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used for the construction of the exterior of the residence. Deck and patio fences shall not exceed a height of six (6) feet. No more than twenty-five (25%) percent of the area of any Unit may be enclosed.

- p) All driveways, aprons and parking areas must be paved with asphalt, concrete, brick pavers or loose stone. No gravel or slag shall be permitted.
- q) Any debris resulting from the destruction in whole or in part of any dwelling or building on any Unit shall be removed with all reasonable dispatch from such Unit in order to prevent an unsightly or unsafe condition.
- r) No living tree of a height of twenty (20') feet or more, or more than five (5") inches in diameter at three (3') feet above the ground shall be removed without the approval of the COMMITTEE. No person shall do any act the result of which could reasonably be expected to cause damage to or destruction to any tree.

Section 4. Changes in Common Elements.

No Co-owner shall make changes in any of the Common Elements, Limited or General, without the express written approval of the COMMITTEE and the Developer.

Section 5. Activities.

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. No unreasonably noisy activity shall occur in or on the Common Elements or on any Unit at any time. Co-owner shall not do, or permit anything to be done, or keep, or permit to be kept on his Unit or on the Common Elements anything that will increase the rate of insurance of the Condominium without the written approval of the Association, and each Co-owner shall pay to the Association activity or the maintenance of any such condition even if approved. Activities which are deemed offensive and are expressly the use of firearms, air rifles, pellet guns, B-B guns, bows and devises.

Section 6. Pets.

No animals, except for household pets, shall be maintained by any Co-owner unless specifically approved in writing by the Association. No animal may be kept or bred for any commercial purpose and all animals shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor, or unsanitary conditions. No savage or dangerous animal shall be kept and any Co-owner who causes any animal to be brought or kept upon the Condominium Premises shall indemnify and hold harmless

the Association for any loss, damage or liability which the Association may sustain as the result of the presence of such animal on the premises, whether or not the Association has given permission therefor. The Association may, without liability to the owner thereof, remove or cause to be removed any animal from the Condominium which it determines to be in violation of the restrictions imposed by this Section. In the event of any violation of this Section, the Board of Directors of the Association may assess fines for such violation in accordance with these Bylaws and in accordance with duly adopted rules and regulations after written notice of such violation to the Co-owner and a ten (10) day period to cure such violation.

Section 7. Aesthetics.

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

Section 8. Vehicles.

No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, motorcycles, all terrain vehicle, snowmobiles, snowmobile trailers or vehicles other than automobiles or vehicles used primarily for general personal transportation use may be parked or stored upon the condominium premises, unless parked in the garage with the door closed. No inoperable vehicles of any type may be brought or stored upon the condominium premises either temporarily or permanently. Commercial vehicles and trucks shall not be parked in or about the condominium (except as above provided) unless while making deliveries or pickups in the normal course of business. Co-owners shall, if the Association shall require, register with the Association all vehicles maintained on the condominium premises. Use of motorized vehicles anywhere on the condominium premises, other than passenger cars, snowmobiles, golf carts and small recreational vehicles, authorized maintenance vehicles and commercial vehicles as provided in this Section 8, is absolutely prohibited. Parking on any street in the condominium is prohibited except as the Association may make reasonable exceptions hereto from time to time; provided, however, that cars

are absolutely prohibited from parking on any street or any time where the street is less than twenty-four (24) feet in width. A Co-owner may not have more than one (1) guest car parked overnight on the common elements unless approved in writing in advance by alleviate any parking shortage arising from maintenance of more than two (2) cars by a number of Co-owners, the Association may two (2) cars by a Co-owner or may construct additional parking facilities and assess those Co-owners maintaining more than two (2) cars for the expense of such construction and use.

Section 9. Advertising.

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

Section 10. Rules and Regulations.

It is intended that the Board of Directors of the Association may make rules and regulations from time to time to reflect the needs and desires of the majority of the Co-owners in the Condominium. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws concerning the use of the Common Elements may be made and amended from time to time by any Board of Directors of the Association, including the first Board of Directors (or its successors) prior to the Transitional Control Date. Copies of all to all Co-owners.

Section 11. Right of Access of Association.

