-developer Co-owners have the right to elect. After application of this formula, the developer shall have the right to elect the remaining members of the Board. Application of this subsection shall not eliminate the right of the developer to designate 1 member as provided in Section 7 (b) above.

ARTICLE II

ASSESSMENTS

Section 1. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-owners, and personal property taxes based thereon shall be treated as expenses of administration. The person designated to administer the affairs of the Association shall be assessed as the person in possession for any tangible personal property of the Project and Association owned or possessed in common by the Co-owners.

Section 2. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the Common Elements or the administration of the Condominium Project shall constitute expenditures affecting the administration of the Project, and all sums received as the proceeds of, or pursuant to, a policy of insurance securing the interest of the Co-owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium Project shall constitute receipts affecting the administration of the Condominium Project, within the meaning of Section 54 (4) of the Act.

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

(a) The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis must be established in the budget and must be funded by regular monthly payments as set forth in Section 4 below rather than by special assessments. At a minimum, the reserve fund shall be equal to ten percent (10%) of the Association's current annual budget on a non-cumulative basis. The minimum standard required by this Section may prove to be inadequate for a particular project. The Association of Co-owners shall carefully analyze their Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes. Upon adoption of an annual budget by the Board of Directors, copies of said budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget, although the delivery of a copy of the budget to each Co-owner shall not affect the liability of any Co-owner for any existing or future assessments. Should the Board of Directors, at any time determine, in the sole discretion of the Board of Directors: (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium, (2) to provide replacements of existing Common Elements, (3) to provide additions to the Common Elements not exceeding \$1,000 annually, or (4) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary.

(b) Special assessments, in addition to those required in (a) above may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other needs or requirements of the Association, including, but not limited to (1) assessments for capital improvements for additions of a cost exceeding \$1,000 per year. (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 6 hereof, (3) assessments to purchase a Unit for use as a resident manager's Unit or (4) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subparagraph (b) but not including those special assessments referred to in subparagraph 3 (a) above which shall be levied in the sole discretion of the Board of Directors shall not be levied without the prior approval of more than sixty percent (60%) of all Co-owners in value and in number.

Section 4. All assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in accordance with the percentage of value allocated to each Unit in Article V of the Master Deed without increase or decrease for the existence of any rights to the use of limited Common Elements appurtenant to a Unit. Annual assessments as determined in accordance with Article II, Section 3 (a) above shall be payable by Co-owners in twelve (12) equal monthly installments commencing with acceptance of a deed to a Unit or with acquisition of fee simple title to a Unit by any other means. The payment of an assessment shall be in default if such assessment, or any part hereof, is not paid to the Association in full on or before the due date for such payment. Assessments in default shall bear interest at the rate of seven percent (7%) per annum until paid in full. Each 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-owners is the owner thereof.

Section 5. No Co-owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his Unit.

Section 6. The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. Each Co-owner, and every other person who from time to time has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement. 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 non-payment 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 annual assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney fees and future assessments), (iv) the legal description of the subject Unit (s), and (v) the name (s) of the Co-owner (s) of record. Such affidavit shall be recorded in the Office of the Register of Deeds in the county in which the Project is located prior to the commencement of any foreclosure proceeding,

but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the representative designated above and shall inform such representative that he may request a judicial hearing by bringing suit against the Association. The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorney fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and shall be secured by the lien on his Unit. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against his Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any utilities or other services to a Co-owner in default upon seven (7) days written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to utilize any of the general Common Elements of the Project and shall not be entitled to vote at any meeting of the Association so long as such default continues. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him.

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

(a) The Developer shall be responsible for payment of the full monthly Association maintenance assessment, and all special assessments, for all completed units owned by it and shall also maintain, at its own expense, any incomplete units owned by it. "Completed Unit" shall mean a unit with respect to which a certificate of occupancy has been issued by the local public authority.

(b) In addition to maintaining any incomplete units owned by it, the Developer shall be charged a portion of the established monthly Association assessment for each incomplete unit established in the Master Deed, whether constructed or not. Such portion shall be determined by the officers of the Association based upon the level of common expenses actually incurred in respect of such incomplete units, and it may be altered on a month-to-month basis. Each incomplete unit must, at a minimum, bear its pro-rata portion of the cost of all accounting and legal fees, public liability and casualty insurance (to the extent such incomplete units are covered by policies of insurance maintained by the Association), utility maintenance, if any, grounds maintenance (including landscaping), real estate taxes in the year of the establishment of the Condominium, maintenance of all general and limited common elements actually servicing any incomplete units, management fee, if any is charged for incomplete units and a portion of the reserve for the repair and replacement of major common elements determined according to the timing of the actual installation of the materials for whose repair and replacement this reserve has been established.

Section 9. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

Section 10. A mechanic's lien otherwise arising under Act No. 179 of the Michigan Public Acts of 1891, as amended, shall be subject to Section 132 of the Act.

Section 11. Pursuant to provisions of the Act, the Purchaser of any Condominium Unit may request a statement of the Association as to the

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

ARTICLE III

ARBITRATION

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

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

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

ARTICLE IV

INSURANCE

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

(a) All such insurance shall be purchased by the Association for the benefit of the Association, and the Co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-owners. Each Co-owner may obtain insurance coverage at his own expense upon his Unit. It shall be each Co-owners's responsibility to obtain insurance coverage for his personal property located within his Unit or elsewhere on the Condominium and for his personal liability for occurrences within his Unit or upon Limited Common Elements appurtenant to his Unit, and also for alternative living expense in event of fire, and the Association shall have absolutely no responsibility for obtaining such coverages. The Association and all Co-owners shall use their best efforts to see that all property and liability insurance carried by the Association or any Co-owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.

(b) All Common Elements of the Condominium Project shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association. Such coverage shall also include interior walls within any Unit and the pipes, wires, conduits and ducts contained therein and shall further include all fixtures, equipment and trim within a Unit which were furnished with the Unit as standard items in accord with the plans and specifications thereof as are on file

with the Association (or such replacements thereof as do not exceed the cost of such standard items). Any insurance obtained by and at the expense of said Co-owner; provided that if the Association elects to include such improvements under its insurance coverage, any additional premium cost to the Association attributable thereto shall be assessed to and borne solely by said Co-owner and collected as a part of the assessments against said Co-owner under Article II hereof.

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

(d) Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, and the Co-owners and their mortgagees as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the Project unless all of the institutional holders of first mortgages on Units in the Project have given their prior written approval.

Section 2. Each Co-owner, by ownership of a Unit in the Condominium Project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the Condominium Project, his Unit and the Common Elements appurtenant thereto with such insurer as may, from time to time, provide such insurance for the Condominium Project. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

ARTICLE V

RECONSTRUCTION OR REPAIR

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

(a) If the damaged property is a Common Element or a Unit, the property shall be rebuilt or repaired if any Unit in the Condominium is tenantable, unless it is determined by a unanimous vote of all of the Co-owners in the Condominium that the Condominium shall be terminated and each institutional holder of a first mortgage lien on any Unit in the Condominium has given its prior written approval of such termination.

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

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

Section 3. If the damage is only to a part of a Unit which is the responsibility of a Co-owner to maintain and repair, it shall be the responsibility of the Co-owner to repair such damage in accordance with Section 4 hereof. In all other cases, the responsibility for reconstruction

and repair shall be that of the Association.

Section 4. Each Co-owner shall be responsible for the reconstruction, repair and maintenance of the interior of his Unit, including, but not limited to, floor coverings, wall coverings, window shades, draperies, interior walls (but not any Common Elements therein), interior trim, furniture, light fixtures and all appliances, whether free-standing or built-in. In the event damage to interior walls within a Co-owner's Unit, or to pipes, wires, conduits, ducts or other Common Elements therein, or to any fixtures, equipment and trim which are standard items within a Unit is covered by insurance held by the Association, then the reconstruction or repair shall be the responsibility of the Association in accordance with Section 5. If any other interior portion of a Unit is covered by insurance held by the Association for the benefit of the Co-owner, the Co-owner shall be entitled to receive the proceeds of insurance relative thereto and if there is a mortgagee endorsement, the proceeds shall be payable to the Co-owner and the mortgagee jointly. In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

Section 5. The Association shall be responsible for the reconstruction, repair and maintenance of the Common Elements and any incidental damage to a Unit caused by such Common Elements or the reconstruction, repair or maintenance thereof. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that 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 6. Section 133 of the Act and the following provisions shall control upon any taking by eminent domain:

(a) In the event of any taking of an entire Unit by eminent domain, the award for such taking shall be paid to the owner of such Unit and the mortgagee thereof, as their 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) If there is any taking of any portion of the Condominium other than any Unit the condemnation proceeds relative to such taking shall be paid to the Co-owners and their mortgagees in proportion to their respective interests in the Common Elements and the affirmative vote of more than fifty percent (50%) of the Co-owners in number and in value shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

(c) In the event the Condominium Project continues after taking by eminent domain, then the remaining portion of the Condominium Project shall be re-surveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Article V of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-owners based upon the continuing value of the Condominium of 100%. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Co-owner, but only with the prior written approval of all holders of first mortgage liens on individual Units in the Project.

(d) In the event any Unit in the Condominium, or any portion

and repair shall be that of the Association.

Section 4. Each Co-owner shall be responsible for the reconstruction, repair and maintenance of the interior of his Unit, including, but not limited to, floor coverings, wall coverings, window shades, draperies, interior walls (but not any Common Elements therein), interior trim, furniture, light fixtures and all appliances, whether free-standing or built-in. In the event damage to interior walls within a Co-owner's Unit, or to pipes, wires, conduits, ducts or other Common Elements therein, or to any fixtures, equipment and trim which are standard items within a Unit is covered by insurance held by the Association, then the reconstruction or repair shall be the responsibility of the Association in accordance with Section 5. If any other interior portion of a Unit is covered by insurance held by the Association for the benefit of the Co-owner, the Co-owner shall be entitled to receive the proceeds of insurance relative thereto and if there is a mortgagee endorsement, the proceeds shall be payable to the Co-owner and the mortgagee jointly. In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

Section 5. The Association shall be responsible for the reconstruction, repair and maintenance of the Common Elements and any incidental damage to a Unit caused by such Common Elements or the reconstruction, repair or maintenance thereof. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that 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 6. Section 133 of the Act and the following provisions shall control upon any taking by eminent domain:

(a) In the event of any taking of an entire Unit by eminent domain, the award for such taking shall be paid to the owner of such Unit and the mortgagee thereof, as their 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) If there is any taking of any portion of the Condominium other than any Unit the condemnation proceeds relative to such taking shall be paid to the Co-owners and their mortgagees in proportion to their respective interests in the Common Elements and the affirmative vote of more than fifty percent (50%) of the Co-owners in number and in value shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

(c) In the event the Condominium Project continues after taking by eminent domain, then the remaining portion of the Condominium Project shall be re-surveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Article V of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-owners based upon the continuing value of the Condominium of 100%. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Co-owner, but only with the prior written approval of all holders of first mortgage liens on individual Units in the Project.

(d) In the event any Unit in the Condominium, or any portion

and repair shall be that of the Association.

Section 4. Each Co-owner shall be responsible for the reconstruction, repair and maintenance of the interior of his Unit, including, but not limited to, floor coverings, wall coverings, window shades, draperies, interior walls (but not any Common Elements therein), interior trim, furniture, light fixtures and all appliances, whether free-standing or built-in. In the event damage to interior walls within a Co-owner's Unit, or to pipes, wires, conduits, ducts or other Common Elements therein, or to any fixtures, equipment and trim which are standard items within a Unit is covered by insurance held by the Association, then the reconstruction or repair shall be the responsibility of the Association in accordance with Section 5. If any other interior portion of a Unit is covered by insurance held by the Association for the benefit of the Co-owner, the Co-owner shall be entitled to receive the proceeds of insurance relative thereto and if there is a mortgagee endorsement, the proceeds shall be payable to the Co-owner and the mortgagee jointly. In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

Section 5. The Association shall be responsible for the reconstruction, repair and maintenance of the Common Elements and any incidental damage to a Unit caused by such Common Elements or the reconstruction, repair or maintenance thereof. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that 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 6. Section 133 of the Act and the following provisions shall control upon any taking by eminent domain:

(a) In the event of any taking of an entire Unit by eminent domain, the award for such taking shall be paid to the owner of such Unit and the mortgagee thereof, as their 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) If there is any taking of any portion of the Condominium other than any Unit the condemnation proceeds relative to such taking shall be paid to the Co-owners and their mortgagees in proportion to their respective interests in the Common Elements and the affirmative vote of more than fifty percent (50%) of the Co-owners in number and in value shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

(c) In the event the Condominium Project continues after taking by eminent domain, then the remaining portion of the Condominium Project shall be re-surveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Article V of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-owners based upon the continuing value of the Condominium of 100%. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Co-owner, but only with the prior written approval of all holders of first mortgage liens on individual Units in the Project.

(d) In the event any Unit in the Condominium, or any portion thereof, or the Common Elements or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding or is

otherwise sought to be acquired by a condemning authority, the Association promptly shall so notify each institutional holder of a first mortgage line on any of the Units in the Condominium.

Section 7. In the event any mortgage in the Condominium is held by the Federal Home Loan Corporation ("FHLMC") then the Association shall give FHLMC written notice at such address as it may, from time to time, direct of any loss to or taking of the Common Elements of the condominium if the loss or taking exceeds \$10,000 in amount or damage to a Condominium Unit covered by a mortgage purchase in whole or in part by FHLMC exceeds \$1,000.

Section 8. Nothing contained in the Condominium Documents shall be construed to give a Condominium Unit owner, or any other party priority over any rights of first mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to Condominium Unit owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.

ARTICLE VI

RESTRICTIONS

Section 1. The Units shall be used for single family residential purposes and no more than twelve (12) persons may occupy an apartment except Units with a loft, in which case fourteen (14) persons may occupy an apartment.

Section 2. A Co-owner may lease his Unit for the same purposes set forth in Section 1 of this Article VI; provided, that the provisions of written disclosure of such lease transaction is submitted to the Board of Directors of the Association in the same manner as specified in Section 13 of this Article VI are complied with. The terms of all leases and occupancy agreements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents. The Developer may lease any number of Units in the Condominium in its discretion.

Section 3. No Co-owner shall make alterations in exterior appearance or make structural modifications to his Unit (including interior walls through which there exist easements for support or utilities) or make changes in any of the Common Elements, limited or general, without the express written approval of the Board of Directors including (but not by way of limitation) exterior painting or the erection of antennas, lights, aerials, awnings, doors (including screen doors), shutters or other exterior attachments or modifications, nor shall any Co-owner damage or make modifications or attachments to Common Elements walls between Units which in any way impairs sound conditioning provisions.

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

Section 4. No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements, Limited or General, nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium, nor shall any unreasonably noisy activity be carried on in any Unit or on the Common Elements. No Co-owner shall do or permit anything to be done or keep or permit to be kept in his Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition.

Section 5. No animal, including household pets, except one dog and one cat per Unit, may be kept without the prior written consent of the Board of Directors which consent, if given, shall be revocable at any time by the Board for failure by pets or their owners to observe provisions of the Bylaws or Rules and Regulations of the Association pertaining to pets. Any pets permitted to be kept in the Condominium shall have such care and restraint as not to be obnoxious on account of noise, odor or unsanitary conditions. No

savage or dangerous animal shall be kept. No animal may be permitted to run loose upon the Common Elements and any animal shall at all times be attended by some responsible person while on the Common Elements. Any person who causes or permits an animal to be brought or kept on the Condominium property shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as a result of the presence of such animal on the Condominium property.

Section 6. The Common Elements, Limited or General, shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. Trash receptacles shall be maintained in areas designated therefor at all times and shall not be permitted to remain elsewhere on the Common Elements except for such short periods of time as may be reasonably necessary to permit periodic collection trash. The Common Elements shall not be used in any way for the drying, shaking or airing of clothing or other fabrics. Automobiles may only be washed in areas approved by the Association. In general, no activity shall be carried on nor condition maintained by a Co-owner either in his Unit or upon the Common Elements, which spoils the appearance of the Condominium.

Section 7. Sidewalks, yards, landscaped areas, driveways, roads, parking areas, decks, stairs and porches shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or benches may be left unattended on or about the Common Elements. Use of any recreational facilities in the Condominium may be limited to such times and in such manner as the Association shall determine by duly adopted regulations.

Section 8. No house trailers, boat trailers, boats, camping vehicles, camping trailers, snowmobiles, snowmobile trailers or vehicles other than motor vehicles which when parked occupy no greater area than that occupied by conventional full sized automobile may be parked or stored upon the premises of the Condominium, unless either parked in an area, if any, designated by the Board of Directors. Commercial vehicles and trucks shall not be parked in or about the Condominium (except as above provided) unless while making deliveries or pick-ups in the normal course of business. In the event that there arises a shortage of parking spaces, the Association may allocate or assign parking spaces from time to time on an equitable basis.

Section 9. No Co-owner shall use, or permit the use by any occupant, agent, employee, invitee, guest or member of his family of any firearms, air-rifles, pellet guns, B-B guns, bows and arrows or other similiar dangerous weapons, projectiles or devices anywhere on or about the Condominium premises.

Section 10. No signs or other advertising devices shall be displayed which are visible from the exterior of a Unit or on the Common Elements, including "For Sale" signs, without written permission from the Association and the Developer.

Section 11. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws, concerning the use of the Common Elements may be made and amended from time to time by any Board of Directors of the Association. Copies of all such regulations and amendments thereto shall be furnished to all Co-owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative or each Co-owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty (50%) percent of all Co-owners in number and in value except that the Co-owners may not revoke any regulation or amendment prior to the First Annual Meeting of Members of the Association.

Section 12. The Association or its duly authorized agents shall have access to each Unit and any Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agents shall also have access to each Unit and any Limited Common Elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit. It shall be the responsibility of each Co-owner to provide the Association means of access to his Unit and any Limited Common Elements appurtenant thereto during all periods of absence and in the event of the failure of such Co-owner to provide means of access, the Association may gain access in such manner as may be reasonable under the

circumstances and shall not be liable to such Co-owner for any necessary damage to his Unit and any Limited Common Elements appurtenant thereto caused thereby or for repair or replacement of any doors or windows damaged in gaining such access.

Section 13.

(a) A Co-owner may rent his Unit to others, who shall occupy such Unit under and subject to all of the restrictions, conditions and terms of these Bylaws and other Condominium Documents. The Co-owner shall notify the manager of the Condominium Project of the number and names of such tenants prior to the arrival of such tenants at the Condominium Project.

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

(c) If the Association determines that the tenant or non Co-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:

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

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

3. If after 15 days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the Co-owners on behalf of the Association, if it is under the control of the Developer, an action for eviction against the tenant or non Co-owner and tenant or non Co-owner occupant for breach of the conditions of the Condominium Documents. The relief set forth in this section may be by summary proceeding. The Association may hold both the tenant and the Co-owner liable for any damages caused by the Co-owner or tenant in connection with the Condominium Unit.

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

Section 14. No Co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the Common Elements unless approved by the Association in writing.

Section 15. No unsightly condition shall be maintained upon any deck and only furniture and equipment consistent with ordinary residential and recreational use shall be permitted to remain there during seasons when such areas are reasonably in use and no furniture or equipment of any kind shall be stored on any deck during seasons when such areas are not reasonably in use.

Section 16. Each Co-owner shall maintain his Unit and any Limited Common Elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the Common Elements including, but not limited to, the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other elements in any Unit which are appurtenant to or which may affect any other Unit. Each Co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by him, or his family, guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association in which case there shall be no such responsibility (unless reimbursement to the Association is excluded by virtue of a deductible provisions, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association

may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

Section 17. None of the restrictions contained in this Article VI shall apply to the commercial activities or signs or billboards, if any, of the Developer during the development and sales period as defined hereinafter, or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Association and Bylaws as the same may be amended from time to time. For the purposes of this Section, the development and sales period shall be deemed to continue so long as Developer owns any Unit which he offers for sale. Until all Units in the entire Condominium Project (including the initial stage and any successive stages) are sold by Developer, Developer shall have the right to maintain a sales office, a business office, a construction office, model Units, storage areas, reasonable parking incident to the foregoing and such access to, from and over the Project as may be reasonable to enable development and sale of the entire Project by Developer. Developer shall restore the areas to utilized to habitable status upon termination of use.

Section 18. Nothing contained in the Condominium Documents shall be construed to prohibit Developer from recording and implementing separate restrictive and affirmative covenants for the use and enjoyment of the Units on a time-share common ownership basis. Developer shall have the exclusive right to record and implement such covenants in its sole and absolute discretion.

ARTICLE VII

MORTGAGES

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

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

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

ARTICLE VIII

AMENDMENTS

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

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

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

Section 4. Prior to the First Annual Meeting of Members these Bylaws may be amended by the first Board of Directors upon proposal of amendments by Developer without approval from any person to make such amendments as shall not increase or decrease the benefits or obligations, or materially affect the rights of any member of the Association.

mortgage liens on any Unit in the Condominium, no amendment to these Bylaws shall become effective which involves any change, direct or indirect, in Article I Sections 3 and 4(b), Article II Sections 3(a), 4 and 7, Article IV Section 1(d), Article V Sections 1, 4, 6, 7 and 8, Article VII Section 1, Article VIII Sections 3 and 5, or Article XI, Section 1, or to any other provision hereof that increases or decreases the benefits or obligations, or materially affects the rights of any member of the Association.

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

ARTICLE IX

COMPLIANCE

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

ARTICLE X

DEFINITIONS

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

ARTICLE XI

REMEDIES FOR DEFAULT

Section 1. Any default by a Co-owner shall entitle the Association or another Co-owner or Co-owners to the following relief:

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

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

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

(d) The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of

LIBRARY L-50 TABLE 0 2

monetary fines for such violations. No fine may be assessed unless Rules and Regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and notice thereof given to all Co-owners in the same manner as prescribed in Article II, Section 4 of the Association Bylaws. Thereafter, fines may be assessed only upon notice to the offending Co-owners as prescribed in said Article II, Section 4, and an opportunity for such Co-owner to appear before the Board no less than seven (7) days from the date of the notice and offer evidence in defense of the alleged violation. All fines duly assessed may be collected in the same manner as provided in Articles II of these Bylaws. No fine shall be levied for the first violation. No fine shall exceed \$25 for the second violation, \$50 for the third violation or \$100 for any subsequent violation.

Section 2. The failure of the Association or of any Co-owner to enforce any right, provisions, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Co-owner to enforce such right, provisions, covenant or condition in the future.

Section 3. All rights, remedies and privileges granted to the Association or any Co-owner or Co-owners pursuant to any terms, provisions, covenants or conditions of the aforesaid Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude any party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

ARTICLE XII

SEVERABILITY

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

ANTRIM COUNTY CONDOMINIUM
SUBDIVISION PLAN NO. 22

EXHIBIT B TO THE
MASTER DEED OF

TIMBER RIDGE, A CONDOMINIUM
KEARNEY TOWNSHIP, ANTRIM COUNTY, MICHIGAN

DEVELOPER:

APPEL - ROWE
A MICHIGAN CO-PARTNERSHIP
HILTON SHANTY CREEK
BELLAIRE, MICHIGAN 49615

SURVEYOR:

NICHOLAS B. DE YOUNG
REGISTERED LAND SURVEYOR
1107 SOUTH BRIDGE STREET
CHARLEVOIX MICHIGAN, 49720

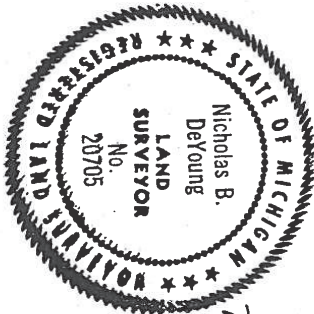
SHEET INDEX

- 1 TITLE PAGE
- 2 SURVEY PLAN
- 3 SITE & UTILITY PLAN
- 4 FIRST & SECOND FLOOR PLAN
- 5 THIRD FLOOR PLAN
- 6 LOT PLAN
- 7 SECTION PLANS
- 8 SECTION PLANS

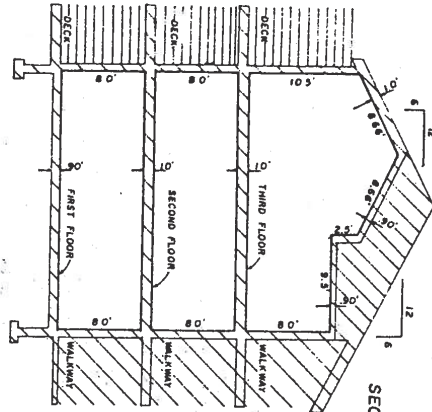
PROPERTY DESCRIPTION

IN THE TOWNSHIP OF KEARNEY, ANTRIM COUNTY, MICHIGAN,
COMMENCING AT THE SOUTHWEST CORNER OF SECTION 32, TOWN 30
NORTH, RANGE 7 WEST, THENCE NORTH 85° 15' 00" EAST 293.72 FEET
TO A CONCRETE MONUMENT ON THE NORTH LINE OF SAID SECTION 32,
THENCE SOUTH 84° 42' EAST 66.07 FEET, THENCE NORTH 83° 13' 40"
EAST 184.69 FEET, THENCE SOUTH 89° 40' 40" EAST 66.07 FEET TO THE
SOUTH LINE OF DESKIN DRIVE, BEING THE POINT OF BEGINNING OF
THIS DESCRIPTION, THENCE NORTH 31° 19' 20" EAST 340.85 FEET
202.90 FEET, THENCE SOUTH 11° 33' 30" EAST 340.85 FEET, THENCE
SOUTH 28° 10' 00" WEST 131.32 FEET, THENCE NORTH 56° 33' 38" WEST
200.0 FEET, THENCE NORTH 18° 28' 22" EAST 179.0 FEET TO THE
POINT OF BEGINNING.

ATTENTION COUNTY REGISTRAR OF DEEDS
THE CONDOMINIUM SUBDIVISION PLAN NUMBER
MUST BE ASSIGNED IN CONSECUTIVE SEQUENCE
WHEN A NUMBER HAS BEEN ASSIGNED TO THIS
PROJECT, IT MUST BE PROPERLY SHOWN IN THE
CERTIFICATE, SHEET 1, AND THE SURVEYOR'S
CERTIFICATE, SHEET 2.

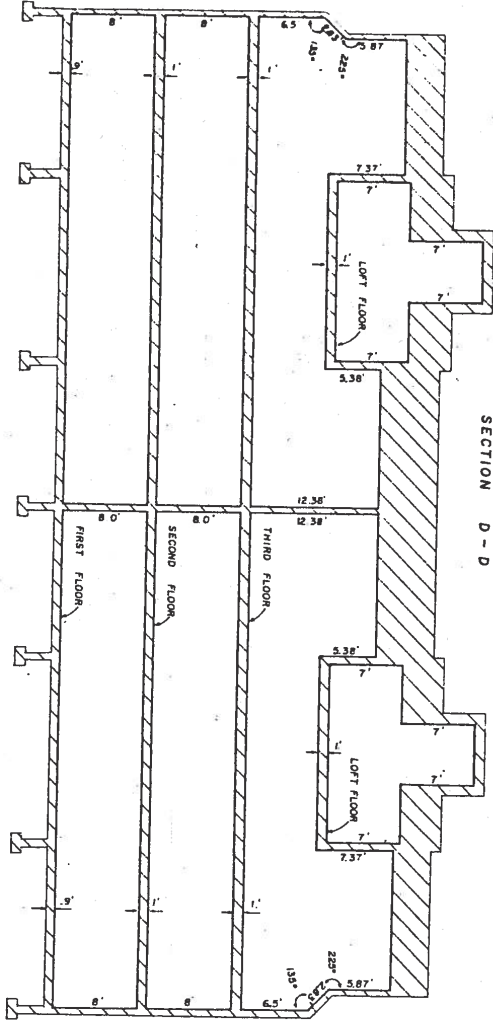


Nicholas B. DeYoung



SECTION B-B

SECTION PLAN OF
TIMBER RIDGE A CONDOMINIUM

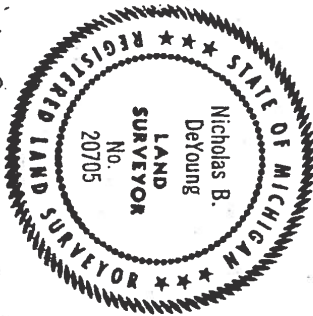


SECTION D-D

OWNERSHIP LINES ARE AT 90° TO EACH OTHER
UNLESS SHOWN OTHERWISE
LIMITS OF OWNERSHIP
LIMITED COMMON ELEMENT
GENERAL COMMON ELEMENT



NOTE:
FIRST FLOOR ELEVATIONS - U.S.G.S. DATA
BUILDING A 944.35'
BUILDING B 944.35'



Nicholas B. DeYoung
NICHOLAS B. DEYOUNG
REGISTERED LAND SURVEYOR
REGISTRATION NO. 20705
807 S. BRIDGE ST.
CHARLEVOIX MICH. 49720
PROPOSED JUNE 1984
SHEET 7

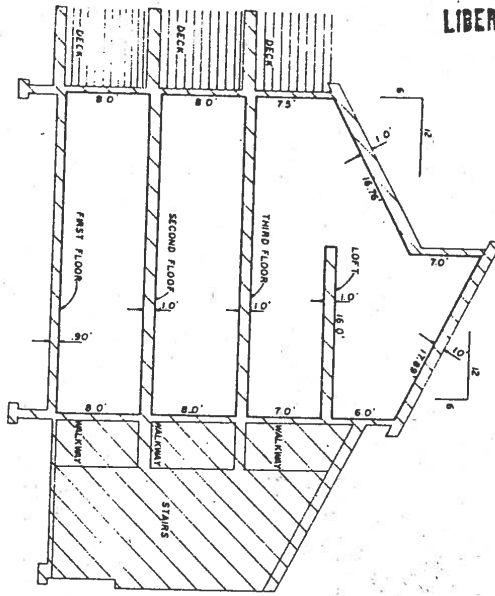
SEP 7 8 50 PM '01

Wm. R. Connelley
REGISTERED LAND SURVEYOR

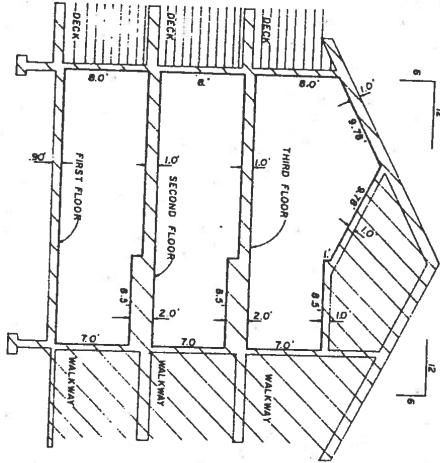
LIBER 289 PAGE 837

SECTION PLAN OF
TIMBER RIDGE, A CONDOMINIUM

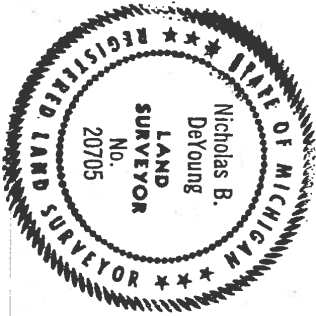
SECTION A-A



SECTION C-C



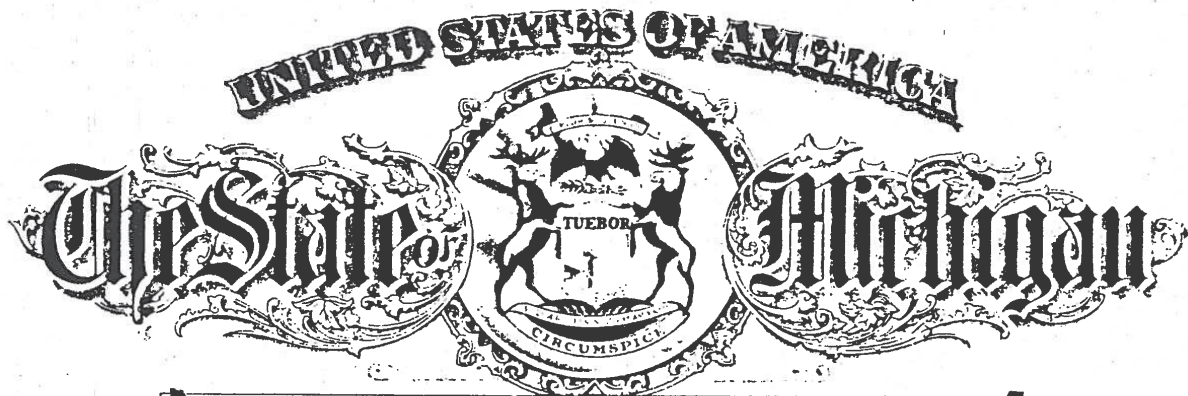
OWNERSHIP LINES ARE AT 90° TO EACH OTHER
UNLESS SHOWN OTHERWISE
— LIMITS OF OWNERSHIP
— LIMITED COMMON ELEMENT
— GENERAL COMMON ELEMENT



SHEET 8

PROPOSED JUNE 1, 1984

Nicholas B. DeYoung
NICHOLAS B. DEYOUNG
REGISTERED LAND SURVEYOR
1107 S. BRIDGE ST.
CHARLEVOIX MICH 49720



Michigan Department of Commerce

Lansing, Michigan

This is to Certify That Articles of Incorporation of

TIMBER RIDGE ASSOCIATION

*were duly filed in this office on the 4TH day of SEPTEMBER, 19 84 ,
in conformity with Act 162, Public Acts of 1982.*

*In testimony whereof, I have hereunto set my
hand and affixed the Seal of the Department,
in the City of Lansing, this 4TH day
of SEPTEMBER, 19 84 .*

Reep J. Brown Director

ARTICLE III

2. If organized on a nonstock basis, the description and value of its real property assets are: (If none, insert "none") NONE

and the description and value of its personal property assets are: (if none, insert "none")
NONE

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

Assessment of members.

The corporation is organized on a membership basis.
(membership or directorship)

ARTICLE IV

1. The address of the registered office is:

Hilton Shanty Creek Bellaire 49615
(Street Address) (City) (ZIP Code), Michigan

2. The mailing address of the registered office if different than above:

(P.O. Box) (City) (ZIP Code), Michigan

3. The name of the resident agent at the registered office is:

H. GRANT ROWE

ARTICLE V

The name(s) and address(es) of all the incorporator(s) is (are) as follows:

Name	Residence or Business Address
------	-------------------------------

H. GRANT ROWE,	Hilton Shanty Creek, Bellaire, Michigan 49615
----------------	---

JOHN APFEL,	Hilton Shanty Creek, Bellaire, Michigan 49615
-------------	---

JAMES R. MONROE,	Hilton Shanty Creek, Bellaire, Michigan 49615
------------------	---

The term of corporate existence is perpetual. The qualifications of members, the manner of their admission to the corporation, the termination of members and voting by such members shall be as follows:

a) Each co-owner (including the Developer) of a unit in the Condominium shall be a member of the corporation and no other person or entity shall be entitled to membership; EXCEPT that the subscribers hereto shall be members of the corporation until such time as their membership shall terminate, as hereinafter provided.


b) Membership in the corporation (except with respect to any non-co-owner incorporators, who shall cease to be members upon the qualification for membership of any co-owner) shall be established by acquisition of fee simple or equitable title to a unit in the Condominium and by recording with the register of Deeds in the County where the Condominium is located, a deed or other instrument establishing a change of record title to such unit and the furnishing of evidence of same satisfactory to the corporation (except that the Developer of the Condominium shall become a member immediately upon establishment of the Condominium) the new co-owner hereby becoming a member of the corporation, and the membership of the prior co-owner thereby being terminated.

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

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

(We, the incorporator(s) sign my (our) name(s) this 20th day of August, 19 84


H. GRANT ROWE


JOHN APPEL


JAMES R. MONROE

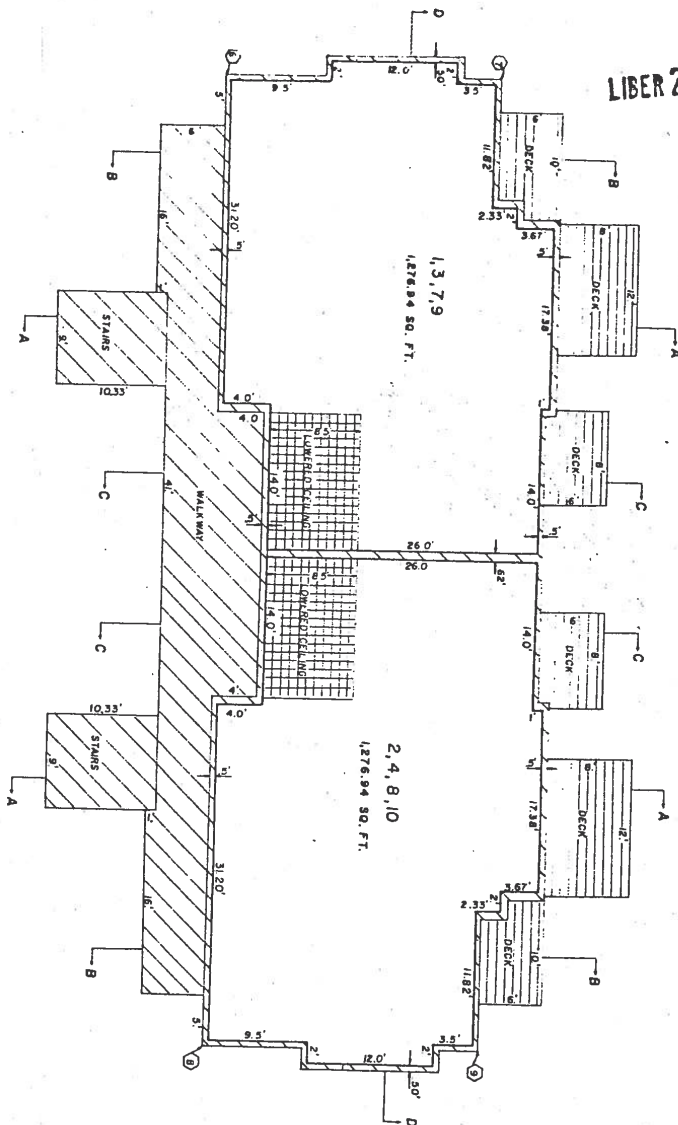
ADDENDUM TO

ARTICLE II

- A. To manage and administer the affairs of and to maintain Timber Ridge, a condominium, (hereinafter called the "CONDOMINIUM").
- B. To levy and collect assessments against and from the members of the corporation and to use the proceeds thereof for the purposes of the corporation.
- C. To carry insurance and to collect and allocate the proceeds thereof.
- D. To rebuild improvements after casualty.
- E. To contract for and employ persons, firms, or corporations to assist in management, operation, maintenance and administration of said Condominium.
- F. To make and enforce reasonable regulations concerning the use and enjoyment of said Condominium.
- G. To own, maintain and improve, and to buy, sell, convey, assign, mortgage, or lease (as Landlord or Tenant) any real and personal property, whether or not contiguous to the Condominium, for the purpose of providing benefit to the members of the corporation and in furtherance of any of the purposes of the corporation.
- H. To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business; to secure the same by mortgage, pledge or other lien.
- I. To enforce the provisions of the Master Deed and Bylaws of the Condominium and of these Articles of Incorporation and such Bylaws and Rules and Regulations of the Corporation as may hereafter be adopted.
- J. To do anything required of or permitted to it as administrator of said Condominium by the Condominium Master Deed or Bylaws or by Act No. 59 of Public Acts of 1978.
- K. In general, to enter into any kind of activity; to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, maintenance, repair, replacement and operation of said Condominium and to the accomplishment of any of the purposes thereof.