The Association or its duly authorized agents including the COMMITTEE shall have access to each Unit and any improvements thereon and Limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Coowner thereof, as may be necessary for the maintenance, repair or replacement of any Common Elements. The Association or its agents shall also have access to each Unit and any improvements thereon and 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 or to the improvements thereon and 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 or to the improvements thereon. It shall be the responsibility of each Co-owner to provide the Association means of access. The Association may gain access in the event of the failure of such Co-owner to provide means of access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owners for any necessary damage to his Unit or any improvements thereon and any Limited Common Elements appurtenant thereto caused thereby or for repair or replacement of any doors or windows damaged in gaining such access.

Section 12. Landscaping.

No Co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the Common Elements without the prior written approval of the COMMITTEE.

Section 13. Common Elements Maintenance.

Sidewalks, yards, landscaped areas, driveways, roads, parking areas and any pool areas shall not be obstructed nor shall they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or other obstructions 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 rules and regulations.

Section 14. Co-owner Maintenance.

Each Co-owner shall maintain his Unit and the improvements thereon and any Limited Common Elements appurtenant thereto for which he has maintenance responsibility in a safe clean and sanitary condition including, without limiting the generality of the foregoing, all septic systems and wells. 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 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 limited by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in the Article II hereof.

Section 15. Reserved Rights of Developer.

A. Developer's Rights in Furtherance of Development and Sales.

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 construction and sales period or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation, as the same may be amended from time to time. Notwithstanding anything to the contrary elsewhere herein contained, Developer shall have the right throughout the entire construction and sales period to maintain a sales office, a business office, a construction office, model units, storage areas and reasonable parking incident to the foregoing and such access to, from and over the Project as may be reasonable to enable development and sale of the entire

project by Developer. Developer shall restore the areas so utilized to habitable status upon termination of use.

B. Enforcement of Bylaws.

The Condominium Project shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private, residential community for the benefit of the Co-owners and all persons interested in the Condominium. If at any time the Association or the COMMITTEE fails or refuses to carry out its obligation to maintain, repair, replace and landscape in a manner consistent with the maintenance of such high standards, then Developer, or any entity to which Developer may assign this right, at its option, may elect to maintain, repair and/or replace any Common Elements and/or to do any landscaping required by these Bylaws and to charge the cost thereof to the Association as an expense of administration. The Developer shall have the right to enforce these Bylaws throughout the construction and sales period notwithstanding that it may no longer own a Unit in the Condominium, which right of enforcement may include (without limitation) an action to restrain the COMMITTEE, the Association or any Co-owner from any activity prohibited by

Section 16. Sewers and Wells.

Sewage services and water supply shall be provided by individual septic system and/or wells operated and maintained by the Coowners at its expense or a septic system and/or wells installed and maintained by Schuss Mountain Water and Sewer Association, a Michigan nonprofit corporation, or other private organization at such cost and expense as may be charged by said organization to third parties, or upon the general common elements of the condominium at such charges and fees to be borne by the Co-owners as levied by such Association or other organization as they may from, time to time, determine, depending upon the requirements of the Michigan Department of Health and the Michigan Department of Natural Resources at the time of construction of a residence upon a unit. In the event individual septic systems or wells are used the cost of installation and maintenance of such systems shall be borne by the Co-owner and the Co-owner in respect to the maintenance of septic systems shall or shall cause such systems to be inspected annually by a licensed septic hauler and the tanks to be pumped at least every three (3) years.

ARTICLE VII

MORTGAGES

Section 1. Notice to Association.

Any Co-owner who mortgages his Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgagees of Units". The Association may, at the written request of a mortgagee of such Unit, report any unpaid assessments due from the Co-owner of such Unit. The Association shall give to the holder

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of any first mortgage covering any Unit in the Project written notification of any default in the performance of the obligations of the Co-owner of such Unit that is not cured within sixty (60)

Section 2. Insurance.

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. Notification of Meetings.

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

ARTICLE VIII

VOTING

Section 1. Vote.

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

Section 2. Eligibility to Vote.