FIRST & SECOND FLOOR PLAN OF BUILDINGS A, B,
TIMBER RIDGE A CONDOMINIUM

BUILDING A - UNITS 1, 2, 3, 4
BUILDING B - UNITS 7, 8, 9, 10



OWNERSHIP LINES ARE 90° TO EACH OTHER

— LIMITS OF OWNERSHIP

— LIMITED COMMON ELEMENT

— GENERAL COMMON ELEMENT

— LOWERED CEILING

○ COORDINATE POINT

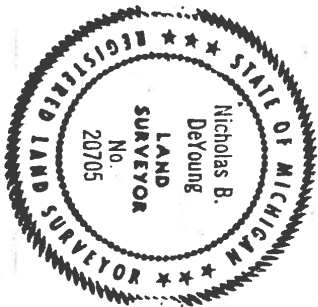
SCALE 1/4" = 1'

0' 2' 4' 8'

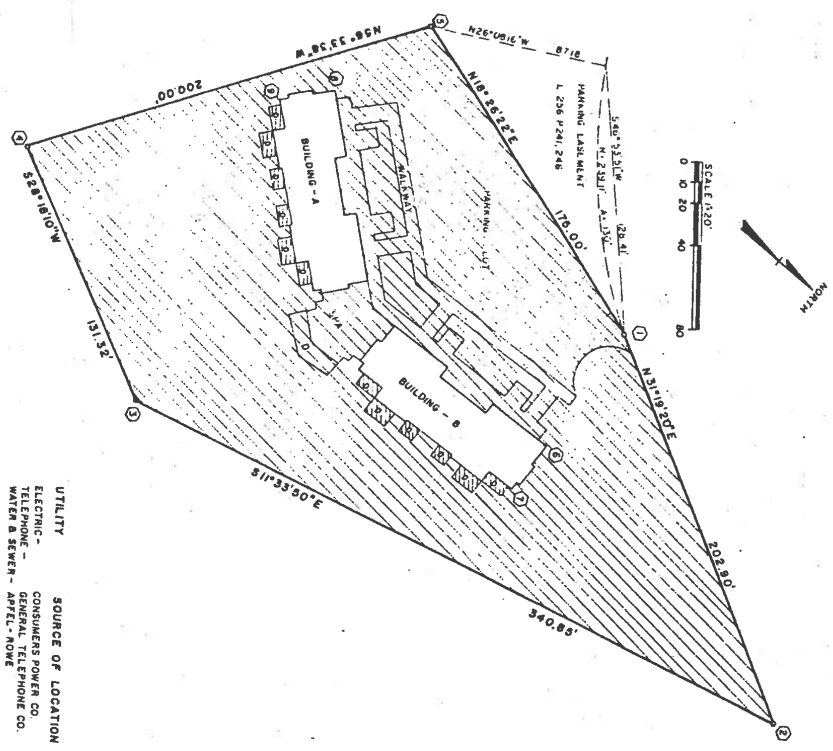


MICHAEL B. DEGROOT
REGISTERED LAND SURVEYOR
REGISTRATION NO. 20705
101 S BRIDGE ST.
CHARLEVOIX MICH. 49720

PROPOSED JUNE 1, 1984
SHEET 4



LIBER 289 PAGE 832



UTILITY SOURCE OF LOCATION
ELECTRIC - CONSUMERS POWER CO.
TELEPHONE - CENTRAL TELEPHONE CO.
WATER & SEWER - APTEL - HOME

NOTE: UTILITIES ARE NOT IN NOW, THEY WILL BE SHOWN ON AS BUILT PLANS

SITE AND UTILITY PLAN OF TIMBER RIDGE A CONDOMINIUM

SCHEDULE OF COORDINATE POINTS

NO.	NORTH	EAST
1.	1041.25'	1287.40'
2.	1214.58'	1392.88'
3.	880.65'	1461.21'
4.	765.03'	1398.94'
5.	875.24'	1332.05'
6.	1043.38'	1357.47'
7.	1042.07'	1383.43'
8.	860.91'	1284.10'
9.	843.89'	1303.75'

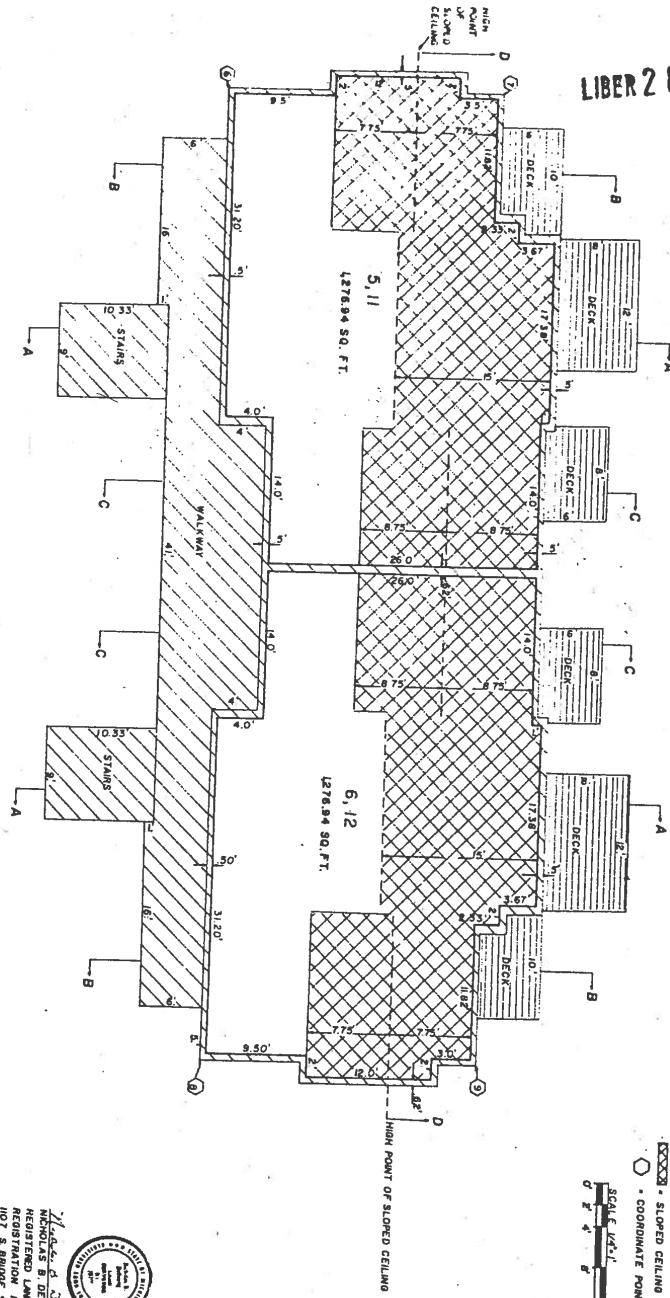
- D • DECK
- • GENERAL COMMON ELEMENT
- • LIMITED COMMON ELEMENT
- • COORDINATE POINT

BEARINGS ARE IN RELATION WITH THE CONVEYED PLAT OR EAST POINT. RECORDED IN LIBER 205

COORDINATES ARE IN RELATION WITH THOSE ESTABLISHED ON THE 1983 NAD 83 CONDOMINIUM RECORDED IN LIBER 200 PAGE 270.

Nicholas B. DeYoung
NICHOLAS B. DEYOUNG
REGISTERED LAND SURVEYOR NO. 20705
801 S BRIDGE STREET
CHARLEVOIX MICHIGAN 49720
PROPOSED JUNE 1, 1984
SHEET 3

THIRD FLOOR PLAN OF BUILDINGS A,B
TIMBER RIDGE A CONDOMINIUM
BUILDING A - UNITS 5, 6
BUILDING B - UNITS 11, 12

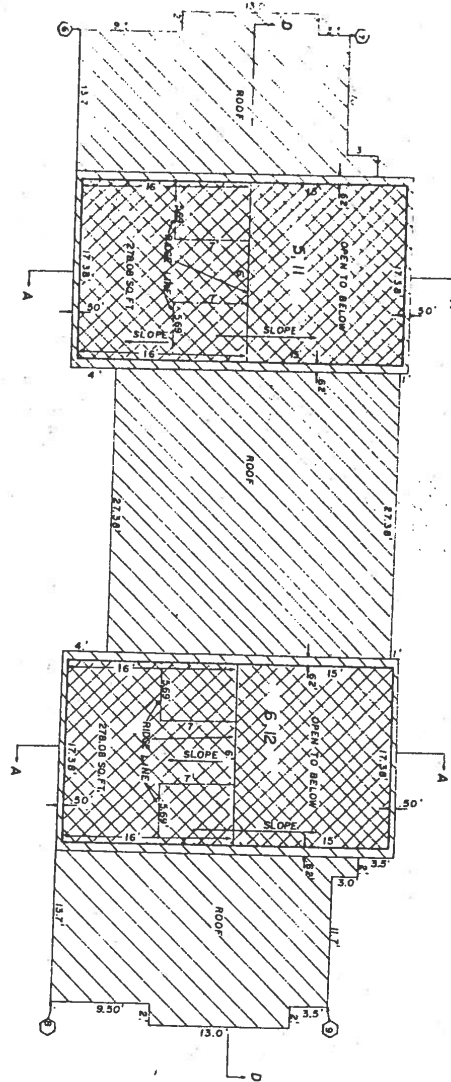


PROPOSED JUNE 1984
SHEET 3
NICHOLAS B. DE VRIES
REGISTERED LAND SURVEYOR
NO. 20703
CHARLEVOIX MICH. 49720



LOFT PLAN OF BUILDINGS A, B
TIMBER RIDGE A CONDOMINIUM

BUILDING A UNITS 5, 6
BUILDING B UNITS 11, 12



OWNERSHIP LINES ARE AT 90° TO EACH OTHER
 - LIMITS OF OWNERSHIP
 CZZZZ - GENERAL COMMON ELEMENT
 XXXX - SLOPED CEILING
 O - COORDINATE POINT
 SCALE 1/4" = 1'



REGISTERED PROFESSIONAL ENGINEER
 REGISTERED ARCHITECT
 107 S BRIDGE ST
 CHARLEVOIX MICH 49720

PROPOSED JUNE 1, 1984
 SHEET 8

TIMBER RIDGE
ASSOCIATION BYLAWS

ARTICLE I

AMENDED OCTOBER 20, 1985

ADOPTION OF CONDOMINIUM BYLAWS

The Bylaws of Timber Ridge (hereinafter known as the Condominium Bylaws) as attached to the Master Deed and recorded in Liber 289, Pages 808 through 837, Antrim County Records, are hereby incorporated by reference and adopted in their entirety as a part of the Bylaws of this Corporation.

ARTICLE II

MEETINGS

Section 1. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the co-owners as may be designated by the Board of Directors. Voting shall be as provided in the Condominium Bylaws. Meetings of the Association shall be conducted in accordance with Sturgis' Code of Parliamentary Procedure, Robert Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Articles of Incorporation, the Bylaws of the Corporation, the Condominium Master Deed or the law of the State of Michigan.

AMENDED: Section 2. The first annual meeting of members of the corporation shall be held in accordance with Article 1, Section 7 of the Condominium Bylaws. The date, time and place of the First Annual Meeting shall be set by the Board of Directors, and at least fifteen (15) days written notice thereof shall be given to each co-owner. Thereafter, the annual meetings of members of the Association shall be held on the fourth Saturday of October each succeeding year at such time and place as shall be determined by the Board of Directors. At such meetings there shall be elected by ballot of the co-owners a Board of Directors to serve for such term and in such number as the members may from time to time determine. The co-owners may also transact at annual meetings such other business of the Corporation as may properly come before them.

Section 3. It shall be the duty of the President to call a special meeting of the co-owners as directed by resolution of the Board of Directors or upon a petition signed by one-third (1/3) of the co-owners presented to the Secretary of the Association. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each co-owner of record, at least ten (10) days but not more than sixty (60) days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each co-owner at the address shown in the notice required to be filed with the Association by Article 1, Section 2 (e) the Condominium Bylaws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association shall be deemed due notice.

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

ARTICLE III

BOARD OF DIRECTORS

Section 1. The affairs of the corporation shall be governed by a Board of Directors all of whom must be members of the corporation or officers,

TIMBER RIDGE
ASSOCIATION BYLAWS

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Section 1. The affairs of the corporation shall be governed by a Board of Directors all of whom must be members of the corporation or officers,

partners, trustees, employees or agents of members of the corporation except for the first Board of Directors designated in the Articles of Incorporation of the Association. Directors shall serve without compensation.

Section 2. The First Board of Directors designated in the Articles of Incorporation shall be composed of three persons and such first Board of Directors shall manage the affairs of the corporation until a successor Board of Directors is elected at the First Meeting of Members of the corporation convened at the time required by Article 11, Section 2 of these Bylaws. At the First Meeting of Members of the corporation, the Board of Directors may be increased in size from three persons to such number less than ten or may from time to time thereafter be fixed by the Board of Directors from time to time but there shall be no less than three nor no more than nine (9) Directors so fixed by the Board of Directors. The term of office (except for the original Board of Directors) shall be as may from time to time be fixed by the members. The directors shall hold office until their successors have been elected and hold their first meeting.

Section 3. The Board of Directors shall have the powers and duties set forth in the Condominium Bylaws.

Section 4. Vacancies in the Board of Directors (including the First Board of Directors named in the Articles of Incorporation) caused by any reason other than the removal of a director by a vote of the members of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum. Each person so elected shall be a director until a successor is elected at the next annual meeting of the Association. Prior to the First Annual Meeting of Members, the Developer may remove and replace any or all of the Directors from time to time at its sole discretion.

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

Section 6. The first meeting of 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 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 7. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally, by mail, telephone or telegraph, at least ten (10) days prior to the date named for such meeting.

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

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

Section 10. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any

such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof, shall constitute the presence of such Director for purposes of determining a quorum.

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

ARTICLE IV

OFFICERS

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

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

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

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

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

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

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

ARTICLE V

SEAL

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

ARTICLE VI

FINANCE

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

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

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

ARTICLE VII

AMENDMENTS

Section 1. These Bylaws (but not the Condominium Bylaws) may be amended by the Association at a duly constituted meeting for such purpose, by an affirmative vote of a simple majority of the co-owners present in person, by proxy or written vote as such vote is defined in Article 1, Section 2 (i) of the Condominium Bylaws.

Section 2. 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 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.

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

Section 4. Prior to the First Annual Meeting of Members, these Bylaws may be amended by the Board of Directors of the Association upon proposal of amendments by the Developer without approval from any person to make such amendments as shall not increase or decrease the benefits or obligations or materially affect the rights of any member of the Association.

Section 5. Any amendment to these Bylaws shall be come effective upon adoption of the same in accordance with Section 1 of this Article VII without approval by the State of Michigan and without recording in the office of the Register of Deeds.

Section 6. A copy of each amendment to these Bylaws shall be furnished to every member of the Association after adoption.

ARTICLE VIII

COMPLIANCE

Section 1. These Bylaws are set forth to comply with the requirements of Act No. 327 of the Public Acts of Michigan of 1931, as amended, Act No. 59 of the Public Acts of Michigan of 1978, and with the duly recorded Master Deed of the Condominium and Exhibits A and B attached thereto. In case any of these Bylaws conflict with the provisions of said statute or with the provisions of said Master Deed or the Exhibits thereto, the provisions of the statute and said Master Deed shall be controlling.

DEC 20 10 47 AM '84

AMENDMENT AND MODIFICATION AGREEMENT

(Apfel-Rowe/Five Star)

West F. County
REGISTER OF DEEDS

This Amendment and Modification Agreement is by and between MEESKE ENTERPRISES, a Michigan Co-Partnership, (hereinafter referred to as "Meeske"), APFEL-ROWE, a Michigan Co-Partnership, (hereinafter referred to as ("Apfel")), SHANTY CREEK FIVE STAR ASSOCIATES LIMITED PARTNERSHIP, a Michigan Limited Partnership, (hereinafter referred to as "Five Star"), and SHANTY CREEK MANAGEMENT, INC., a Michigan Corporation, (hereinafter referred to as "Shanty Creek");

WITNESSETH:

WHEREAS, Meeske and Apfel entered into that certain Agreement entitled Mutual Grant of Rights Appurtenant", dated May 15, 1984, recorded in Liber 286, Pages 616-627, Antrim County Records, (the "Mutual Agreement"), and;

WHEREAS, Five Star and Meeske entered into that certain Agreement entitled "Meeske Grant of Rights Appurtenant", dated May 15, 1984, recorded in Liber 286, Pages 604-615, Antrim County Records, (the "Five Star

WHEREAS, Meeske & Apfel entered into a grant of Agreement"), and; rights appurtenant dated 2-13-78 and recorded in Liber 261, pg 492-95 Antrim Co. Records (the "1978 agreement"), and;

WHEREAS, certain additional rights were retained by Meeske, and its successors and assigns and other rights granted to Apfel and Five Star in the warranty deeds to the existing golf course property and the to be built Arnold

Palmer golf course property as set forth in the warranty deeds recorded in Liber 286, Pages 628-642, and Liber 286, Pages 644-659, (the "Existing Course Deed" and the "Palmer Course Deed",*respectively), (The Mutual Agreement, Five Star Agreement, Existing Course Deed and Palmer Deed shall collectively be referred to as the "Grant Agreements"), and;

WHEREAS, Shanty Creek is purchasing the assets of Shanty Creek, Inc., and Meeske, pursuant to an Asset Purchase Agreement of even date, which assets include the two (2) tennis courts, shuffleboard courts and outdoor swimming pool and hotel which are referred to as the "Amenities" and "Meeske Amenities" in the Agreements referenced above, and;

NOW THEREFORE, as an inducement to Shanty Creek to enter into the Asset Purchase Agreement and other documents executed at the closing, and in consideration of the sum of Ten (\$10.00) Dollars and other and valuable consideration, the parties agree as follows:

1. Acknowledgment. Five Star and Apfel hereby acknowledge and agree that Shanty Creek is the successor and assign of Meeske and that Shanty Creek has all the rights, privileges and easements of any nature granted, conveyed, agreed or reserved to Meeske in (i) the Grant Agreements, and (ii) any other document between Five Star or Apfel. Provided, however, the obligations of Meeske set forth in said Grant Agreements shall be modified as provided herein,

12-19-54 *"(The 1978 Agreement")

performance of said obligations as modified herein.

2. Successors and Assigns. Five Star and Apfel agree that any provision of the Grant Agreements which refer to their "successors or assigns" or "respective heirs, successors or assigns" shall be applicable only to individuals who purchase lots or condominiums located on the property described in Exhibit "A" hereto from Five Star or Apfel. Five Star and Apfel affirm and covenant that, (i) they have not assigned said rights to any party other than previous conveyances to existing lot owners or condominium owners for their personal usage, and (ii) they will not assign said the rights granted to them in the Grant Agreements to any other party or entity, except as provided in this Section 2. Any transfer or conveyance in violation of the terms related herein shall be null and void and shall not be binding on Shanty Creek.

3. First Class Condition. Apfel and Five Star agreed that the representations and covenants by Meeske, its successors and assigns to maintain and operate the Amenities and Meeske Amenities in first class order, condition and repair as provided in any section, provision or term of the Grant Agreement is hereby deleted and shall not be assumed by Shanty Creek.

4. Membership Charge. Apfel and Five Star agree that the term "membership charge" as used in the Grant Agreement shall be defined as the following: The full charge or fee

established by Shanty Creek, or its successors and assigns, (without consideration of discounts or special rates) for season passes to others for usage of the ski lifts and/or the existing eighteen (18) hole golf course (not the Arnold Palmer course currently being built).

5. Free Usage. Apfel, Five Star and Shanty Creek agree that the free usage provision recited in the second sentences in Section C.5.(B) in the Existing Course Deed and Section C.4.(B) are hereby amended to provide that the free usage shall be applicable only to the ski slopes, tennis courts and golf courses and only for the immediate family members of Grant Rowe, John Meeske, Gerald Auger and the General Manager and Assistant Manager of Shanty Creek, said rights shall be nontransferrable.

6. Insurance. Apfel and Five Star agree on the closing date of the Asset Purchase Agreement to immediately name Shanty Creek Management, Inc. as an additional insured on the liability insurance to be maintained by Apfel and Five Star pursuant to Section G. Insurance of the Palmer Course Deed and Section F. Insurance of the Existing Course Deed.

7. Right of First Refusal. Apfel and Five Star acknowledge and agree that in addition to all other rights, privileges and easements of any nature granted to Meeske in the Grant Documents and other documents executed herein which have been conveyed to Shanty Creek. Shanty Creek owns all right, title and interest to the Right of First Refusals

granted to Meeske in the Palmer Deed and the Existing Course Deed. In addition, Apfel and Five Star further acknowledge that the Purchase Option granted to Shanty Creek in the Palmer Course Deed and the Existing Course Deed (if Apfel or Five Star shall fail to operate and maintain the golf courses(s) for a continuous period) shall not be terminated by Shanty Creek's failure to operate the resort facilities, unless said failure to operate continues for six (6) consecutive months and is not due to damage from a casualty loss which Shanty Creek intends to repair and restore, or due to any other event beyond the control of Shanty Creek.

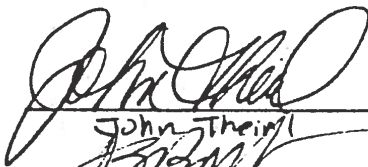
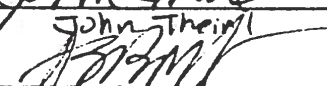
8. Management Agreements. Apfel and Five Star acknowledge and agree that the Management Agreement dated May 15, 1984, between Meeske and Apfel for the exiting golf course facilities (the "Existing Course Management Agreement") and the Management Agreement dated May 15, 1984, between Meeske and Five Star for the Palmer Course (the "Palmer Course Management Agreement") (the "Existing Course Management Agreement" and Palmer Course Management Agreement shall collectively be referred to as the "Management Agreements"), which were assigned to Shanty Creek are superceded as of the closing date of the Asset Purchase Agreement and shall be replaced by the Lease Option Agreements between Shanty Creek and Five Start and Apfel, respectively. (Collectively, the "Lease Option Agreement") Provided, however, Apfel and Five Start agree that the Management Agreements are only superceded and may be

reinstated at anytime by Shanty Creek at its sole option upon the following events, (i) written notice to Five Star and Apfel of Shanty Creek's desire to reinstate same, or (ii) the termination of either Lease Option Agreement recited above between Five Star and Shanty Creek and Apfel and Shanty Creek. In the event the Management Agreements are reinstated by Shanty Creek, the parties shall be bound by all terms and conditions recited therein from the date of reinstatement which shall be the date of the notice from Shanty Creek and the Management Agreements shall continue to be in full force and effect for the balance of the terms of the Management Agreements.

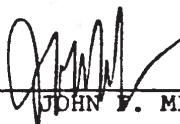
9. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, legal representatives and assigns.

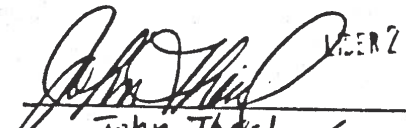
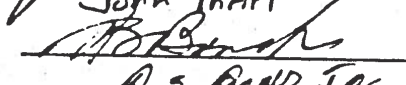
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the 17TH day of DECEMBER, 1984.

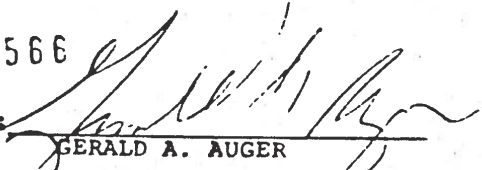
Signed in the Presence of:


 John Theingi

 A. J. BENDER

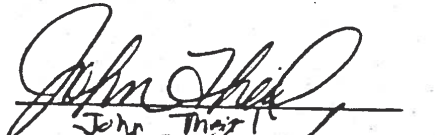
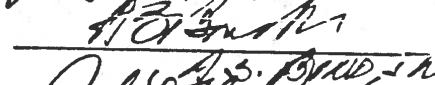
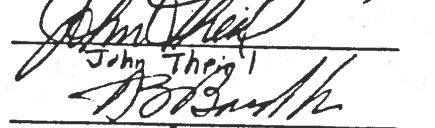
MEESKE ENTERPRISES
 a Michigan Corporation

By: 
 JOHN V. MEESKE
 Its: Partner


 John Thiel

 GERALD A. AUGER
 A.S. BOND, INC.

By: 
 GERALD A. AUGER
 Its: Partner

APFEL-ROWE
 a Michigan Co-Partnership


 John Thiel

 H. GRANT ROWE

 JOHN G. APFEL
 A.S. BOND, INC.

By: 
 H. GRANT ROWE

Its: Partner

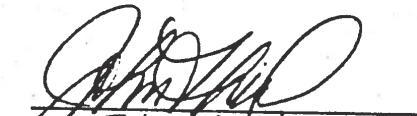
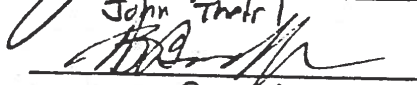
By: 
 JOHN G. APFEL

Its: Partner

By H. Grant Rowe, Power of
 Attorney for John G. Apfel

SHANTY CREEK FIVE STAR
 ASSOCIATES LIMITED PARTNERSHIP
 a Michigan Limited Partnership


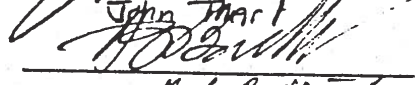
By Par Associates
 Its General Partner


 John Thiel

 H. GRANT ROWE
 A.S. BOND, INC.

By: 
 H. GRANT ROWE

Its: General Managing Partner

SHANTY CREEK MANAGEMENT, INC.
 a Michigan Corporation

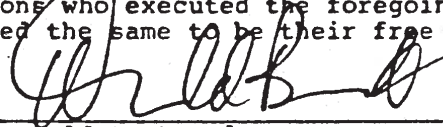

 John Thiel

 ROBERT K. H. S. H.
 A.S. BOND, INC.

By: 
 ROBERT K. H. S. H.

Its: VICE PRES.

) ss.
COUNTY OF GRAND TRAVERSE)

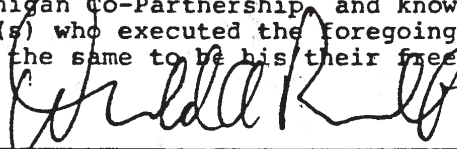
On this 17th day of December, 1984, before me a Notary Public in and for said County and State, personally appeared said JOHN F. MEESKE and GERALD A. AUGER on behalf of MEESKE ENTERPRISES, a Michigan Co-Partnership, and known to me to be the said persons who executed the foregoing instrument and acknowledged the same to be their free act and deed.



Donald A. Brandt
Notary Public
County of: Grand Traverse
My commission expires: 10/12/87

STATE OF MICHIGAN)
) ss.
COUNTY OF GRAND TRAVERSE)

On this 17th day of December, 1984, before me a Notary Public in and for said County and State, personally appeared said H. GRANT ROWE General Managing Partner on behalf of APFEL-ROWE, a Michigan Co-Partnership, and known to me to be the said person(s) who executed the foregoing instrument and acknowledged the same to be his their free act and deed.

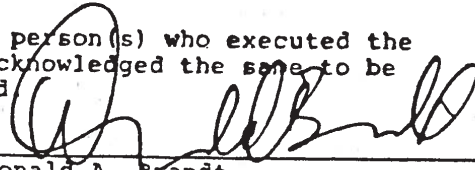


Donald A. Brandt
Notary Public
County of: Grand Traverse
My commission expires: 10/12/87

STATE OF MICHIGAN)
) ss.
COUNTY OF GRAND TRAVERSE)

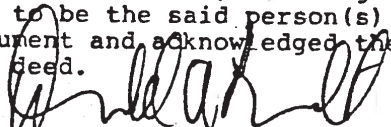
On this 17 day of December, 1984, before me a Notary Public in and for said County and State, personally appeared said H. GRANT ROWE, General Partner of Par Associates on behalf of SHANTY CREEK FIVE STAR ASSOCIATES LIMITED PARTNERSHIP, a Michigan Limited Partnership, and

known to me to be the said person(s) who executed the foregoing instrument and acknowledged the same to be his/their free act and deed


 Donald A. Brandt
 Notary Public
 County of: Grand Traverse
 My commission expires: 10/12/87

STATE OF MICHIGAN)
) ss.
 COUNTY OF GRAND TRAVERSE)

On this 17th day of December, 1984, before me a Notary Public in and for said County and State, personally appeared said ROBERT S. KINGSLEY on behalf of SHANTY CREEK MANAGEMENT, INC., a Michigan Corporation, and known to me to be the said person(s) who executed the foregoing instrument and acknowledged the same to be his/their free act and deed.


 Donald A. Brandt
 Notary Public
 County of: Grand Traverse
 My commission expires: 10/12/87

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

PAGE & ADDISON, P.C.
 14651 Dallas Parkway, Suite 700
 Dallas, Texas 75240
 By: John Theirl

AMENDMENT TO GRANT OF RIGHTS APPURTENANT

This instrument made this 14 day of December, 1984, by and between MEESKE ENTERPRISES, a Michigan Co-Partnership, of Bellaire, Michigan, as Grantor, and DESKIN LAND TRUST, a Trust of 555 Michigan Avenue, Petoskey, Michigan as Grantee.

Grantor and Grantee, for and in consideration of TEN DOLLARS (\$10.00) and other good and valuable consideration, the receipt of which hereby acknowledged, agree that the Grant of Rights Appurtenant dated February 12, 1978, by and between Grantor and Grantee, recorded in Liber 234, Page 1054, in the County Records of Antrim County, Michigan, is hereby amended as follows:

1. The parties acknowledge and agree that the term "respective heirs, assigns and successors" and "successors and assigns" used in the Grant of Rights Appurtenant shall be defined and be applicable only to those parties who are presently owners at the Shanty Creek Development who purchase Shanty Creek Development property from Grantee.

2. Further, the covenant by Grantor to maintain and operate the amenities listed in the Grant of Rights Appurtenant in first class order, condition and state of repair is hereby amended to read as follows: "Grantor does undertake and covenant to maintain and operate the aforementioned amenities in good condition and state of repair."

In the Presence of

Signed and Sealed:

Donald A. Brandt
Donald A. Brandt

Grantor:

MEESKE ENTERPRISES
a Michigan Co-Partnership

Susan N. Killman
Susan N. Killman

By:

JOHN P. MEESKE
Its: Partner

ANTRIM COUNTY
MICHIGAN
RECEIVED FOR RECORD

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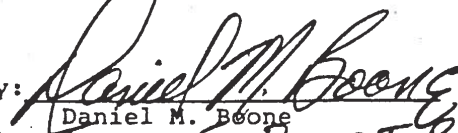
Wanda R. Conway
REGISTER OF DEEDS


Paul I. Bare

Grantee:

DESKIN LAND TRUST,
a Michigan Trust


Donald A. Brandt

By: 
Daniel M. Boone
Its: TRUSTEE FOR DEED IN POSSESSION

STATE OF MICHIGAN)
) ss
County of Grand Traverse)

On this 14th day of December, 1984, before me a Notary Public, in and for said County, personally appeared the above-named JOHN F. MEESKE, on behalf of MEESKE ENTERPRISES, a Michigan Co-Partnership, to me known to be the same person in and who executed the foregoing instrument, and acknowledged the same to be his free act and deed.

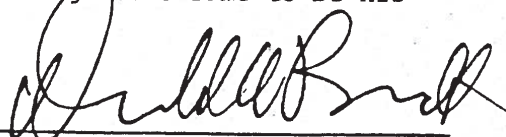


Donald A. Brandt
Notary Public
County: Grand Traverse
My Commission Expires: 10/12/87

STATE OF MICHIGAN)
) ss
County of Grand Traverse)

On this 14th day of December, 1984, before me a Notary Public, in and for said County, personally appeared the above-named Daniel M. Boone, Trustee of the DESKIN LAND TRUST, a Michigan Trust, to me

known to be the same person in and who executed the foregoing instrument, and acknowledged the same to be his free act and deed.



Donald A. Brandt
Notary Public
County: Grand Traverse
My Commission Expires: 10/12/87

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

DONALD A. BRANDT, ESQ.
Smith, Johnson & Brandt, Attorneys, P.C.
603 Bay Street, P.O. Box 705
Traverse City, Michigan 49685-0705
(616) 946-0700

THIS AGREEMENT entered into this 22nd day of August, 1984, by Timber Ridge Association (the "Association"), the Michigan non-profit corporation established to maintain and to manage the affairs of Timber Ridge, a condominium project (the "Project") which Association has its principal office at Hilton Shanty creek, Bellaire, Michigan 49615 and Shanty Creek Inc., (the "Agent"), a Michigan Co-Partnership, which has its principal office at Hilton Shanty Creek, Bellaire, Michigan 49615.

W I T N E S S E T H :

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

1. Appointment of Agent. Pursuant to its Articles of Incorporation and to the authority granted it in Article I of the Condominium Bylaws, the Association hereby appoints the Agent and the Agent hereby accepts the appointment as exclusive managing agent of the Project subject to the terms and conditions set forth below.
2. Management Fee. The Association agrees to pay Agent a fee of \$12.00 per unit per month. The fee shall be payable to the Agent monthly and shall equal the sum of charges per unit shown above for all units which were, as of the first of the month to which such charges relate, transferred by the Developer and titled in the name of the Co-owner purchaser. The fee computed as aforesaid shall be payable by the 10th of each month for services rendered during the preceding month and shall constitute the Agent's total compensation for services performed by it under this Agreement during each month. It is understood by the Association that the management fee paid by the Association to Agent hereunder relates only to the management of those units which have been sold and conveyed by the Developer and that the Developer shall make its own compensatory arrangements with Agent for the payment of any management fees relative to the management of units owned by Developer during the term of this Agreement. It is further understood, however, that the management services of Agent will relate to the entire project.

3. Duties of Agent. The duties of the Agent shall be to:

- (a) Collect all regular assessments, late charges, and special assessments due from the Co-owners pursuant to the Condominium Bylaws and Purchase Agreement; provided, however, that the Association shall cooperate with Agent in the collection of all such assessments and shall give Agent all such assistance as it may reasonably request in enabling the collection of such assessments.

- (b) Cause to be disbursed regularly and punctually from the funds collected under paragraph (a) of this Article and deposited in the special account, hereinafter provided: (1) Salaries and other compensation due and payable to the employees of the Association, and the taxes payable under paragraph (h) of this Article; (2) Fire and other insurance premiums due under paragraph (g) hereof and (3) Sums otherwise due and payable by the Association as operating expenses authorized to be incurred by the Agent under the terms of this Agreement, including the Agent's salary.

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

(c) Furnish the Board of Directors (or its designees) with a schedule of all delinquent accounts on or before the 15th day of each month, and, if specifically authorized by the Board of Directors (or its designees) take such action as shall be permitted by the Condominium Bylaws and the laws of the State of Michigan to collect such delinquent assessments.

(d) Cause the buildings, grounds and appurtenances of the Project to be maintained according to such standards as may from time to time be established by the Board of Directors, including but not limited to interior and exterior cleaning, painting and decorating, plumbing, steamfitting, carpentry, and such other normal maintenance and repair work as may be necessary, subject to those limitations imposed by the Master Deed and Condominium Bylaws in addition to those contained herein.

(e) Enter into contracts for water, electricity, gas, elevator maintenance, equipment maintenance, and repairs, telephone, vermin extermination, trash removal, snow removal, supplies, chemical treatment and other necessary services, or such of them as the Board of Directors shall approve. Additionally, the Agent shall place orders for such equipment, tools, appliances, materials and supplies as are necessary property to maintain the Project. All such contracts and orders shall be made in the name of the Association and shall be subject to the limitations set forth in this Agreement. When taking bids or issuing purchase orders, the Agent shall act at all times in the best interests of the Association, but the Agent shall not be responsible for obtaining the lowest price available for the services or commodity purchases pursuant to this Agreement.

(f) Take such action as may be necessary to comply promptly with any and all orders or requirements affecting the premises placed thereon by any federal, state, county or municipal authority having jurisdiction thereover, subject to the limitations contained in Paragraph (d) of this Article. The Agent, however, shall not take any action under this Paragraph (f) so long as the Association is contesting, or has affirmed its intention to contest any such order or requirement. The agent shall promptly notify the Board of Directors in writing of all such orders and notices of requirements.

(g) Cause to be placed and kept in force all of those insurance policies required by the laws of the State of Michigan and the Condominium Bylaws, which insurance coverage shall be carried and administered in accordance with Article IV of the Condominium Bylaws. The Agent shall promptly investigate and make a full written report as to all accidents or claims for damages relating to the management, operation and maintenance of the Project, including any damage or destruction to the Project, the estimated cost of repair, and shall cooperate and make any and all reports required by any insurance company in connection therewith.

(h) Prepare (or cause to be prepared) in conjunction with an accountant or a similarly qualified professional, if necessary, for execution and filing by the Association all forms, reports and returns required by laws in connection with federal and state income tax, Michigan general corporation law, unemployment insurance, workmen's compensation insurance, disability benefits, social security and other similar taxes now in effect or hereafter imposed, and also requirements relating to the employment of personnel.

(i) Prepare, with the assistance of an accountant or similarly qualified professional, if necessary, and in conformity with the provisions of the Condominium Bylaws, an operating budget for the forthcoming fiscal year. Each such budget shall be submitted to the Board of Directors in a final draft at least thirty (30) days prior to the commencement of the annual period for which it has been made. Copies of the budget, upon adoption by the Board of Directors, shall be furnished to each Co-owner as provided in the Condominium Bylaws. The Agent shall use its best efforts to

operate within the budget as adopted. In the event the Agent foresees a budget overrun, it shall notify the Board of Directors in writing.

(j) Bond, in a manner satisfactory to the Association, all employees of the Agent who handle or who are responsible for handling the Association's funds, without expense to the Association.

(k) Investigate, hire, pay, supervise and discharge the personnel necessary to be employed in order to properly maintain and operate the Project. Such employees shall be employees of the Association and not the Agent. Compensation for the services of such employees shall be expenses of administration.

(l) Maintain a complete set of books and records relative to the operation of the Condominium Project in accordance with reasonable accounting practice. All such records shall be available for examination by the directors of the Association or their representatives during working hours. No independent audit of the Association's records shall be required. In the event any such audit is required by the Association, the cost of providing the same shall be paid entirely by the Association.

(m) Report at reasonable intervals to the Board of Directors regarding the maintenance and condition of the Project and to attend meetings of the Project and to attend meetings of the Association or Board of Directors at any time or times requested by the Board of Directors.

(n) To maintain records showing the complaints and service request made by each Co-owner together with the action taken with respect to each such request. The Agent, in its discretion, or upon the request of the Board of Directors, shall report all such requests to the Board of Directors with appropriate recommendations.

(o) Establish and maintain in a bank authorized to do business in Michigan a separate bank account as agent and trustee for the Association for the deposit of the Association's funds. The Agent shall have authority to draw thereon for any payments to be made by the Agent to discharge any liabilities or obligations incurred pursuant to this Agreement and for the payment of the management fee.

(p) Do all other things which are reasonably required to maintain the Project in conformity with such standards as the Board of Directors may from time to time establish and which the Condominium Bylaws and the laws of the State of Michigan permit the Board of Directors to authorize and to delegate.

4. Indemnification and Liability of Agent. The Association hereby agrees to indemnify and save harmless Agent from all losses, expenses or damages of any nature whatsoever in connection with the management of the Project and from liability for injury to any person or property on, about or in connection with the Project from any cause whatever, unless such costs, expenses, damages or liabilities be caused by the Agent's own gross negligence or willful misconduct. The Agent shall not be liable to the Associations or to any other person for any error in judgment or for doing or omitting to do any matter or thing pursuant to the terms of this Agreement except in case of willful misconduct or negligence.

5. Relationship of Agent to Other Entities. Agent, its officers, employees, partners, directors and others connected therewith are, or may be, officers, employees, partners, directors of or otherwise related to the (a) Association, (b) the Developer of Timber Ridge or (c) contractors or agencies hired by Agent which are furnishing services or supplies to Timber Ridge. The Association, on behalf of itself and members, acknowledges and expressly consents to any and all of such relationships.

6. Assignability. The Agent may assign this Management Agreement to any other person or entity so long as such assignee shall undertake in writing to assume and perform the obligations of Agent hereunder.

7. Effective Date. This Agreement shall take effect on the 22nd day of August, 1984 and shall remain in full force and effect until 90 days after the First Annual Meeting of Co-owners as set forth in the Condominium Bylaws. This Agreement shall be automatically renewed at the expiration of such period unless, within said 90-day period, the Association terminates this Agreement.

8. Termination.

(a) This Agreement shall be terminable by either party at the end of any calendar month upon 60 days prior written notice by either party to the other, without cause, or upon thirty (30) days prior written notice by either party to the other for cause.

(b) In the event a petition in bankruptcy is filed by or against Agent, or in the event that he shall make an assignment for the benefit of creditors or take advantage of any insolvency act, either party hereto may terminate this Agreement, without notice to the other, but prompt advice of such action shall be given to the other party.

9. Final Accounting. Upon termination, the contracting parties shall account to each other with respect to all matters outstanding as to the date of termination and the Association shall furnish the Agent security satisfactory to the Agent, against any outstanding obligations or liabilities which the Agent may have incurred hereunder.

10. Effect of Agreement. This Agreement shall constitute the entire Agreement between the contracting parties and no variance or modification thereof shall be valid and enforceable, except by supplemental agreement in writing, executed and approved in the manner as this Agreement.

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

TIMBER RIDGE ASSOCIATION

BY: H. Grant Rowe
H. Grant Rowe

ITS: Secretary

SHANTY CREEK INC., (Agent)

BY: Terry Schieber
Terry Schieber

ITS: General Manager

DISCLOSURE STATEMENT

TIMBER RIDGE

**HILTON SHANTY CREEK
BELLAIRE, MICHIGAN 49615**

Developer

**APFEL-ROWE, INC.
HILTON SHANTY CREEK
BELLAIRE, MICHIGAN 49615**

(616) 533-8636

Timber Ridge is a 12 Unit Residential Condominium.

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

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

Effective Date: April 15 , 1987

DISCLOSURE STATEMENT

TIMBER RIDGE

I. INTRODUCTION

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

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

II. THE CONDOMINIUM CONCEPT

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

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

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

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

of such units in proportion to the percentages of value assigned to the units owned by them.

Although the foregoing is generally accurate as applied to most residential condominium developments, the details of each development may vary substantially. Accordingly, each purchaser is urged to carefully review all of the documents contained in the Timber Ridge Purchaser Information Booklet as well as any other documents that have been delivered to the purchaser in connection with this development. Any purchaser having questions pertaining to the legal aspects of the project is advised to consult his own lawyer or other professional advisor.

III. DESCRIPTION OF THE CONDOMINIUM PROJECT

A. Size, Scope and Physical Characteristics of the Project

Timber Ridge is a residential condominium project located in Kearney Township, Antrim County, Michigan. The project now has the 12 units constructed.

There are two (2) buildings; each of which contains six (6) units of which four (4) are three bedroom units and two are three bedroom units with a loft.

Access to the project is gained by way of Shanty Creek Road and Deskin Drive, which are publicly maintained roads, thence by a private road pursuant to an easement over such private road.

The private access road outside the boundaries of the project are privately maintained by the Developer, other condominium associations and this condominium association pursuant to the terms of a shared maintenance agreement recorded in the records of Antrim County, Michigan. Within the boundaries of the project, the roads and driveways are privately maintained by the Association of Co-owners.

B. Utilities

Electricity is provided to Timber Ridge by Consumers Power Company, a public utility. Natural gas service is provided by Michigan Consolidated Gas Company. Water is provided by wells maintained by Watars Association, a Michigan non-profit corporation which is the owner of an easement in, upon and over certain land near the project pursuant to written agreement between the Developer on behalf of Timber Ridge Association and Watars Association and in which Watars Association, Timber Ridge Association is a member. Sewage disposal is provided for by a septic system maintained by Watars Association pursuant to the same written agreement. Electricity is metered directly to the Co-owners of the units. The remaining utilities are paid by assessment.

C. Recreational Facilities

Hilton Shanty Creek Lodge is a resort hotel owned by Shanty Creek Management, Inc., a Michigan corporation and said resort hotel is franchised by the Hilton Hotel Chain pursuant to a Hilton License

Agreement dated March 17, 1978, as amended by an Addendum dated December 17, 1984 (hereinafter collectively referred to as the "License Agreement") which License Agreement terminates on December 31, 1986 and by agreements recorded in Liber 234, Pages 1054 through 1058 and Liber 261, Pages 492 through 495 of the records of Antrim County, Michigan, as amended by and modified by agreements recorded in the following: (i) Liber 292, Pages 560 through 568; (ii) Liber 292, Pages 577 through 579, any other agreement of record, Co-owners of residential units may use the following facilities of Hilton Shanty Creek free of charge: the existing two tennis courts, the two existing shuffleboard courts and existing outdoor swimming pool; and certain other facilities at reduced charges as described therein (annual passes for use of existing 18 hole Apfel-Rowe Golf Course and the ski lifts are available at one half the annual fee charged to the general public) and other facilities, i.e., the existing hotel proper, on the same basis, availability and fees as charged to the general public.

Jeskin Land Trust, an adjacent landowner, owns a beach club and trout pond on its property. By agreement with the Jeskin Land Trust which agreement is recorded in Liber 234, Pages 1059 through 1063 of the records of Antrim County, Michigan, the Co-owners of residential units may use both the beach club and the trout pond on the same basis as other property owners who have purchased homesites from the Jeskin Land Trust.

The Co-owners are not required to support or maintain the off-site recreational amenities other than the payment of normal or reduced charges described above as to Meeske facilities and the charges made from time to time by the Jeskin Land Trust to other property owners who have purchased homesites from the Trust as to the beach club.

The Jeskin Land Trust has filed a petition under Chapter 11 of the Bankruptcy Act. The effect, if any, upon the Trust's ability to perform the terms of this Agreement of such filing cannot as of this time be determined.