No co-owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Condominium Project to the Association. Except as provided in Article XI, Section 2 of these Bylaws, no Co-owner, other than the Developer, shall be entitled to vote prior to the date of the First Annual Meeting held in accordance with Section 2 of Article IX. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in Section 3 of this Article VIII or by a proxy given by such individual representative. The Developer shall be the only person entitled to vote at a meeting of the Association until the First Annual Meeting and Transitional Control Date and shall be entitled to Developer may own no Units at some time or from time to time during such period. At and after the First Annual Meeting and Transitional Control Date the Developer shall be entitled to vote during such period. At and after the First Annual Meeting and Transitional Control Date the Developer shall be entitled to vote

Section 3. Designation of Voting Representative.

Each Co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Co-owner. Such notice shall state the name and address of the individual representative designated, the number or numbers of the

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

Section 4. Quorum.

The presence in person or by proxy of thirty-five (35%) percent 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 by the Condominium Documents to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

Section 5. Voting.

Votes may be cast only in person or by 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.

Section 6. Majority.

A majority, except where otherwise provided herein, shall consist of more than fifty (50%) percent 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 of designated voting representatives present in person or by proxy or by written vote, Association.

ARTICLE IX

MEETINGS

Section 1. Place of Meeting.

Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Co-owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Condominium Documents (as defined in the Master Deed) or the laws of the State of Michigan.

Section 2. First Annual Meeting and Transitional Control Date.

The First Annual Meeting and Transitional Control Date may be convened only by Developer and may be called at any time after more than fifty (50%) percent of the Units in North Schuss Village

Condominium (determined with reference to the recorded Consolidating Master Deed) have been sold and the purchasers thereof qualified as members of the Association. In no event, however, shall such meeting be called later than one hundred twenty (120) days after the conveyance of legal or equitable title to non-developer Co-owners of seventy-five (75%) percent in number of all Units that may be created or fifty-four (54) months after the first conveyance of legal or equitable title to a nondeveloper Co-owner of a Unit in the Project, whichever first occurs. Developer may call meetings of members for informative or other appropriate purposes prior to the First Annual Meeting and no such meeting shall be construed as the First Annual Meeting. The date, time and place of such meeting shall be set by the Board of Directors, and at least ten (10) days written notice thereof shall be given to each Co-owner. The phrase "Units that may be created" as used in this paragraph and elsewhere in the Condominium Documents refers to the maximum number of Units which the Developer is permitted, under the Condominium Documents as may be amended, to include in the Condominium.

Section 3. Annual Meetings.

Annual meetings of the Association shall be held on a Saturday or Sunday during October or November each succeeding year after the year in which the First Annual Meeting is held at such time and place as shall be determined by the Board of Directors; provided, however, that the second annual meeting shall not be held sooner than eight (8) months after the date of the First Annual Meeting. At such meetings there shall be elected by ballot of the Co-owners, a Board of Directors in accordance with the requirements of Article XI of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

Section 4. Special Meetings.

It shall be the duty of the President to call a special meeting of the Co-owners as directed by resolution of the Board of Directors or upon a petition signed by one-third (1/3) of the Co-owners presented to the Secretary of the Association. 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 5. Notice of Meetings.

It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as of 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 VIII, Section 3 of these Bylaws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice and such waiver when filed in the records of the Association, shall be deemed due notice.

Section 6. Adjournment.

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

Section 7. Order of Business.

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

Section 8. Action Without Meeting.

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

Section 9. Consent of Absentees.

The transactions at any meeting of members, either annual or special, however called and noticed, shall be a valid as though made at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy; and if, either before or after the meeting, each of the members not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or a approval of the minutes thereof. All such waivers, consents or approvals shall be filed

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with the corporate records or made a part of the minutes of the meeting.

Section 10. Minutes, Presumption of Notice.

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

ARTICLE X

ADVISORY COMMITTEE

Within one (1) year after conveyance of legal or equitable title to the first Unit in the Condominium to a purchaser or within one hundred twenty (120) days after conveyance to purchasers of one-third (1/3) of the total number of Units that may be created, whichever first occurs, the Developer shall cause to be established and created an Advisory Committee to consist of at least three (3) non-developer Co-owners. The Purpose of the Advisory Committee shall be to facilitate communications between the temporary Board of Directors and the non-developer Co-owners and to aid the transition of control of the Association from the Developer to purchaser Co-owners. The Advisory Committee shall cease to exist automatically when the non-developer Co-owners have the voting strength to elect a majority of the Board of Directors of the Association. The Developer may remove and replace at its discretion at any time any member of the Advisory Committee who has not been elected thereto by the Co-owners.