D. Use Periods in Unit Ownership

The Developer has reserved the right in Article VI, Section 18 of the Condominium Bylaws to record Declaration or Declarations for Timeshared Interests for any unit in the condominium and to create and convey interests in Timber Ridge Condominiums on a "timeshared" or "use period" basis and method by which undivided interests in common with respect to a whole condominium unit are conveyed to a number of different Co-owners each Co-owner having the exclusive right to occupy the unit during the period or periods of use identified in such Co-owner's deed.

E. Interval Ownership

1. General

The Developer has elected to create and convey interests in Timber Ridge Condominium on a "Interval" basis with respect to Units 1, 7 and 8. This interval basis is a method by which undivided interests in common with respect to a whole condominium unit are conveyed to a number of

different Co-owners, each Co-owner having the exclusive right to occupy the unit during the period or periods of use identified in a certain Declaration of Covenants recorded in the Office of the Register of Deeds for Antrim County, Michigan as follows: Unit No. 1, Liber 315, Pages 622 through 636; Unit No. 7, Liber 315, Pages 413 through 427; Unit No. 8, Liber 312, Pages 1135 through 1148, as amended by the First, Second and Third Amendments to said Covenants recorded in Liber 313, Pages 261 through 262; Liber 314, Page 531; and Liber 315, Pages 409 through 412 respectively, Antrim County Records. The Developer has reserved the right in Article VI, Section 18 of the Condominium Bylaws permits the Developer to record other Declarations for interval ownership for any unit in the condominium which it may own.

The Declarations establish use intervals, each of which may be granted to separate owner in the same whole unit as his exclusive period for occupancy of that unit. Service intervals are designated as reserved times during which no owner has a right to utilize the unit so as to enable necessary maintenance and service to the unit for the benefit of all of its owners.

The interval ownership in the manner described will in no way conflict with the administration of the condominium as provided in the Master Deed and Condominium Bylaws described elsewhere in this Disclosure Statement. Notwithstanding the larger number of owners of any given interval unit, the vote and permissible participation of such unit in the operation of the condominium as a whole is exactly the same as would be the case if the unit were owned only by one person.

Inasmuch as a number of owners may be involved in the interval ownership of any given unit, it is necessary that there be in existence at all times a designated agent to act on behalf of the owners of the unit. The Declaration provides that a majority in interest of all owners of each interval unit must designate a single representative to make continuing decisions on behalf of the owners. The Declaration also provides that a majority in interest of the owners of any particular unit may, from time to time, direct the agent with respect to a variety of specific matters. These provisions are necessary of course to avoid confusion which might otherwise result from lack of decision making capacity for the numerous matters which require treatment on a day to day basis. Naturally, among other important subjects, the topics of management, sharing of unit expenses, regulations of use, enforcement of collection of shared expenses, and damage and destruction of units and their contents are covered extensively in the Declaration as well.

2. Restrictions

Article II of the Declaration imposes certain restrictions on all owners of Interval Interests. They are:

- a. No owner has the right to occupy a unit during any period other than the one to which he is entitled by virtue of his deed or by the Declarations as amended and as applicable to each unit.

b. No owner may make improvements, decorations or repairs to the unit or the common furnishings or contract with others to do so.

c. No pets shall be permitted in the occupancy of any unit.

d. No more than twelve persons may occupy a unit.

e. The agent is permitted to make reasonable rules and regulations from time to time which may be enlarged or diminished by a majority in interest of all interval owners, and each owner is required to comply faithfully with such rules and regulations.

f. Because of the unique nature of the ownership and occupancy of each interval ownership and due to the possibility of irreparable injury and unascertainable damage to other owners of interval ownership, each owner is subject to payment of substantial liquidated damages to any other owner whom he damages by failure to vacate the unit in a timely manner.

3. Liability for Payment of Real Property Taxes and Timber Ridge Association Assessments As a tenant in common of the unit, each owner of an Interval Interest is under the Declaration, liable for payment of a share of Michigan real property taxes levied by various taxing jurisdictions against the unit. The same is true with respect to liability of interval owners for assessments levied by the Timber Ridge Association. In both instances the Declaration requires that each owner of a Interval Interest contribute to the payment of such expenses in proportion to his percentage interest in the unit as specified in the Declaration and in the deed by which the Interval Interest was conveyed to him. Liens attach to the entire unit for failure of the owners thereof to pay real estate taxes or condominium association assessments pertinent to the unit. Thus, to prevent enforcement of such liens, it is technically possible that non defaulting Interval Interest owners may have to contribute from time to time to pay the shares of taxes and assessments owned by Interval Interest owners who have not paid in a timely fashion. Under such circumstances, however, the Interval Interest owners in default remain personally liable for the amounts owed and their Interval Interests are subject to a lien for such non payment which may be foreclosed in the event of persistent default. No Interval Interest owner in default may occupy the unit while he remains in default in his financial obligations to other Interval Interest owners.

4. Federal Tax Liens and Other Liens

Federal tax liens against the property of a person who owns a Interval Interest attach only to the Interval Interest of the delinquent taxpayer and not to the entire condominium unit. Also, because of the necessity of vesting in the management agent the power to make any necessary repairs and replacements relative to the unit and common furnishings, it is technically conceivable that a construction lien might attach with respect to the unit and to the interest therein of each owner of a Interval Interest. In such instance, each Interval Interest owner would be personally liable, under the Declaration only, for his share of the indebtedness which gave risk to the lien. Because each owner of a Interval Interest is prohibited from making modifications or improvements

to the unit or the common furnishings, however it is difficult to conceive of a circumstance in which an individual Interval Interest owner could cause a lien to attach to any unit beyond his proportionate interest therein.

5. Voting

Owners of Interval Interests are entitled to vote and thereby control the destiny of the unit and the actions of the management agent. The provisions relative to voting are set forth in the Declaration. Each owner of a Interval Interest is entitled to vote in proportion to his percentage ownership interest in the unit. In the absence of directions from a majority in interest of owners, the agent is entitled to make decisions and to vote at meetings and upon questions presented by the Timber Ridge Association. Of course at meetings of the Timber Ridge Association, only one vote may be cast with respect to the unit; consequently, either the managing agent for the Interval Interest owners or some other person designated by a majority in interest must cast such vote at any meetings of the Timber Ridge Association.

6. Terminations

The Declaration creating Interval Interests is terminated by its term 28 years after its execution. Thus, from and after such date the then owners of Interval Interests will become tenants in common of the unit unless the Declaration is amended or extended beyond the expiration date by a written instrument executed by owners holding at least 75% of the undivided percentage interests in the unit as set forth in the Declaration.

7. Term of Agency Agreement

The term of the Agency Agreement pursuant to which The Real Estate Place of Bellaire, Inc., is designated as the management agent is for the period as set forth in the Agency Agreement a copy of which is included in the Purchasers Information Booklet.

8. Interval Ownership Budget and Developer Exemption From Certain Expense Payments

The expense budget for each interval owned unit is attached at the end of this Disclosure Statement and each prospective purchaser of a Interval Interest should examine it with care to identify the nature and extent of his financial responsibilities. The Declaration exempts the Developer from payment of certain of the expenses relative to any Interval Interests owned by it so long as it has not sold the same and is not permitting occupancy thereof. The exemptions have been created since there will be no expenses associated with the exempt categories until such Interval Interests are occupied.

9. Special Risk

It is conceivable though unlikely, that the Developer may not be able to sell sufficient Interval Interests in the unit to result in shifting of unit control to owners of Interval Interests instead of the Developer.

Thus, it is possible that the Developer could exercise voting control over the condominium unit indefinitely. The Developers intention is however to market and convey as quickly as possible all Interval Interests in the unit. Developer is unaware of any circumstances that would prevent the occurrence of this eventuality.

IV. LEGAL DOCUMENTATION

A. General

Timber Ridge was established as a condominium project pursuant to Master Deed which is recorded in the Antrim County Records and contained in the Timber Ridge Purchaser Information Booklet. The Master Deed includes the Condominium Bylaws as Exhibit "A" and the Condominium Subdivision Plan as Exhibit "B" as amended.

B. Master Deed

The Master Deed contains a definition of terms used within the condominium project, the percentage of value assigned to each apartment in the condominium project, a general description of the units and General and Limited Common Elements included in the project and a statement regarding the relative responsibilities for maintaining the Common Elements. Article I and VI of the Master Deed cover easements. Article VII reserves in favor of the Developer the right to amend the condominium documents to make immaterial changes therein, to provide for the correction of errors and to comply with the requirements of certain lending institutions.

C. Condominium Bylaws

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

V. THE DEVELOPER AND OTHER SERVICE ORGANIZATIONS

A. Developer's Background and Experience

The Developer, Apfel-Rowe, Inc., is a Michigan corporation formed in July, 1984 for the purpose of acquiring, constructing and selling condominiums with Mr. John Apfel and Mr. H. Grant Rowe as it's co-partners.

Mr. John Apfel has been extensively engaged in the construction and general contracting business and has been a licensed general contractor since 1945 and currently serves as a Director and President of Chain O'Lakes Construction Company.

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

B. Affiliates

The builder of Timber Ridge is Chain O'Lakes Construction Company, a Michigan corporation formed in 1966. Mr. John Apfel is the President, a principal shareholder and a Director of the company which engages in residential, commercial, institutional and the governmental construction work for numerous clients in Northern Michigan. The company has constructed condominium projects in Gaylord, Petoskey, Torch Lake, Boyne City and Bellaire, Michigan.

Sales in Timber Ridge Condominiums are being handled by The Real Estate Place of Bellaire, Inc., a Michigan corporation formed in 1974 of which company Mr. H. Grant Rowe is the President, a principal shareholder and a Director of the company. The company which is a licensed real estate broker, is engaged in land development for single family homesites in the area immediately adjacent to the site of Timber Ridge. It is also engaged in the general real estate brokerage business and in the sales of other condominium projects in the immediate vicinity of Timber Ridge, including Trappers Lodge, Ridgewalk, Timberline Shops, Windcliff, Snowshoe, Points West and Sawtooth Condominiums.

Timber Ridge is being managed by Shanty Creek Management, Inc., pursuant to a written agreement a copy of which is included in the Timber Ridge Purchaser Information Booklet. Shanty Creek Management, Inc., a Michigan corporation was formed in 1984 for the purpose of acquiring, operating and developing the facility now known as the Hilton Shanty Creek, located at Bellaire, Michigan.

C. Legal Proceedings Involving the Condominium Project or the Developer

The Developer is not presently aware of any pending judicial or administrative proceedings involving the condominium project or the Developer.

VI. OPERATION AND MANAGEMENT OF THE CONDOMINIUM PROJECT

A. The Condominium Association

The responsibility for management and maintenance of the project is vested in Timber Ridge Association which has been incorporated as a non-profit corporation under Michigan law. The Articles of Incorporation and Bylaws of the Association are contained in the Purchaser Information Booklet and govern the procedural operations of the Association. The

were designees of the Developer.

The members of the Association have elected all the directors and the directors in turn have elected the officers of the Association. The Developer will be entitled to cast votes at any meeting with respect to all units then remaining titled in its name and for which it is paying full monthly assessments. The Developer presently holds no seats on the Board of Directors.

B. Percentages of Value

The percentage of value for all units in the project are as follows:

Unit 1	8.0%
Unit 2	8.0%
Unit 3	8.0%
Unit 4	8.0%
Unit 5	9.0%
Unit 6	9.0%
Unit 7	8.0%
Unit 8	8.0%
Unit 9	8.0%
Unit 10	8.0%
Unit 11	9.0%
Unit 12	9.0%
TOTAL	100.0%

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

C. Project Finances

1. Budget

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

2. Assessments

Each Co-owner of a unit included within the project must contribute to the Association to defray expenses of administration. Assessments are based upon the percentages of value assigned to the units. The Board of Directors may also levy special assessments in accordance with the provisions of Article II of the Condominium Bylaws.

The Developer although a member of the Association is not required to pay Association assessments. Instead the Developer must contribute only its proportionate share of the Association's expenses actually incurred, as described in Article II, of the Condominium Bylaws. Without limiting the generality of the foregoing, such costs would include liability insurance, real estate taxes, legal and accounting and other professional fees, road maintenance, common elements utilities and insurance on buildings containing units owned by the Developer once any unit in that building has been conveyed. After the issuance of a certificate of occupancy as to a unit, the Developer must contribute to the Association in accordance with the percentages of value assigned to completed units owned by him. The Developer is of course, required to maintain at its expense all incomplete units owned by it.

3. Other Possible Liabilities

Each purchaser is advised of the possible liability of a Co-owner under Section 58 of the Act.

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

D. Condominium Association Management Contracts

The Association has entered into a management agreement with Shanty Creek Management, Inc., a Michigan corporation for a term beginning August 22, 1984 until 90 days after the First Annual Meeting and thereafter for a term of two years at a fee of \$12.00 per unit per month, which agreement is terminable upon 90 days notice. Professional management is not required by the condominium documents.

E. Insurance

The condominium documents require that the Association carry fire and extended coverage for vandalism and malicious mischief and liability insurance and workmen's compensation insurance if applicable, with respect to all of the Common Elements of the project. The insurance policies have deductible clauses and, to the extent thereof losses will be borne by the Association. The Board of Directors is responsible for obtaining insurance coverage for the Association. Each Co-owners pro rate share of the annual Association insurance premiums is included in the monthly assessment. The Association insurance policies are available for inspection during normal working hours. A copy of the certificate of insurance with respect to the

condominium project will be furnished to each Co-owner upon closing the sale of his unit. Each Co-owner is responsible for obtaining insurance coverage with respect to the interior and contents of his unit to the extent indicated in Article IV of the Condominium Bylaws and for liability for injury within his unit and upon Limited Common Elements assigned to his unit. The Association should periodically review all insurance coverage to be assured of its continued adequacy and Co-owners should each do the same with respect to their personal insurance. The initial insurance company retained by the Developer is Auto Owners, Lansing, Michigan and was written through the Bechtold Agency of Bellaire, Michigan.

F. Restrictions on Ownership, Occupancy and Use

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

1. Units are to be used for single-family residential purposes; not more than twelve (12) persons may occupy an apartment, except in the case of a loft apartment, occupancy is limited to fourteen (14) persons.
2. No animals except one dog and one cat per unit may be maintained by any Co-owner unless approved by the Association.
3. There are substantial limitations upon physical changes which may be made to the Common Elements and the units in the condominium, and upon the uses to which the Common Elements and units may be put as well.
4. There are limitations on the use of the unit balconies providing among other things that they may not be used for the drying of swimming suits or towels. Further there are limitations on the use of the parking spaces providing that they may be used only for the parking of motor vehicles which occupy no greater space than a conventional full sized automobile. Boats, trailers and snowmobiles are to be parked in nearby public parking areas.
5. Reasonable regulations may be adopted by the Board of Directors of the Association concerning the use of Common Elements, without vote of the Co-owners.

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

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

A. Before Closing

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

B. At Closing

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

C. After Closing

1. General

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

2. Condominium Project Warranties

The Developer is warranting each of the units against defects in workmanship and materials for a period of one year from the date of issuance of a certificate of occupancy to the pertinent unit. Except for emergencies or in other extraordinary circumstances, all warranty claims must be submitted in writing to the Developer at its address appearing on the cover of this Disclosure Statement within the applicable one year warranty period. In the case of emergencies or in other extraordinary circumstances where written communications would be inappropriate, purchasers should contact the Developer by telephone at the number appearing on the cover sheet of this Disclosure Statement. This warranty is extended only to the first purchaser of each unit and is not transferable. The terms of the Developer's warranty are completely set forth in the Limited Warranty which accompanied the Purchase Agreement and it is recommended that you examine the Limited Warranty and review it with advisors of your choice prior to the execution of the Purchase Agreement and the closing on the purchase of your condominium unit.

D. Escrow Arrangements

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

1. Except as provided in Paragraphs 2, 3 and 4 below, amounts required to be retained in escrow in connection with the purchase of a unit shall be released to the Developer only upon all of the following:

a. Issuance of a certificate of occupancy for the unit if required by local ordinance.

b. Conveyance of legal or equitable title to the unit to the purchaser.

c. Confirmation by the escrow agent that those portions of the phase of the condominium project in which the condominium unit is located which under the terms of the condominium documents are labeled "must be built" are substantially complete or that sufficient funds to finance substantial completion of those portions of the phase of the condominium project in which the unit is located shall be evidenced by a certificate of substantial completion executed by a licensed professional engineer or architect, or a building inspector, stating that all utility mains and leads, all major structural components of buildings, all building exteriors, all sidewalks and driveways, landscaping and at least one access road, located within or servicing that phase of the condominium project are substantially complete in accordance with the pertinent plans and specifications for that phase of the condominium project.

d. Confirmation by the escrow agent that uncompleted recreational facilities or other similar facilities which under the terms of the condominium documents are labeled "must be built" whether located within or outside of the phase of the project in which the subject unit is located, and which are intended for common use, are substantially complete or that sufficient funds to finance substantial completion of such facilities are being retained in the escrow account. Substantial completion or the estimated cost of completing the uncompleted recreational facilities and other facilities intended for common use shall be determined by a licensed professional engineer or architect.

2. In place of retaining funds in escrow under Paragraph 1.a. above, the Developer may furnish an escrow agent with evidence of adequate security, including without limitation and irrevocable letter of credit, lending commitment, indemnification agreement, or other resource having a value in the judgment of the escrow agent of not less than the amount specified in Paragraph 2.c. above.

3. An amount equal to a specified portion of the amounts retained in escrow under Paragraph 1. or the security given to an escrow agent under Paragraph 2. that is attributable to the cost of completion of a structure, improvement, facility or identifiable portion thereof that serves more than one unit in the project including without limitation the structures improvements, facilities, or identifiable portions thereof specified in Paragraph 1.c. and 1.d., shall be released to the Developer upon providing evidence to the escrow agent that the structure, improvement, facility or the portion thereof is substantially completed. Substantial completion of a structure, improvement, facility or identifiable portion thereof for which completion executed by a licensed professional engineer or architect, or a building inspector stating that the structure, improvement, facility

with the pertinent plans and specifications therefor.

4. Not earlier than 9 months after closing the sale of the first unit in a phase of a condominium project for which escrowed funds have been retained under Paragraph 1.c. or for which security has been provided under Paragraph 2., an escrow agent upon the request of the Association or any interested Co-owner shall notify the Developer of the amount of funds deposited or security provided for such purpose that remains, and of the date determined under this subsection upon which those funds will be used for completion of specified improvements. Three months after receipt of a request pertaining to funds that have not yet been released to the Developer may be released for the purpose of completing incomplete improvements for which the funds were originally retained. Completion of such improvements shall be administered by the escrow agent for the benefit of all interested parties.

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

VIII. LOCAL GOVERNMENT, TAXES AND UTILITY SERVICE

A. Local Government

The project is located in the Township of Kearney and the Bellaire School District.

B. Real Property Taxes

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

C. Building Inspections

Approval of the building plans for the project will be by the Township of Kearney and inspection of construction will be by such municipality.

D. Utilities

Utility services to the condominium premises are provided as follows:

1. Sewer and water or storm sewer - a private system provided by Waters Association, a Michigan non-profit corporation, membered and to be membered by all Condominium Associations which it serves including Timber Ridge Association.

2. Electricity - Consumers Power Company

3. Natural Gas - Michigan Consolidated Gas Company

4. Telephone - General Telephone Company of Michigan

IX. PURPOSE OF DISCLOSURE STATEMENT

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

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

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

TIMBER RIDGE ASSOCIATION
PROPOSED ANNUAL BUDGET
January 1, 1987 - December 31, 1987

Management	\$ 1,728.00
Insurance	4,264.00
Firewood	500.00
Water	5,212.80
Sewer	-----
Snow Removal	1,800.00
Whirlpool Maintenance	5,000.00
Building Maintenance	1,200.00
Grounds Maintenance	3,000.00
Outside Lighting	1,600.00
Shanty Creek Lodge Association	1,200.00
Accounting	100.00
Subtotal	\$ 25,604.80
Reserve	2,560.48
TOTAL	\$ 28,165.28

For Units Valued At 8.0% - \$188.00 Monthly

For Units Valued at 9.0% - \$212.00 Monthly

NOTES TO THE BUDGET:

1. Each Co-owner will pay monthly assessments based on the percentage of value represented by his or her unit. Assessments are payable by the first day of the month in which they become due. Thus, the January assessment would be due January 1st. Purchasers will be required to pay a monthly assessment for the month in which they purchase their unit. The Developer is also obligated to pay assessments on unsold units when such assessments are due. The Developer's obligation to pay assessments is limited to those unsold units for which a certificate of occupancy has been issued. The Association may impose a \$10.00 late charge on Co-owners who fail to pay assessments when due. Co-owners who are in arrears more than 30 days may have a lien imposed upon their unit and be

subject to other penalties. For further information please refer to the Master Deed.

2. The amount for insurance is the cost of the Association Policy. For a further discussion of insurance coverage and the type of insurance each Co-owner should secure see heading "Insurance" of this Disclosure Statement.

3. There are no expenses included for heating or inside electricity since each unit will be individually metered or monitored. Each Co-owner will pay his or her own heating, cooling or electrical.

4. Included within the budget is a general operating reserve to cover unanticipated expenses or increased costs of labor supplies.

5. There are no fees, payments or services which are paid or furnished directly or indirectly by the Developer which will later become an expense which must be borne by the Co-owners.