ARTICLE XI

BOARD OF DIRECTORS

Section 1. Number and Qualifications of Directors.

The Board of Directors shall be comprised of at least three (3) and no more than seven (7) as may from time to time be fixed by the Board of Directors members, all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association. Directors shall serve without compensation.

Section 2. Election of Directors.

A. First Board of Directors.

The First Board of Directors shall be composed of three (3) persons and such first Board of Directors, or its successors as selected by the Developer, shall manage the affairs of the Association until the appointment of the first non-developer Co-owners to the Board. Elections for non-developer Co-owner Directors shall be held as provided in subsections B and C below.

B. Appointment of Non-Developer Co-owners to Board Prior to First Annual Meeting.

Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Co-owners of twenty-five (25%) percent of the Units that may be created, one-third (1/3) of the Directors shall be selected by non-developer Co-owners. When the required percentage level of conveyance has been reached, the Developer shall notify the non-developer Co-owners and request that they hold a meeting and elect the required Director. Upon certification to the Developer by the Co-owners of the Director so elected, the Developer shall then immediately appoint such Director to the Board to serve until the First Annual Meeting unless he is removed pursuant to Section 7 of this Article or he resigns or becomes incapacitated.

- C. Election of Directors at and After First Annual Meeting.
 - 1) Not later than one hundred twenty (120) days after conveyance of legal or equitable title to non-developer Co-owners of seventy-five (75%) percent of the Units that may be created, and before conveyance of ninety (90%) percent of such Units, the non-developer Co-owners shall elect all Directors on the Board, except that the Developer shall have the right to designate at least one (1) Director as long as the Units that remain to be created and sold equal at least ten (10%) of all Units that may be created in the Project. Whenever the seventy-five (75%) percent conveyance level is achieved, a meeting of Co-owners shall be promptly convened to effectuate this provision, even if the First Annual Meeting has already occurred.
 - 2) Notwithstanding the formula above, fifty-four (54) months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Unit in the Project, 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 percentage 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.
 - 3) If the calculation of the percentage of members of the Board of Directors that the non-developer Co-owners have the right to elect as above provided, or if the product of the number of members of the Board of Directors multiplied by the percentage of Units held by the non-developer Co-owners to elect a fractional number of members of the Board of Directors, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number which number shall be the number of members of the Board of Directors that the non-developer Co-owners have the right to elect. After application of this formula the Developer shall have the right to elect the remaining

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members of the Board of Directors. Application of this subsection shall not eliminate the right of the Developer to designate one (1) member as provided in subsection 1.

- 4) At the First Annual Meeting three (3) Directors shall be elected for a term of one (1) year. The Directors shall hold office until their successors have been elected and hold their first meeting.
- 5) Once the Co-owners have acquired the right hereunder to elect a majority of the Board of Directors, annual meetings of Co-owners to elect Directors and conduct other business shall be held in accordance with the provisions of Article IX, Section 3 hereof.

Section 3. Powers and Duties.

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

Section 4. Other Duties.

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

- A. To manage and administer the affairs of and to maintain the Condominium Project and the Common Elements thereof.
- B. To levy and collect assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association.
- C. To carry insurance and collect and allocate the proceeds thereof.
- D. To rebuild improvements after casualty.
- E. To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium Project.
- F. To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any Unit in the Condominium and easements, furtherance of any of the purposes of the Association.
- G. To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of

seventy-five (75%) percent of all of the members of the Association.

- H. To make rules and regulations in accordance with Article VI, Section 10 of these Bylaws.
- I. To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Condominium and to delegate to such committees any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board.
- J. To enforce the provisions of the Condominium Documents.

Section 5. Management Agent.