6. The management agreement provides that the Association shall pay the manager as its fee \$12.00 per month per unit.

INTERVAL OWNERSHIP BUDGET
TIMBER RIDGE CONDOMINIUM
UNIT NO. 8
COVERING 1987

EXPENSE ITEMS:

Management Fee	\$ 1,200.00
Timber Ridge Condo. Assoc. Assessment	1,920.00
Taxes	2,160.00
Annual Cleanup Fee	450.00
Telephone/Firewood Expense	450.00
Cable T.V. Charge	310.00
Insurance	180.00
Reserves for Deferred Maintenance and replacement of Furnishings	2,800.00
General Maintenance Expense	550.00
Utilities	1,680.00
Miscellaneous	60.00
Annual Interval Ownership Budget	11,760.00

1. The annual Interval Ownership assessment for each of the three 25% interest use periods in Timber Ridge Condominium is \$2,940.00 or \$245.00 per month and for each of the two 12.5% interest use periods in Timber Ridge Condominium is \$1,870.00 or \$122.50 per month all payable two months in advance upon closing and thereafter payable monthly in advance.
2. A separate housekeeping charge will be made by the manager (currently \$64.00) for each period of use made of the unit.
3. The units are currently affiliated with RESORT CONDOMINIUMS INTERNATIONAL R , a vacation exchange organization. For the first year membership fees will be paid by the Developer. Thereafter, assuming the same is still available, an additional charge of approximately \$55.00 (based on current estimates) will have to be paid by each Interval owner to maintain the affiliation with RCI R or any similar successor.

THIS DECLARATION, is made this 30th day of December, 1986, by APFEL-ROWE, INC., a Michigan corporation, of Hilton Shanty Creek, Bellaire, Michigan 49615 ("hereinafter called "Declarant").

WITNESSETH:

WHEREAS, DECLARANT is the owner of certain real property described as Unit No. 8 Timber Ridge Condominium, a condominium according to the Master Deed thereof, recorded in Liber 289, Pages 808 through 837, Antrim County Records, also designated as Antrim County Condominium Subdivision Plan No. 22, with rights in general common elements and limited common elements as set forth in said Master Deed and pursuant to Act 59 of the Public Acts of Michigan of 1978, as amended; and

WHEREAS, Declarant proposes to convey undivided interests in common in the real property referred to above, providing in each deed that the grantee shall have the exclusive right to occupy said real property during one or more of the Use Periods set forth in Exhibit "A" hereto, and reserving to Declarant and its successors the exclusive right to occupy the said real property during all other Use Periods set forth in Exhibit "A" hereto, and, for that purpose, has designated 4 Use Periods as more particularly described on Exhibit "A" hereto; and

WHEREAS, by this Declaration, Declarant intends to establish a common plan for the use, enjoyment, repair, maintenance, restoration, remodeling and improvement of said real property and the interests therein so conveyed or reserved, and the payment of taxes, assessments and other expenses pertaining thereto.

NOW, THEREFORE, Declarant declares that said real property is and shall hereafter be held, conveyed, hypothecated, encumbered, leased, rented, occupied and improved subject to the following limitations, restrictions, covenants and conditions, all of which are declared to be in furtherance of a plan established for the purpose of enhancing the value, desirability and enjoyment of the said real property and the interests so to be conveyed or reserved, all of which limitations, restrictions, covenants and conditions shall run with the land and inure to the benefit of and be binding upon each interest so conveyed or reserved and all parties having or acquiring any right, title, interest or estate therein.

I. DEFINITIONS

(A) "Declarant" shall mean APFEL-ROWE, INC., a Michigan corporation, or any successor in interest thereto by merger or by express assignment of the rights of DECLARANT hereunder by instrument executed by DECLARANT and recorded in the office of the Antrim County Register of Deeds.

(B) "Unit" shall mean the real property hereinbefore described, to wit: Unit No. 8, of Timber Ridge Condominium including any appurtenances thereto.

(C) "Use Period" shall mean one of the Use Periods designated on Exhibit "A" hereto, being a period or periods of time established for the exclusive use of the Unit by and Owner.

(E) "Service Period" shall mean one of the Service Periods designated on Exhibit "A" hereto which shall be utilized only as set forth in this Declaration. The three-hour period between the end of each Use Period and the commencement of the succeeding Use period shall also be deemed to be a Service Period.

(F) "Owner" shall mean and include (1) the grantee or grantees named in each deed to a Use Period Interest, (2) Declarant with respect to any Use Period Interest not conveyed, and (3) the lawful successors in interest to the foregoing.

(G) "Common Furnishings" shall mean furniture and furnishings for the Unit or other personal property from time to time owned or held for use in common by all Owners during their respective Use Periods.

(H) "Agent" shall mean any Agent appointed by the Owners as herein after provided. Whenever a reference in this Declaration to an Agent becomes applicable and no Agent is then serving, the act required of the Agent shall be carried out in accordance with the decision of a Majority in Interest of Owners by some person designated by such Majority.

(I) "Association" shall mean Timber Ridge Association, of which each Unit owner in Timber Ridge Condominium is required to be a member.

(J) "Majority in Interest of Owners" shall mean an Owner or Owners owning in the aggregate more than 50% of the undivided interests in the Unit. Such majority shall be evidenced by a writing or separate writings signed by Owners whose aggregate undivided interests (as designated in Exhibit "A" hereto) exceed 50% of all such interests.

(K) "Other Terms" Certain other terms herein used from time to time shall have the same meanings ascribed to them in the Condominium Documents for Timber Ridge Condominium, recorded as aforesaid and in the Michigan Condominium Act (being Act 59 of the Public Acts of 1978, as amended).

II. EXCLUSIVE USE AND OCCUPANCY

(A) Owner's Rights of Use. Each Owner shall have the exclusive right to use and occupy the Unit, including any rights and easements appurtenant thereto, during such of the Use Periods as are set forth in the deed to his interest and to authorize others so to do.

(B) Prohibited Acts.

(1) Occupancy Limited to Use Period. No Owner shall occupy the Unit, or exercise any other rights of ownership in respect of the Unit other than the rights herein provided to him, during any other Use Period unless expressly so authorized by the Owner entitled to occupy the Unit during such Use Period or during any Service Period except when acting through the Agent (or, if no Agent be appointed and acting, when acting with a Majority in Interest of Owners).

(2) Unit and Furnishing Modifications Forbidden. Except as otherwise provided in this Declaration, by direction of the Agent, by express consent of all Owners, or required to prevent damage or injury to persons or property in an emergency, no Owner shall make improvements, decorations or repairs to the Unit or the Common Furnishings or contract so to do or subject the Unit or the Common Furnishings to any liens for the making of improvements, decorations or repairs. No Owner shall create or permit to exist any nuisance in the Unit or commit waste with respect to the Unit or permit anything to be done or kept in the Unit which would increase the rate of insurance upon the Unit or the Common Furnishings.

(3) No Pets. No animals, including household pets, except one dog or one cat per Unit, shall be permitted in occupancy of the Unit.

(4) Number of Persons Limited. No more than six persons shall occupy the Unit overnight.

(C) Owner's Obligation to Maintain and Repair. Each Owner shall keep the Unit and all Common Furnishings in good condition and repair during his Use Period or Periods, vacate the Unit at the expiration of his Use Period or Periods, remove all persons and property therefrom (except Common Furnishings), leave the Unit in good and sanitary condition and

repair, and otherwise comply with such reasonable checkout and other procedures as may from time to time be contained in rules promulgated by the Agent or by a Majority in Interest of Owners. Only the Agent, or other person designated by a Majority in Interest of Owners shall have the right to occupy the Unit during any Service Period and only for the purpose of maintaining and repairing the Unit, or for such other purposes as the Agent may determine in accordance with Section III (A)(11) of this Declaration.

(D) Failure to Vacate Unit. Failure or refusal by an Owner or person authorized thereby to vacate the Unit in a timely manner shall subject the Owner to immediate ejection, eviction or removal from the immediate premises, without notice, to the extent lawfully possible. Such failure or refusal to vacate shall render the responsible Owner liable for all actual damages to the Agent or other Owner, as the case may be, incurred for costs of alternative accommodations, court costs, reasonable attorney's fees connected with ejection, eviction or removal and all other reasonably foreseeable expenses caused thereby. In addition to such actual damages, the responsible Owner shall be liable to the Owner entitled to use the Unit during such unlawful occupancy 25 times the daily fair rental value of such Unit for each day of unlawful occupancy. If a Unit is rendered uninhabitable because of the negligent or intentional action of an Owner or person authorized thereby and the uninhabitable period extends during a Use Period other than that of the Owner who is responsible, then such responsible Owner shall be liable as in the case of unauthorized occupancy for the time during such other Use Period that such Unit is uninhabitable.

III. MANAGEMENT

(A) Duties and Authorization of Agent. Management, maintenance and repair of the Unit, acquisition, maintenance, repair and replacement of Common Furnishings, and administration of the affairs of Owners with respect to the use and occupancy of the Unit and payment of expenses and costs enumerated in this Declaration, shall be under the direction and control of an Agent appointed by a Majority in Interest of Owners. The Agent so appointed is expressly authorized, in the Agent's discretion and on behalf of the Owners, to do any or all of the following to the extent not inconsistent with directions given by a Majority in Interest of Owners.

(1) Maintenance of Unit and Furnishings. To repair, maintain, repaint, remodel, furnish or refurnish the Unit or any part thereof; to establish reserves for anticipated costs, including the acquisition and replacement of Common Furnishings; and to acquire and pay for materials, supplies, furniture, furnishings, labor or services which the Agent deems necessary or proper for the maintenance and operation of the Unit. The Agent shall not, however, make any discretionary capital expenditure which exceeds available reserves by more than \$500,000 without the prior approval of a Majority in Interest of Owners.

(2) Taxes and Assessments. To pay all taxes and assessments, including Assessments by the Association, and other costs or charges affecting or relating to the Unit and to discharge, contest or protest liens or charges affecting the Unit.

(3) Utilities and Recreational Privileges. To obtain and pay the cost of recreational privileges and electrical, telephone, gas, cable television and other utility services for the Unit.

(4) Rules and Regulations. To adopt from time to time and enforce reasonable rules relating to the possession, use and enjoyment of the Unit by the Owners.

(5) Professional Services. To obtain and pay the cost of legal and accounting services necessary or proper in the maintenance and operation of the Unit and the enforcement of this Declaration.

(6) Insurance. To obtain and pay the cost of and to settle, compromise and collect claims relative to: (i) insurance covering the Unit

and the Common Furnishings against loss or damage by fire and other hazards customarily covered by fire insurance policies written with extended coverage; (ii) public liability insurance, insuring against liability for personal injury or property damage resulting from an occurrence in, on or about the Unit; and (iii) any other insurance deemed necessary or desirable by the Agent or by a Majority in Interest of Owners. The policies of insurance shall cover such risks, be written by such insurers and in such amounts as the Agent shall deem proper.

(7) Voting. To exercise on behalf of the Owners of the voting rights and other membership rights of the Unit in the Association. If the notice or agenda for any regular or special meeting of the members of the Association is available within sufficient time, the Agent shall promptly notify each Owner of the items to be discussed and presented as such meeting as shown by the notice or agenda and request that each Owner indicate in writing to the Agent his preference as to the vote on items disclosed by the notice or agenda. The Agent shall vote in such manner as may be directed by a Majority in Interest of Owners or, in the absence of direction from a Majority in Interest of Owners, shall vote as the Agent deems to be in the best interest of the Owners. Each Owner authorizes the Agent to act for him at any such meeting and, for this purpose, shall deliver to the Agent a proxy authorizing the Agent to act for such Owner at any such meeting whenever requested so to do.

(8) Necessities and Emergencies. To do all other acts or things necessary or appropriate to the ordinary and necessary operation and maintenance of the Unit or to preserve and protect the Unit in the event of any emergency, including entry into the Unit without notice during any Use Period for such purposes.

(9) Delegation. To delegate the authority and responsibilities of Agent hereunder to one or more sub-agents for such periods and upon such terms as the Agent deems proper.

(10) Collection of Assessments from Owners. To collect, either in advance of disbursement or following disbursement if the Agent advances sums in payment of any of the foregoing, each Owner's share of the aforesaid costs and any other amounts properly expended by the Agent; to estimate any such expenditure in advance, and to bill the Owners accordingly; and to take proper steps to enforce any Owner's obligations hereunder.

(11) Utilization During Service Periods. The Agent shall have exclusive possession of the Unit during all Service Periods for purposes of carrying out its responsibilities and obligations imposed hereunder and under the Agency Agreement. Agent may also, during such Service Periods as are not required to be used for maintenance, repair or performance of other physical activity required hereunder with respect to the Unit, make the Unit available for use by Owners on some equitable and fair rotational basis in accordance with rules and regulations adopted by Agent and published in advance to all Owners. Agent may also, during such unrequired Service Periods, rent the Unit for the benefit of all Owners on such terms as it deems appropriate to owners or to any other persons. Agent shall not use the Unit for any purposes other than for the benefit of the Owners, however, and shall use the three-hour Service Period between the end of each Use Period and the commencement of the succeeding Use Period only for maintenance, repair and upkeep of the Unit.

(B) Appointment of Agent as Attorney-in-Fact. To the extent necessary to effectuate the foregoing provisions of this Article III, Owner irrevocably appoints Agent as his attorney-in-fact, which power of attorney shall be deemed to be coupled with an interest.

IV. UNIT EXPENSES

(A) Each Owner shall pay:

(1) Personal Charges. The cost of long distance telephone charges or telephone message unit charges, firewood, cleaning and

housekeeping service or other special services allocable to the occupancy of the Unit during such Owner's Use Period or Periods, the cost to repair any damage to the Unit or to repair or replace any property contained therein on account of loss or damage occurring during his Use Period or Periods, and the cost to satisfy any expense to any of the other Owners due to any intentional or negligent act or omission of such Owner, his family, guests, invitees, tenants or lessees or resulting from his breach of any provision of this Declaration.

(2) Common Charges.

(a) Specific Expenses. A share of the following costs and expenses which bears the same relationship to the whole as such Owner's undivided ownership interest in the Unit bears to the entire ownership; (a) real property taxes and similar assessments or charges; (b) insurance premiums for fire and extended coverage insurance and other casualty insurance from time to time payable; (c) basic telephone charges and cost of utility services, recreational privileges and other standard services; (d) cost of ordinary repair, maintenance and replacement of the Unit and acquisition, repair, replacement and maintenance of the Common Furnishings; (e) premiums for liability insurance; (f) the Agent's reimbursable administrative expenses and other costs and expenses herein authorized to be paid and not otherwise allocated; (g) Association assessments chargeable against the Unit; and (h) amounts necessary to establish adequate and proper reserves for all of the foregoing items; (i) amounts due in common by the Owners with respect to the Unit as are payable to any entity which operates a vacation exchange program with which the Unit may be affiliated from time to time; and

(b) Agent's Compensation and Other Expenses. Other costs and expenses elsewhere herein provided to be paid, including the Agent's compensation.

(c) Declarant's Exemption from Common Charges. Declarant shall be exempt from contribution to (a) reserves for deferred maintenance and replacement of Common Furnishings; (b) the annual clean-up fee; (c) general maintenance expense and (d) any portion of the Agent's compensation with respect to any Time Interest owned by it except during such time as it occupies or permits someone to occupy the Unit during a Use Period which it has the right to occupy. Further, Declarant shall be responsible for payment of its proportionate share of real property taxes and insurance premiums only when the same shall actually become due. The foregoing exemptions shall not operate to increase the Percentage Interest share of any Time Interest Owner in the expenses for the Unit as budgeted.

(B) Payment of Expenses by Agent. All such payments shall be made through the Agent unless the Agent or a Majority in Interest of Owners otherwise directs. The Agent shall be under no obligation to, but may in its discretion, advance sums required to pay the obligations of any one or more of the Owners or to make the aforesaid payments or incur obligations within the Agent's authority, notwithstanding the failure of any one or more of the Owners to provide funds therefor.

(C) Estimate of Expenses by Agent; Payment by Owners. The Agent may in its discretion estimate the amounts to be paid by each Owner in advance and provide procedures for the payment thereof, in equal periodic installments or otherwise, and may require additional or supplemental payments of amounts properly payable by the Owners in addition to any such estimated payments and may include in any such estimated or supplemental payments provision for payment of the Agent's compensation. Each Owner shall pay to the Agent, within 10 days after receipt of a statement therefor, the amount of any costs payable by the Owner hereunder including estimated costs and amounts required to establish and maintain reserves authorized hereunder.

(D) Responsibilities of Agent. The Agent shall not be responsible for the acts or conduct of any of the Owners or for the breach of any of the obligations of any of the Owners hereunder. The Agent shall not be

liabilities, demands, causes of action, awards or judgments rendered against the Agent or the Owners arising out of or in connection with the negligent conduct of the Agent, its officers, employees or sub-agents.

V. THE AGENT

(A) Term. Each Agent shall serve during such period as may be determined by a Majority in Interest of Owners. The appointment of each Agent shall be evidenced by a written agreement executed by a Majority in Interest of Owners and by the Successor Agent. During any period when no Agent is acting, a Majority in Interest of Owners shall have all of the rights herein conferred upon the Agent.

(B) Compensation. The Agent shall be entitled to reasonable compensation from each Owner for its services as Agent and to reimbursement for the reasonable and necessary administrative costs of discharging its obligations hereunder including properly allocable salaries of administrative, secretarial and other personnel employed at the site.

VI. SEPARATE MORTGAGES

Each Owner shall have the right to mortgage or otherwise encumber his Time Interest. No Owner shall attempt to mortgage or otherwise encumber in any manner whatsoever the entire Unit or any part thereof except his Time Interest nor shall any Owner have the right or authority so to do. Any mortgage deed of trust or other encumbrance of any Time Interest shall be subordinate to all of the provisions of this Declaration and in the event of foreclosure the provisions of this Declaration shall be binding upon any Owner whose title is derived through foreclosure by private power of sale, judicial foreclosure or otherwise.

VII. WAIVER OF PARTITION

No Owner or other person or entity acquiring any right, title or interest in the Unit shall seek or obtain through any legal procedures, judicial partition of the Unit or sale of the Unit in lieu of partition at any date prior to the expiration of this Declaration. If, however, any Time Interest shall be owned by two or more persons as tenants-in-common or as joint tenants, nothing herein contained shall prohibit a judicial partition of the Time Interest or sale of the Time Interest in lieu of partition as between such co-tenants or joint tenants.

VIII. ESTABLISHING OF TIME INTERESTS

Any Time Interest conveyed by Declarant, and any Time Interest from time to time retained by Declarant, shall consist of the right exclusively to occupy the Unit, and rights and easements appurtenant thereto, during one or more Use Periods as herein provided. Once a Time Interest has been established by the execution and recording of a Deed from Declarant thereto, no Owner shall subsequently sell, convey, hypothecate or encumber less than all of his interest in any Time Interest as set forth in such Deed from Declarant; and any sale, conveyance, hypothecation or encumbrance by any Owner of less than all of his interest in a Time Interest as set forth in such Deed from Declarant shall be null, void and of no effect.

IX. DAMAGE OR DESTRUCTION

(A) Repair. In the event of any damage or destruction to the Unit or the Common Furnishings, except as otherwise provided in this Declaration, the Agent shall forthwith cause such damage to be repaired and shall so apply any available insurance proceeds. If the damage is not covered by insurance, or if the available insurance proceeds are insufficient, the Agent shall assess and the Owners shall pay the cost thereof or deficiency in proportion to their undivided ownership interest in the Unit unless the damage was caused by the intentional or negligent

act or omission of any Owner, his family, guests, invitees or lessees, in which event the cost of repair or deficiency shall be paid by such Owner.

(B) Distribution of Excess Insurance Proceeds. Any amounts allocable to the Unit and Payable to the Owners as the result of any excess of insurance proceeds over the cost of repair or restoration of the Unit or the Common Furnishings or any part thereof shall be distributed to the Owners in proportion to their respective undivided ownership interest in the Unit.

X. ENFORCEMENT OF RESTRICTIONS

(A) By Agent or Owners. In the event that any Owner should fail to comply with any of the provisions of this Declaration, the Agent or any other Owner or Owners may bring action for damages, or to enjoin the violation or specifically enforce the provisions of this Declaration, or to enforce the lien provided herein, including foreclosure of any such lien and the appointment of a receiver for any Owner to take possession of the Time Interest of any Owner. In any such legal proceeding, the prevailing party shall be entitled to costs and reasonable attorneys' fees. All sums payable hereunder by any Owner shall bear interest at 7% per annum from the due date, or if advanced or incurred by any other Owner or by the Agent as provided herein to be repaid, from 10 days after repayment is requested. Also, in the event of any delinquency in payment of sums due by an Owner, the Owner shall not be entitled to vote along with other owners of the Unit. In such event, Agent may also, in its discretion, discontinue furnishings of any utilities or other services to such defaulting Owner.

(B) Remedies. The aforesaid remedies shall be cumulative and in addition to all other remedies which may be available by law or in equity; provided, however, that no breach of any provision hereof by any Owner or by Agent or failure of any Owner or Agent to comply with any provision hereof shall permit or empower any other Owner to terminate any such provision or excuse any such breach or failure, and each Owner shall continue to perform and comply with and hold his Time Interest subject to all of the provisions of this Declaration notwithstanding any such breach or failure.