The Board of Directors may employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto) at a reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Sections 3 and 4 of this Article, and the Board may delegate to such management agent any other duties or powers which are not be 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 (3) years or which is not terminable by the Association upon ninety (90) days written notice thereof to the other party and no such contract shall violate the provisions of Section 55 of the Act.

Section 6. Vacancies.

Vacancies in the Board of Directors which occur after the Transitional Control Date caused by any reason other than the removal of a Director by 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, except that the Developer shall be solely entitled to fill the vacancy of any Director whom it is permitted in the first instance to designate. Each person so elected shall be a Director until a successor is elected at the next annual meeting of the Directors which occur prior to the Transitional Control Date may be filled only through election by non-developer Co-owners and Article.

Section 7. Removal.

At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the Directors may be removed with or without cause

by the affirmative vote of more than fifty (50%) percent of all the Co-owners and successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal thirty-five (35%) percent requirement set forth in Article VIII, Section 4. Any Director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting. The Developer may remove and replace any or all of the Directors selected by it at any time of from time to time in its sole discretion. Likewise, any Director selected by the non-developer Co-owners to serve before the First Annual Meeting may be removed before the First Annual Meeting may be removed before the First Annual Meeting in the same manner set forth in this paragraph for removal of Directors generally.

Section 8. First Meeting.

The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such elected 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 9. Regular Meetings.

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

Section 10. Special Meetings.

Special meetings of the Board of Directors may be called by the President on three (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 two (2) Directors.

Section 11. Waiver of Notice.

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

Section 12. Adjournment.

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, less than a quorum is present, the majority of those present may adjourn the meeting to a subsequent time upon twenty-four (24) hours prior written notice delivered to all Directors not present. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for purpose of determining a quorum.

Section 13. First Board of Directors.

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

Section 14. Fidelity Bonds.

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

ARTICLE XII

OFFICERS

Section 1. Officers.

The principal officers of the Association shall be a President, who shall be a member of the Board of Directors, a Vice President, a Secretary and a Treasurer. The Directors may appoint an Assistant Treasurer, and an Assistant Secretary, and such other officers as in their judgment may be necessary. Any two (2) one (1) person.

A. President.

The President shall be the chief executive 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 Association.

B. Vice President.

The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice

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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.

D. Secretary.

The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; he shall have charge of the corporate seal, if any, and he shall, in general, perform all duties incident to the office of the Secretary.

D. Treasurer.

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

Section 2. Election.

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

Section 3. Removal.

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

Section 4. Duties.

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

ARTICLE XIII

SEAL

The Association may (but need not) have a seal. If the Board determines that the Association shall have a seal, then it shall have inscribed thereon the name of the Association, the words "corporate seal", and "Michigan".

ARTICLE XIV

FINANCE

Section 1. Records.

The Association shall keep detailed books of account showing all expenditures and receipts of administration which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Association. The Books of account shall be audited 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 ninety (90) days following the end of the Association's fiscal year upon request therefor. The costs of any such audit and any accounting expenses shall be expenses of administration.

Section 2. Fiscal Year.

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

Section 3. Bank.

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

ARTICLE XV

INDEMNIFICATION OF OFFICERS AND DIRECTORS

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

ARTICLE XVI

AMENDMENTS

Section 1. Proposal.

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

Section 2. Meeting.

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

Section 3. Voting.

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

Section 4. By Developer.

Pursuant to Section 90(1) of the Act, the Developer hereby reserves the right, on behalf of itself and on behalf of the Association, to amend these Bylaws without approval of any Co-owner or mortgagee unless the amendment would materially alter or mortgagee consent shall be required as provided in Section 3

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Section 5. When Effective.

Any amendment to these Bylaws shall become effective upon recording of such amendment in the office of the Antrim County Register of Deeds.

Section 6. Binding.

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

ARTICLE XVII

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 XVIII

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 XIX

REMEDIES FOR DEFAULT

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

Section 1. Legal Action.

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

Section 2. Recovery of Cost.

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 attorney's fees (not limited to statutory fees) as may be determined by the court but in no event shall any Co-owner be entitled to recover such attorney's fees.

Section 3. Removal and Abatement.

The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the Common Elements, Limited or General, or into any Unit and the improvements thereon, where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents. The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein.