XI. LIEN ON INTERESTS

Each Owner shall have a lien, in the nature of a mortgage with private power of sale, on the interest of each other Owner in the Unit and Common Furnishings as security for the prompt and faithful performance by such other Owner of the obligations under this Declaration and payment of costs of enforcement and reasonable attorneys' fees; provided, however, that as against any transferee or mortgage of an Owner's interest acquiring all or any interest in such Owner's interest by deed or mortgage given by such Owner for valuable consideration and accepted by the transferee or mortgagee without notice of default in the payment or performance secured, no such lien shall be effective to secure any past due payment or performance in default at the time of recording such deed or mortgage except to the extent that notice of default in the payment or performance has been given at the time of recording such deed or mortgage by the prior recording of a notice of lien recorded within the immediately preceding 12 calendar months in the Office of the Antrim County Register of Deeds, which notice of lien describes the Time Interest affected and sets forth the name of the record Owner thereof and recites that the particular payment or performance is or may be in default. The lien herein created may be enforced by sale by any Owner, or by the Agent, as agent and attorney-in-fact for any Owner or Owners, and the delinquent Owner's interest in the Unit and Common Furnishings may be sold at a sale conducted in accordance with the provisions of Michigan law relating to sale of real estate pursuant to foreclosure by advertisement or by action. Any purchaser at any foreclosure sale shall obtain title subject to the provisions of this Declaration. Either the Agent or any Owner or Owners may bid at the foreclosure sale and may hold, lease, mortgage or convey any interest in the Unit or Common Furnishings acquired at such sale. The aforesaid lien and right of foreclosure shall be in addition to and not

in substitution for all other rights and remedies which the Owners or Agent may have hereunder. 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 Owner and every other person who from time to time has any interest in the Unit, shall be deemed to have authorized and empowered the Agent or other Owner to sell or to cause to be sold the Time Interest 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 Owner of a Time Interest acknowledges that at the time of acquiring title to such Time Interest, he was notified of the provisions of this Section and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by any appropriate party to foreclose by advertisement the lien for nonpayment of assessments and hearing on the same prior to the sale of the subject Time Interest. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of 10 days after mailing, by first class mail, postage prepaid, addressed to the delinquent Owner(s) at his or their last known address, of a written notice that 1 or more installments of the annual assessment levied against the pertinent Time Interest is or are delinquent and that said appropriate party may invoke any of its remedies hereunder if the default is not cured within 10 days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an appropriate person or party that sets forth (i) the affiant's capacity to make the affidavit, (ii) the authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney fees and further assessments), (iv) the legal description of the subject Time Interest(s), and (v) the name(s) of the Owner(s) of record. Such affidavit shall be recorded in the office of the Register of Deeds in Antrim County prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the 10 day period, any remedial action may be taken as may be available hereunder or under Michigan law. In the event an election is made to foreclose the lien by advertisement, the notice shall be given to the delinquent Owner informing him that he may request a judicial hearing by bringing suit against the parties seeking relief hereunder. 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 such party to protect its lien, shall be chargeable to the Owner in default and shall be secured by the lien on the Time Interest.

XII. PROTECTION OF INTERESTS

(A) Claims Against Interest in Unit and Furnishings. No Owner shall permit his interest in the Unit or Common Furnishings to be subject to any lien (other than the liens of current real property taxes and special tax assessments), claim or charge, the enforcement of which may result in a sale or threatened sale of the interest of any other Owner in the Unit or Common Furnishings or any part of any thereof, or in any interference with the use or enjoyment thereof by any other Owner; and in the event that the sale of the entire Unit or Common Furnishings or the interest of any Owner or any part thereof, or the use and enjoyment of any thereof by any Owner be threatened by reason of any lien, claim or charge against the interest of any other Owner, or proceedings be instituted to effect any such sale or interference, any Owner or Owners acting on his or their own behalf or through the Agent, or the Agent acting on behalf of any one or more Owners, unless promptly indemnified to his or their satisfaction, may, but shall not be required to pay or compromise the lien, claim or charge without inquiry into the proper amount or validity thereof and, in that event, the Owner whose interest was subjected to such lien, claim or charge shall forthwith repay the amount so paid or expended to the Owner or Owners or Agent, whomsoever shall have paid or compromised the lien, claim or charge, together with such reasonable attorneys' fees and related costs as he or they may have incurred.

(B) Claims Against Funds in Hands of Agent. No Owner shall permit his interest in any funds from time to time in the possession of the Agent to be subjected to any attachment, lien, claim or charge or other legal process and each shall promptly restore any funds held by the Agent in respect of his Time Interest to the extent depleted by reason of the assertion of any such attachment, lien, claim, charge or other legal process and reimburse the Agent for all reasonable attorneys' fees or other costs incurred in respect thereof.

XIII. EXISTING RESTRICTIONS

Each Owner shall comply with, and hold his Time Interest subject to this Declaration and also subject to the provisions of a certain Master Deed of Timber Ridge Condominium and its exhibits, as amended, affecting Timber Ridge Condominium, of which the Unit is a part. Likewise each Time Interest shall be subject to and benefitted by certain Grants of Rights Appurtenant respectively recorded in Liber 234, Pages 1054 through 1058, Liber 234, Pages 1059 through 1063 and Liber 261, Pages 492 through 495, Antrim County Records as amended and modified by agreements recorded in (i) Liber 292, Pages 560 through 568, and (ii) Liber 292, Pages 577 through 579 Antrim County Records, provided, however, the privilege of using the golf course and ski lifts at one-half the price charged to others as set forth in said Grants of Rights Appurtenant shall not be extended to Owners of Time Interests.

XIV. TERMINATION

This Declaration shall terminate and be of no further force and effect upon the expiration of 28 years from the date of execution hereof.

XV. NOTICES

Notices provided for in this Declaration shall be in writing and shall be deemed sufficiently given when delivered personally or when deposited in the United States mail addressed to any Owner at the last address such Owner designates to the Agent for delivery of notices or, in the event of no such designation, at such Owner's last known address or, if there be none, to the address of the Unit.

XVI. SEVERABILITY

If any provision of this Declaration shall be held invalid, it shall not affect the validity of the remainder of this Declaration.

XVII. SUCCESSORS

The provisions of this Declaration shall be binding upon all parties having or acquiring any right, title or interest in the Unit or any part thereof and shall be for the benefit of each Owner and his heirs, successors and assigns. Each Owner (including Declarant) shall be fully discharged and relieved of liability on the covenants hereunder insofar as the same relate to each Time Interest upon ceasing to own any interest therein any paying all sums and performing all obligations hereunder in respect of such Time Interest to the time his ownership interest terminated.

XVIII. NO EXEMPTION

No Owner may exempt himself from liability for any obligations set forth herein by any waiver of the use or enjoyment of the Unit or by any other action.

XIX. NO WAIVER

The failure to enforce any provision of this Declaration shall not constitute a waiver of the right to enforce such provision thereafter.

XX. INTERPRETATION

The section titles at the beginning of each numbered section or subsection of this Declaration are for convenience only and the words contained therein shall not be considered to expand, modify or aid in the interpretation, construction or meaning of this Declaration. As used herein, the singular shall include the plural and the masculine or neuter gender shall include the other genders.

XXI. AMENDMENT

This Declaration may be amended or extended beyond its 28 year expiration date by written instrument executed by Owners holding of record 75% or more of the undivided interest in the Unit; provided, however, that no such amendment may affect or alter the right of any Owner exclusively to occupy the Unit and the rights and easements appurtenant thereto, during such Owner's established Use Period or Periods or the shares of Unit expenses to be borne by such Owner unless such Owner shall expressly so consent. Subject to the foregoing provision, any amendment shall be binding upon every Owner and every Time Interest whether the burdens thereon are increased or decreased.

IN WITNESS WHEREOF, the undersigned has executed this Declaration on the date and year first above set forth.

WITNESSES:

APFEL-ROWE, INC., a Michigan Corporation

Michele R. Fortuna
Michele R. Fortuna
Arthur S. Bond, Jr.
Arthur S. Bond, Jr.

By: H. Grant Rowe
H. Grant Rowe

Its: President

STATE OF MICHIGAN)
: ss.
COUNTY OF ANTRIM)

The foregoing instrument was acknowledged before me this 30th day of December, 1986 by H. GRANT ROWE, President of APFEL-ROWE, INC., a Michigan Corporation on behalf of the corporation.

My Commission Expires: 3-2-88

Michele R. Schultz
Michele R. Schultz, Notary Public
Antrim County, Michigan

This Instrument Drafted By:
Arthur S. Bond, Jr.
Hilton Shanty Creek
Bellaire, Michigan 49615

EXHIBIT "A" TO DECLARATION OF COVENANTS FOR
USE PERIOD INTERESTS FOR
TIMBER RIDGE CONDOMINIUM UNIT NO. 8

USE PERIOD DESIGNATIONS

USE PERIOD NO.1: Undivided Ownership Interest Percentage: 25%

1. Years 1987, 1991, 1995, 1999, 2003, 2007, 2011 and 2015: Weeks designated below as Weeks: 1, 5, 9, 13, 17, 21, 25, 32, 33, 37, 41, 47, and 51.
2. Years 1988, 1992, 1996, 2000, 2004, 2008, and 2012: Weeks designated below as Weeks: 4, 8, 12, 16, 20, 24, 31, 32, 36, 40, 44, and 50.
3. Years 1989, 1993, 1997, 2001, 2005, 2009, and 2013: Weeks designated below as Weeks: 3, 7, 11, 15, 19, 23, 29, 30, 35, 39, 43, and 49.
4. Years 1990, 1994, 1998, 2002, 2006, 2010, and 2014: Weeks designated below as Weeks: 2, 6, 10, 14, 18, 22, 27, 28, 34, 38, 42, 48, and 52.

USE PERIOD NO. 2: Undivided Ownership Interest Percentage: 25%.

1. Years 1987, 1991, 1995, 1999, 2003, 2007, 2011 and 2015: Weeks designated below as Weeks: 2, 6, 10, 14, 18, 22, 27, 28, 34, 38, 42, 48 and 52.
2. Years 1988, 1992, 1996, 2000, 2004, 2008 and 2012: Weeks designated below as Weeks: 1, 5, 9, 13, 17, 21, 25, 32, 33, 37, 41, 47 and 51.
3. Years 1989, 1993, 1997, 2001, 2005, 2009 and 2013: Weeks designated below as Weeks 4, 8, 12, 16, 20, 24, 31, 32, 36, 40, 44 and 50.
4. Years 1990, 1994, 1998, 2002, 2006, 2010 and 2014: Weeks designated below as Weeks 3, 7, 11, 15, 19, 23, 29, 30, 35, 39, 43, and 49.

USE PERIOD NO. 3: Undivided Ownership Interest Percentage: 25%.

1. Years 1987, 1991, 1995, 1999, 2003, 2007, 2011 and 2015: Weeks designated below as Weeks: 3, 7, 11, 15, 19, 23, 29, 30, 35, 39, 43, and 49.
2. Years 1988, 1992, 1996, 2000, 2004, 2008 and 2012: Weeks designated below as Weeks: 2, 6, 10, 14, 18, 22, 27, 28, 34, 38, 42, 48, and 52.
3. Years 1989, 1993, 1997, 2001, 2005, 2009, and 2013: Weeks designated below as Weeks: 1, 5, 9, 13, 17, 21, 25, 32, 33, 37, 41, 47 and 51.
4. Years 1990, 1994, 1998, 2002, 2006, 2010 and 2014: Weeks designated below as Weeks: 4, 8, 12, 16, 20, 24, 31, 32, 36, 40, 44 and 50.

USE PERIOD NO. 4: Undivided Ownership Interest Percentage: 25%.

1. Years 1987, 1991, 1995, 1999, 2003, 2007, 2011 and 2015: Weeks designated below as Weeks: 4, 8, 12, 16, 20, 24, 31, 32, 36, 40, 44 and 50.
2. Years 1988, 1992, 1996, 2000, 2004, 2008, and 2012: Weeks designated below as Weeks: 3, 7, 11, 15, 19, 23, 29, 30, 35, 39, 43 and 49.
3. Years 1989, 1993, 1997, 2001, 2005, 2009, and 2013: Weeks designated below as Weeks: 2, 6, 10, 14, 18, 22, 27, 28, 34, 38, 42, 48, and 52.
4. Years 1990, 1994, 1998, 2002, 2006, 2010 and 2014: Weeks designated below as Weeks: 1, 5, 9, 13, 17, 21, 25, 32, 33, 37, 41, 47, and 51.

SERVICE PERIODS: In all years: Weeks designated below as Weeks 45 and 46.

WEEK DESIGNATIONS

Week No Week Designation

- 1 Commencing on the First Sunday of each year and terminating on the next following Sunday.
- 2 Commencing each year on the Sunday upon which Week 1 ends and terminating the next following Sunday.
- 3 Commencing each year on the Sunday upon which Week 2 ends and terminating the next following Sunday.
- 4 Commencing each year on the Sunday upon which Week 3 ends and terminating the next following Sunday.
- 5 Commencing each year on the Sunday upon which Week 4 ends and terminating the next following Sunday.
- 6 Commencing each year on the Sunday upon which Week 5 ends and terminating the next following Sunday.
- 7 Commencing each year on the Sunday upon which Week 6 ends and terminating the next following Sunday.
- 8 Commencing each year on the Sunday upon which Week 7 ends and terminating the next following Sunday.
- 9 Commencing each year on the Sunday upon which Week 8 ends and terminating the next following Sunday.
- 10 Commencing each year on the Sunday upon which Week 9 ends and terminating the next following Sunday.
- 11 Commencing each year on the Sunday upon which Week 10 ends and terminating the next following Sunday.
- 12 Commencing each year on the Sunday upon which Week 11 ends and terminating the next following Sunday.
- 13 Commencing each year on the Sunday upon which Week 12 ends and terminating the next following Sunday.
- 14 Commencing each year on the Sunday upon which Week 13 ends and terminating the next following Sunday.
- 15 Commencing each year on the Sunday upon which Week 14 ends and terminating the next following Sunday.
- 16 Commencing each year on the Sunday upon which Week 15 ends and terminating the next following Sunday.
- 17 Commencing each year on the Sunday upon which Week 16 ends and terminating the next following Sunday.
- 18 Commencing each year on the Sunday upon which Week 17 ends and terminating the next following Sunday.
- 19 Commencing each year on the Sunday upon which Week 18 ends and terminating the next following Sunday.
- 20 Commencing each year on the Sunday upon which Week 19 ends and terminating the next following Sunday.
- 21 Commencing each year on the Sunday upon which Week 20 ends and terminating the next following Sunday.

- 22 Commencing each year on the Sunday upon which Week 21 ends and terminating the next following Sunday.
- 23 Commencing each year on the Sunday upon which Week 22 ends and terminating the next following Sunday.
- 24 Commencing each year on the Sunday upon which Week 23 ends and terminating the next following Sunday.
- 25 Commencing each year on the Sunday upon which Week 24 ends and terminating the next following Sunday.
- 26 Commencing each year on the Sunday upon which Week 25 ends and terminating the next following Sunday.
- 27 Commencing each year on the Sunday upon which Week 26 ends and terminating the next following Sunday.
- 28 Commencing each year on the Sunday upon which Week 27 ends and terminating the next following Sunday.
- 29 Commencing each year on the Sunday upon which Week 28 ends and terminating the next following Sunday.
- 30 Commencing each year on the Sunday upon which Week 29 ends and terminating the next following Sunday.
- 31 Commencing each year on the Sunday upon which Week 30 ends and terminating the next following Sunday.
- 32 Commencing each year on the Sunday upon which Week 31 ends and terminating the next following Sunday.
- 33 Commencing each year on the Sunday upon which Week 32 ends and terminating the next following Sunday.
- 34 Commencing each year on the Sunday upon which Week 33 ends and terminating the next following Sunday.
- 35 Commencing each year on the Sunday upon which Week 34 ends and terminating the next following Sunday.
- 36 Commencing each year on the Sunday upon which Week 35 ends and terminating the next following Sunday.
- 37 Commencing each year on the Sunday upon which Week 36 ends and terminating the next following Sunday.
- 38 Commencing each year on the Sunday upon which Week 37 ends and terminating the next following Sunday.
- 39 Commencing each year on the Sunday upon which Week 38 ends and terminating the next following Sunday.
- 40 Commencing each year on the Sunday upon which Week 39 ends and terminating the next following Sunday.
- 41 Commencing each year on the Sunday upon which Week 40 ends and terminating the next following Sunday.
- 42 Commencing each year on the Sunday upon which Week 41 ends and terminating the next following Sunday.
- 43 Commencing each year on the Sunday upon which Week 42 ends and terminating the next following Sunday.
- 44 Commencing each year on the Sunday upon which Week 43 ends and terminating the next following Sunday.

- 45 Commencing each year on the Sunday upon which Week 44 ends and terminating the next following Sunday.
- 46 Commencing each year on the Sunday upon which Week 45 ends and terminating the next following Sunday.
- 47 Commencing each year on the Sunday upon which Week 46 ends and terminating the next following Sunday.
- 48 Commencing each year on the Sunday upon which Week 47 ends and terminating the next following Sunday.
- 49 Commencing each year on the Sunday upon which Week 48 ends and terminating the next following Sunday.
- 50 Commencing each year on the Sunday upon which Week 49 ends and terminating the next following Sunday.
- 51 Commencing each year on the Sunday upon which Week 50 ends and terminating the next following Sunday.
- 52 ** Commencing each year on the Sunday upon which Week 51 ends and terminating the Sunday upon which Use Period 1 commences.

*All periods shall commence at 3:00 p.m. on the first day of each week and shall terminate at 12:00 noon on the last day of each week.

**Because the calendar year does not divide evenly into weeks, Use Period 52 will in certain years have two weeks in it.

FIRST
AMENDMENT TO
DECLARATION OF COVENANTS
FOR USE PERIOD INTERESTS
UNIT NO. 8 TIMBER RIDGE CONDOMINIUMS

2-5-8
This Amendment to Declaration of Covenants for Use Period Interests ("this Agreement") made this 12th day of February, 1987 by APFEL-ROWE, INC., a Michigan Corporation of Shanty Creek, Bellaire, Michigan ("the Declarant").

WHEREAS, Declarant is the sole owner of said Unit No. 8, Timber Ridge Condominiums; and,

WHEREAS, Declarant recorded in Liber 312, Pages 1135 through 1148, Antrim County Records, a certain Declaration of Covenants for Use Period Interests ("the Declaration"); and,

WHEREAS, Declarant wishes to amend Exhibit "A" to the Declaration; and,

NOW THEREFORE, Declarant declares that Page 1 of Exhibit "A" attached hereto (also Page 11 of the Declaration) shall supercede and amend in its entirety Page 1 of Exhibit "A" (also Page 11 of the Declaration) to the Declaration presently recorded which presently recorded Page 1 of Exhibit "A" (also Page 11 of the Declaration) shall be of no further force or effect.

In all other respects the Declaration shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned has executed this Amendment the day and year first above written.

WITNESSES:

APFEL-ROWE, INC., a Michigan Corporation

Michele R. Fortuna
Michele R. Fortuna

By: H. Grant Rowe
H. Grant Rowe

Arthur S. Bond, Jr.
Arthur S. Bond, Jr.

Its: President

STATE OF MICHIGAN)
 : SS.
COUNTY OF ANTRIM)

ANTRIM COUNTY
MICHIGAN
RECEIVED FOR RECORD

FEB 17 12 41 PM '87

Wanda R. Conway
REGISTER OF DEEDS

The foregoing Amendment to Declaration of Covenants for Use Period Interests was subscribed and sworn to before me, a Notary Public this 12th day of February, 1987 by H. GRANT ROWE, President of APFEL-ROWE, INC., a Michigan Corporation on behalf of said Corporation.

My Commission Expires: 3-2-88

Michele R. Schultz
Michele R. Schultz, Notary Public
Antrim County, Michigan

Drafted By:

Arthur S. Bond, Jr.
Shanty Creek, Bellaire, MI 49615

USE PERIOD DESIGNATIONS

USE PERIOD NO.1: Undivided Ownership Interest Percentage: 25%

1. Years 1987, 1991, 1995, 1999, 2003, 2007, 2011 and 2015: Weeks designated below as Weeks: 1, 5, 9, 13, 17, 21, 25, 32, 33, 37, 41, 47, and 51.
2. Years 1988, 1992, 1996, 2000, 2004, 2008, and 2012: Weeks designated below as Weeks: 4, 8, 12, 16, 20, 24, 30, 31, 36, 40, 44, and 50.
3. Years 1989, 1993, 1997, 2001, 2005, 2009, and 2013: Weeks designated below as Weeks: 3, 7, 11, 15, 19, 23, 28, 29, 35, 39, 43, and 49.
4. Years 1990, 1994, 1998, 2002, 2006, 2010, and 2014: Weeks designated below as Weeks: 2, 6, 10, 14, 18, 22, 26, 27, 34, 38, 42, 48, and 52.

USE PERIOD NO. 2: Undivided Ownership Interest Percentage: 25%.

1. Years 1987, 1991, 1995, 1999, 2003, 2007, 2011 and 2015: Weeks designated below as Weeks: 2, 6, 10, 14, 18, 22, 26, 27, 34, 38, 42, 48 and 52.
2. Years 1988, 1992, 1996, 2000, 2004, 2008 and 2012: Weeks designated below as Weeks: 1, 5, 9, 13, 17, 21, 25, 32, 33, 37, 41, 47 and 51.
3. Years 1989, 1993, 1997, 2001, 2005, 2009 and 2013: Weeks designated below as Weeks 4, 8, 12, 16, 20, 24, 30, 31, 36, 40, 44 and 50.
4. Years 1990, 1994, 1998, 2002, 2006, 2010 and 2014: Weeks designated below as Weeks 3, 7, 11, 15, 19, 23, 28, 29, 35, 39, 43, and 49.

USE PERIOD NO. 3: Undivided Ownership Interest Percentage: 25%.

1. Years 1987, 1991, 1995, 1999, 2003, 2007, 2011 and 2015: Weeks designated below as Weeks: 3, 7, 11, 15, 19, 23, 28, 29, 35, 39, 43, and 49.
2. Years 1988, 1992, 1996, 2000, 2004, 2008 and 2012: Weeks designated below as Weeks: 2, 6, 10, 14, 18, 22, 26, 27, 34, 38, 42, 48, and 52.
3. Years 1989, 1993, 1997, 2001, 2005, 2009, and 2013: Weeks designated below as Weeks: 1, 5, 9, 13, 17, 21, 25, 32, 33, 37, 41, 47 and 51.
4. Years 1990, 1994, 1998, 2002, 2006, 2010 and 2014: Weeks designated below as Weeks: 4, 8, 12, 16, 20, 24, 30, 31, 36, 40, 44 and 50.

USE PERIOD NO. 4: Undivided Ownership Interest Percentage: 25%.

1. Years 1987, 1991, 1995, 1999, 2003, 2007, 2011 and 2015: Weeks designated below as Weeks: 4, 8, 12, 16, 20, 24, 30, 31, 36, 40, 44 and 50.
2. Years 1988, 1992, 1996, 2000, 2004, 2008, and 2012: Weeks designated below as Weeks: 3, 7, 11, 15, 19, 23, 28, 29, 35, 39, 43 and 49.
3. Years 1989, 1993, 1997, 2001, 2005, 2009, and 2013: Weeks designated below as Weeks: 2, 6, 10, 14, 18, 22, 26, 27, 34, 38, 42, 48, and 52.
4. Years 1990, 1994, 1998, 2002, 2006, 2010 and 2014: Weeks designated below as Weeks: 1, 5, 9, 13, 17, 21, 25, 32, 33, 37, 41, 47, and 51.

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SECOND AMENDMENT TO
DECLARATION OF COVENANTS
FOR USE PERIOD INTERESTS
UNIT NO. 8 TIMBER RIDGE CONDOMINIUM

Wash R County
REGISTER OF DEEDS

2-4-110

This Second Amendment to Declaration of Covenants for Use Period Interests ("this Amendment") made this 5th day of March, 1987 by Apfel-Rowe, Inc., a Michigan Corporation of Shanty Creek, Bellaire, Michigan ("the Declarant").

WHEREAS, Declarant is the sole owner of said Unit No. 8 Timber Ridge Condominium; and,

WHEREAS, Declarant recorded in Liber 312, Page 1135 through 1148 Antrim County Records a certain Declaration of Covenants for Use Period Interests ("the Declaration"); and,

WHEREAS, Declaration was amended by First Amendment thereto recorded in Liber 313, Pages 261, through 262 Antrim County Records; and,

WHEREAS, Declarant wishes to further amend the Declaration;

NOW, THEREFORE, Declarant declares that (i) last sentence of Paragraph (1) of Article III of the Declaration is hereby amended to read:

"The Agent shall not, however, make any discretionary capital expenditures which exceeds available reserves by more than \$500.00 without the prior approval of a Majority in Interest of Owners."

and, (ii) Article XIII is hereby amended to read:

XIII. EXISTING RESTRICTIONS

Each owner shall comply with, and hold his Time Interest subject to this Declaration and also subject to the provisions of a certain Master Deed of Timber Ridge Condominium and its exhibits, as amended, affecting Timber Ridge Condominium, of which the Unit is apart. Likewise each Time Interest shall be subject to and benefitted by certain Grant of Rights Appurtenant respectively recorded in Liber 234, Pages 1054 through 1058, Liber 234, Pages 1059 through 1063, and Liber 261, Pages 492 through 495, Antrim County Records as amended and modified by agreements recorded in (i) Liber 292, Pages 560 through 568 and (ii) Liber 292, Pages 577 through 579 Antrim County Records.

In all other respects the Declaration as previously amended shall remain in full force and effect.

In Witness Whereof, the Declarant has caused this Second Amendment to be executed the day and year first above written.

WITNESSES:

Arthur S. Bond, Jr.
Arthur S. Bond, Jr.

APFEL-ROWE, INC., a Michigan Corporation

By: H. Grant Rowe
H. Grant Rowe

Michele R. Fortuna
Michele R. Fortuna

Its: President

STATE OF MICHIGAN)
: SS.
COUNTY OF ANTRIM)

The foregoing instrument was acknowledged before me on March 5, 1987 by H. GRANT ROWE, President of Apfel-Rowe, Inc., a Michigan Corporation on behalf of said Corporation.

My Commission Expires: 3-2-88

Michele R. Schultz
Michele R. Schultz, Notary Public
Antrim County, Michigan

Drafted By:
Arthur S. Bond, Jr.
Shanty Creek, Bellaire, MI 49615



**THIRD AMENDMENT TO
DECLARATION OF COVENANTS
FOR USE PERIOD INTERESTS
UNIT NO. 8 TIMBER RIDGE CONDOMINIUM**

This Third Amendment to Declaration of Covenants for Use Period Interests ("this Amendment") made this 10th day of April, 1987 by Apfel-Rowe, Inc., a Michigan Corporation of Shanty Creek, Bellaire, Michigan ("the Declarant").

WHEREAS, Declarant is the sole owner of said Unit No. 8 Timber Ridge Condominium; and,

WHEREAS, Declarant recorded in Liber 312, Page 1135 through 1148 Antrim County Records a certain Declaration of Covenants for Use Period Interests ("the Declaration"); and,

WHEREAS, Declaration was amended by First Amendment and Second Amendment thereto recorded in Liber 313, Pages 261, through 262 and Liber 314, Page 531, respectively Antrim County Records; and,

WHEREAS, Declarant wishes to further amend the Declaration;

NOW, THEREFORE, Declarant declares that:

1. The second introductory paragraph to the Declaration which presently reads:

"WHEREAS, Declarant proposes to convey undivided interests in common in the real property referred to above, providing in each deed that the grantee shall have the exclusive right to occupy said real property during one or more of the Use Periods set forth in Exhibit "A" hereto, and reserving to Declarant and its successors the exclusive right to occupy the said real property during all other Use Periods set forth in Exhibit "A" hereto, and, for that purpose, has designated 4 Use Periods as more particularly described on Exhibit "A" hereto;

is amended to read:

"WHEREAS, Declarant proposes to convey undivided interests in common in the real property referred to above, providing in each deed that the grantee shall have the exclusive right to occupy said real property during one or more of the Use Periods set forth in Exhibit "A" hereto, and reserving to Declarant and its successors the exclusive right to occupy the said real property during all other Use Periods set forth in Exhibit "A" hereto, and, for that purpose, has designated 5 Use Periods as more particularly described on Exhibit "A" hereto;

2. Paragraph II (3) of the Declaration which presently reads:

"No Pets. No animals, including household pets, except one dog or one cat per Unit, shall be permitted in occupancy of the Unit."

is amended to read:

"No Pets. No animals, including household pets shall be permitted in occupancy of the Unit."

3. Paragraph II (4) of the Declaration which presently reads:

"Number of Persons Limited. No more than six persons shall occupy the Unit overnight."

ANTRIM COUNTY
MICHIGAN
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Wm R. Lowry
REGISTER OF DEEDS

is amended to read:

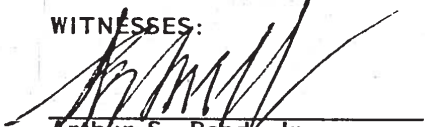
"Number of Persons Limited. No more than twelve persons shall occupy the Unit overnight."

4. Pages 1 and 2 of Exhibit "A", being Pages 11 and 11a of the Declaration attached hereto shall supersede and amend in its entirety Page 1 of Exhibit "A" (also Page 11 of the Declaration) to the Declaration as previously amended and presently recorded which presently recorded amended Page 1 of Exhibit "A" (also Page 11 of the Declaration) shall be of no further force or effect.

In all other respects the Declaration as previously amended shall remain in full force and effect.

In Witness Whereof, the Declarant has caused this Third Amendment to be executed the day and year first above written.

WITNESSES:


Arthur S. Bond, Jr.

APFEL-ROWE, INC., a Michigan Corporation

By: 
H. Grant Rowe


Michele R. Fortuna

Its: President

STATE OF MICHIGAN)
 : SS.
COUNTY OF ANTRIM)

The foregoing instrument was acknowledged before me on April 10th, 1987 by H. GRANT ROWE, President of Apfel-Rowe, Inc., a Michigan Corporation on behalf of said Corporation.

My Commission Expires: 3-2-88


Michele R. Schultz, Notary Public
Antrim County, Michigan

Drafted By:
Arthur S. Bond, Jr
Shanty Creek
Bellaire, Michigan 49615

EXHIBIT "A" TO DECLARATION OF COVENANTS FOR
USE PERIOD INTERESTS FOR
TIMBER RIDGE CONDOMINIUM UNIT NO. 8

USE PERIOD DESIGNATIONS

USE PERIOD NO. 1: Undivided Ownership Interest Percentage: 12.5%

1. Years 1987, 1991, 1995, 1999, 2003, 2007, 2011 and 2015: Weeks designated below as Weeks: 1, 9, 17, 25, 33, 41, and 51.
2. Years 1988, 1992, 1996, 2000, 2004, 2008, and 2012: Weeks designated below as Weeks: 4, 12, 20, 30, 36, and 44.
3. Years 1989, 1993, 1997, 2001, 2005, 2009, and 2013: Weeks designated below as Weeks: 3, 11, 19, 28, 35, and 43.
4. Years 1990, 1994, 1998, 2002, 2006, 2010, and 2014: Weeks designated below as Weeks: 2, 10, 18, 26, 34, 42, and 52.

USE PERIOD NO. 2: Undivided Ownership Interest Percentage: 25%.

1. Years 1987, 1991, 1995, 1999, 2003, 2007, 2011 and 2015: Weeks designated below as Weeks: 2, 6, 10, 14, 18, 22, 26, 27, 34, 38, 42, 48 and 52.
2. Years 1988, 1992, 1996, 2000, 2004, 2008 and 2012: Weeks designated below as Weeks: 1, 5, 9, 13, 17, 21, 25, 32, 33, 37, 41, 47 and 51.
3. Years 1989, 1993, 1997, 2001, 2005, 2009 and 2013: Weeks designated below as Weeks 4, 8, 12, 16, 20, 24, 30, 31, 36, 40, 44 and 50.
4. Years 1990, 1994, 1998, 2002, 2006, 2010 and 2014: Weeks designated below as Weeks 3, 7, 11, 15, 19, 23, 28, 29, 35, 39, 43, and 49.

USE PERIOD NO. 3: Undivided Ownership Interest Percentage: 25%.

1. Years 1987, 1991, 1995, 1999, 2003, 2007, 2011 and 2015: Weeks designated below as Weeks: 3, 7, 11, 15, 19, 23, 28, 29, 35, 39, 43, and 49.
2. Years 1988, 1992, 1996, 2000, 2004, 2008 and 2012: Weeks designated below as Weeks: 2, 6, 10, 14, 18, 22, 26, 27, 34, 38, 42, 48, and 52.
3. Years 1989, 1993, 1997, 2001, 2005, 2009, and 2013: Weeks designated below as Weeks: 1, 5, 9, 13, 17, 21, 25, 32, 33, 37, 41, 47 and 51.
4. Years 1990, 1994, 1998, 2002, 2006, 2010 and 2014: Weeks designated below as Weeks: 4, 8, 12, 16, 20, 24, 30, 31, 36, 40, 44 and 50.

USE PERIOD NO. 4: Undivided Ownership Interest Percentage: 25%.

1. Years 1987, 1991, 1995, 1999, 2003, 2007, 2011 and 2015: Weeks designated below as Weeks: 4, 8, 12, 16, 20, 24, 30, 31, 36, 40, 44 and 50.
2. Years 1988, 1992, 1996, 2000, 2004, 2008, and 2012: Weeks designated below as Weeks: 3, 7, 11, 15, 19, 23, 28, 29, 35, 39, 43 and 49.
3. Years 1989, 1993, 1997, 2001, 2005, 2009, and 2013: Weeks designated below as Weeks: 2, 6, 10, 14, 18, 22, 26, 27, 34, 38, 42, 48, and 52.
4. Years 1990, 1994, 1998, 2002, 2006, 2010 and 2014: Weeks designated below as Weeks: 1, 5, 9, 13, 17, 21, 25, 32, 33, 37, 41, 47, and 51.

1. Years 1987, 1991, 1995, 1999, 2003, 2007, 2011 and 2015: Weeks designated below as Weeks: 5, 13, 21, 32, 37 and 47.

2. Years 1988, 1992, 1996, 2000, 2004, 2008 and 2012: Weeks designated below as Weeks: 8, 16, 24, 31, 40 and 50.

3. Years 1989, 1993, 1997, 2001, 2005, 2009 and 2013: Weeks designated below as Weeks: 7, 15, 23, 29, 39 and 49.

4. Years 1990, 1994, 1998, 2002, 2006, 2010 and 2014: Weeks designated below as Weeks: 6, 14, 22, 27, 38 and 48.

SERVICE PERIODS: In all years: Weeks designated below as Weeks 45 and 46.

AGENCY AGREEMENT
UNIT NO. 8
TIMBER RIDGE CONDOMINIUM

THIS AGREEMENT, entered into this 10th day of April, 1987, between FIRST NORTHERN HOLDING CORPORATION, a Michigan Corporation f/k/a Apfel-Rowe, Inc., a Michigan corporation ("OWNER") and THE REAL ESTATE PLACE OF BELLAIRE, INC., a Michigan Corporation ("AGENT"), is made with reference to the following:

A. Owner is the owner of an undivided interest in and to certain real property more particularly described as follows:

Unit No. 8, Timber Ridge Condominium, a condominium, according to the Master Deed thereof, recorded in Liber 289, pages 808 through 837, Antrim County Records and designated as Antrim County Condominium Subdivision Plan No. 22, with rights in General Common Elements and Limited Common Elements as set forth in said Master Deed and pursuant to Act 59 of the Public Acts of Michigan of 1978, as amended, (hereinafter called the "UNIT").

B. A certain Declaration of Covenants (hereinafter called the "DECLARATION") affecting and governing the use of said real property has been recorded in Liber 312 Pages 1135 through 1148, Antrim County Records, as amended by First, Second and Third Amendments to the Declaration recorded in Liber 313, Pages 261 through 262; Liber 314, Page 531; and Liber 315, Pages 409 through 412, respectively of the records of Antrim County, Michigan, containing terms, provisions and definitions which are pertinent thereto and incorporated herein by reference to the extent applicable hereto.

C. Owner desires to provide for the efficient management of said Unit, including its security, maintenance, upkeep, remodeling, repair and the payment of Owner's pro rata share of the expenses incurred by such management, together with taxes, utility charges and related costs incidental to the use of said Unit.

D. Agent represents hereby to Owner that it is willing, ready and able to perform such services on Owner's behalf in accordance with the provisions of the Declaration and on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual promises set forth below and other valuable consideration, receipt of which is hereby acknowledged, Owner and Agent agree as follows:

1. APPOINTMENT OF AGENT

a. Owner appoints Agent as his agent for the purposes of maintaining, repairing and managing the Unit hereinabove referred to for a term of three (3) years commencing as of April 10, 1987, and ending on April 10, 1990 unless sooner terminated pursuant to the terms of this Agreement; and, provided further that such appointment shall be renewed automatically at the expiration of each such three year term for a new term of three years unless such renewal is disapproved by a majority in interest of owners at least ninety (90) days prior to the expiration of each such term of three (3) years.

b. Agent accepts herewith the aforesaid appointment and agrees to perform its duties in conformance with the terms of this Agreement and to the extent that the Declaration imposes any duties upon the Agent which are not herein expressly set forth.

2. COMPENSATION OF AGENT

a. Agent's sole compensation for the performance of its duties hereunder shall be the sum of \$1,200 for the Unit in respect to each year during which the Agreement is in effect.

b. Owner agrees to pay his pro rata share of Agent's compensation at the time an expense of operation, maintenance, repairs and reserves for replacement is assessed in accordance with the Declaration.

c. Declarant and its successors and assigns under the Declaration shall be exempt from payment of any portion of the management fee allocable to a time interest owned by it until such time as the time interest is sold or occupancy thereof permitted by declarant; thus, no purchaser of a time interest shall be responsible for payment of more than his percentage interest share of the fee set forth in paragraph 2a and. Agent shall be entitled only to a portion of the compensation specified above until all time interests have been sold by declarant or are permitted by it to be occupied. Likewise, developer shall also be exempt from payment of furnishing reserves, cleanup fees and general maintenance expenses with respect to unoccupied Units owned by it as provided in the Declaration and Agent shall make no charges therefor against the Unit.

3. DUTIES OF AGENT

Agent shall have the duty and owner hereby grants Agent the authority to perform any and all of the following acts:

a. Repair, maintain, repaint, remodel or refurnish the Unit or any part thereof.

b. Advance on Owner's behalf, all monies required for payment of Owner's pro rata share (as defined in Section 4 hereof and in the Declaration) of any and all expenses of maintenance, repair, repainting, refurnishing, real and personal property taxes, excise and payroll taxes, utility charges, liability, fire and extended coverage insurance premiums, costs of utilities and compensation paid to all personnel including (but not limited to) maids, janitors, maintenance and service employees, clerks and managers; provided, however, that no advance in excess of \$5,000 of the estimated expenditure for such items need or shall be made without the advance written consent thereto of each Owner of the Unit.

c. Enforce, on Owner's behalf, any and all rights of contribution on account of expenses assessed in accordance with the provisions of this Agreement, against any Owner of an undivided interest in the Unit failing to pay his pro rata share of such expenses. In this regard, Owner acknowledges and agrees that each and every other Owner of the Unit shall have the right to compel Owner to contribute his share of said expenses upon the same being assessed in accordance with the terms hereof. In the event that Agent brings an action against Owner to compel contribution as provided herein, Owner shall pay, in addition to said expenses, reasonable attorneys' fees and court costs thereby incurred. Owner acknowledges that Agent is acting on behalf of all Owners may be required to act in a manner adverse to Owner's interest in compelling Owner to contribute his pro rata share of expenses herein; accordingly, Owner waives any and all rights to terminate the agency created hereby or for damages by reason of Agent's discharge of his duties specified in this subparagraph.

d. Vote, on behalf of Owner, at any and all meetings of the Timber Ridge Association. If the notice or agenda for any regular or special meeting of the members of the Association is available at least 15 days prior to the date of such meeting, the Agent shall promptly notify the Owner of the items to be discussed and presented at such meeting as shown by the notice or agenda and request that the Owner indicate in writing to the Agent his preference as to the items disclosed by the notice or agenda. The Agent shall vote in such manner as may be directed by a Majority in Interest of Owners of the Unit, or in the absence of direction from a majority in interest of Owners, shall vote as the Agent deems to be in the best interest of the Owners. The Owner shall indicate his response to the Agent promptly after the Agent has sent the notice or agenda, and with respect to any meeting at which the Agent does not receive the

necessary advance notice or if the Agent does not receive Owner's response at least 2 days before the meeting the Owner grants to Agent an irrevocable proxy in respect to all votes taken on questions not on the agenda and in accordance with its best judgment, and in any event, such votes shall be considered as having the requisite majority advance approval. If necessary, the Owner agrees to deliver to Agent a proxy authorizing the Agent to act for such Owner at any such meeting whenever requested to do so.

e. In connection with the foregoing acts, Agent, its agents, servants, employees and contractors shall, as between Owner and Agent, be deemed to be acting solely as agent of Owner and not as Owner's contractor. Any and all contracts therefor made by Agent shall be so construed whether or not made in the name of Owner and his co-owners of the Unit, or any of them.

f. Invest any reserves on hand in interest bearing certificates or accounts insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or in interest bearing obligations of the United States Government.

g. Agent shall not commingle funds with the funds of Owners of any Unit other than the one described above without the consent of a majority in interest of the owners.

h. Exercise all rights and authorities granted to it and perform any duties and obligations imposed upon it by the terms and provisions of the Declaration.

4. PRORATION OF EXPENSES

a. The annual charges for expenses and costs may vary from year to year. To provide in advance for same, and not less than 30 days prior to the beginning of each calendar year, Agent shall estimate the net cash requirements for the ensuing year necessary for Agent to operate and to maintain the Unit in accordance with its duties. Each Owner of undivided interests shall be assessed his pro rata share of such expenses.

b. Owner agrees to pay such assessments made pursuant to this paragraph within 10 days from receipt of Agent's assessment notice thereof.

5. TERMINATION

The Agency created pursuant to this Agreement may be terminated by Agent or by a majority in interest of Owner's of undivided interests in the Unit upon 90 days written notice by the party or parties so electing to terminate. Upon termination of said Agency, whether by expiration of its term or any renewals thereof or by notice as prescribed herein, Owner agrees to act promptly in concert with all other Owners of undivided interests in said Unit to appoint a successor agent herein. Agent agrees to cooperate with Owner and all other said Owners to effect such appointment. No term or condition of such subsequent agency agreement may differ materially from those contained in this Agreement without the consent of a majority in interest of Owners of undivided interests in the Unit.

6. OWNER HELD HARMLESS

Agent shall hold Owner harmless from and against any and all claims, expenses, liabilities, demands, causes of action, awards or judgments rendered against Agent or Owner arising out of or in connection with the gross negligent conduct of Agent, its officers, employees and sub-agents.

7. NOTICES

All notices and statements provided for in this Agreement shall be deemed given if deposited with the United States Postal Service, first