Section 4. Assessment of Fines.

The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. 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 IX, Section 5 of these Bylaws. Thereafter, fines may be assessed only upon notice to the offending Co-owners as prescribed in said Article IX, Section 5 and an opportunity for such Co-owner to appear before the Board no less than seven (7) days from the date of the notice and offer evidence in defense of the alleged violation. All fines duly assessed may be collected in the same manner as provided in Article II of these Bylaws. No fine shall be levied for the first violation. No fine shall exceed Twenty-five (\$25.00) Dollars for the second violation, Fifty (\$50.00) Dollars for the third violation or One Hundred (\$100.00) Dollars for any subsequent violation.

Section 5. Non-Waiver of Right.

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

Section 6. Cumulative Rights, Remedies and Privileges.

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

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other and additional rights, remedies or privileges as may be available to such party at law or in equity.

Section 7. Enforcement of Provisions of Condominium Documents.

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

ARTICLE XX

RIGHTS RESERVED TO DEVELOPER

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

ARTICLE XXI

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 held to be partially invalid or unenforceable.

ANTRIM COUNTY of AN NO. 48ANTRIM

SUBDIVISION CONDOMINIUM

EXHIBIT B TO THE MASTER DEED OF

NORTH SCHUSS VILLAGE

A CONDOMINIUM

KEARNEY AND CUSTER TOWNSHIPS, ANTRIM COUNTY, MICHIGAN

GO FORWARD DEVELOPMENT BOX 1, SHANTY CREEK ROAD BELLAIRE, MICHICAN #9615

SURVEYOR

S B. DE YOUNG
CAND SURVEYOR # 20705 MICHICAN 49720 ... IDCE STREET Pau ... DCE S CHARLEVOIX N CK

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SHEET INDEX

1. TITLE SHEET
2. SURVEY PLAN
3. SITE, UNIT, UTILITY,
AND FLOOD PLAIN PLAN

South South of the Michael B. Parkers B.

New 2 2 0.4 Licensed Land Surveyor Nicholas B. DeYoung 1301 Bridge St. Charlevoix, MI 49720 March 15, 1967

ATTENTION: COUNTY RECISTRAR OF DEF

MUST BE ASSIGNED IN CONSI SEQUENCE. WHEN A NUMBER HAS ASSIGNED TO THIS PROJECT, IT MI PROPERLY SHOWN IN THE TITLE, SHEET THE SURVEYOR'S CERTIFICATE, SHEET 2. THE CONDOMINIUM SUBDIVISION PLAN

PROPERTY DESCRIPTION

NORTH SCHUSS VILLAGE

In the Township of Custer, Antrim County, Michigan; Beginning at the Northeast corner of Section 3, Town 29 North, Range 7 West; thence Sout 19918'30" West 110.27 feet; thence North 719.530" West 45.49 feet; thence Sout 18973'30" West 110.27 feet; thence Sout 240,0773" West 179.44 feet; thence South 704310'30" West 185.31 feet; thence South 239.38'41" East 139.47 feet; thence South 29073'31" East 139.47 feet; thence South 700700" East 190.15 feet; thence North 190700" East 139.47 feet; thence North 190700" East 139.47 feet; thence North 190700" East 139.47 feet; thence North 190700" East 190.15 feet; thence North 190700" East 190700 feet; thence on a curve to the left 70.51 feet (radiu of said curve is 31.26 feet; thence North 190700" East 47.17 feet; thence North 190700" East a curve to the right 71.30 feet (radius of said curve is 80.68 feet, long chor-bears N25°34'02"W 69.00 feet); thence North 0°14'54" West 35.00 feet; thenc North 59°11'31" East 275.68 feet to the shore of the Cedar River; thence North 16°00'00" West along said river 250.02 feet to the North line of Section 2, 179N R7W. thence North 89°44'18" West along said section line 456,95 feet to the point of beginning. Deing a part of Sections 2 and 3, Town 29 North, Range 7 West including all land Easterly to the water's edge of the Cedar River, and containing .96 acres, more or less. of beginning;

SURVEY PLAN OF NORTH SCHUSS VILLAGE

