

SECOND AMENDMENT TO MASTER DEED

For

VILLA MONTE'

25-148
2-5-220

SECOND AMENDMENT TO MASTER DEED, Made this 22ND day of September, 1988, by SCHUSS MOUNTAIN GOLF CLUB, INC., a Michigan corporation, of 3781 Windy Hill, Bellaire, Michigan, 49615 (hereinafter referred to as the "Developer");

W I T N E S S E T H :

WHEREAS, the Developer caused the Master Deed for Villa Monte' to be executed on the 26th day of May, 1987, and to be recorded on the 26th day of May, 1987, in Liber 316, Pages 0878 through 0921, Antrim County Records; and

WHEREAS, Developer caused the First Amendment to Master Deed for Villa Monte' to be executed on the 27th day of April, 1988, and recorded on May 4, 1988, in Liber 326, Pages 0664 through 0679, Antrim County Records; and

WHEREAS, Article VIII of the Condominium ByLaws (Exhibit "A" to the Master Deed) provides the right of the Developer, prior to the first annual meeting of members, to make such Amendments to the Bylaws as shall not increase or decrease the benefits or obligations that materially affect the rights of any member of the Association; and

WHEREAS, Developer wishes to exercise its right of Amendment to said Condominium Bylaws.

NOW, THEREFORE, in consideration of the premises, the Condominium Bylaws for Villa Monte' (Exhibit "A" to the Master Deed) is hereby amended as follows:

1. Article VI is hereby amended through addition of Section 18 as follows:

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

2. In all other respects, except as expressly modified or amended herein, the original Master Deed, as amended, is reaffirmed and ratified in its entirety.

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

Signed in the Presence of:

DEVELOPER:

Blair P. Russell
BLAIR P. RUSSELL
Karen Sherwood
KAREN SHERWOOD

SCHUSS MOUNTAIN GOLD CLUB, INC.

By: *Victor A. Zucco*
Victor A. Zucco
Its: President

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

On this 22nd day of September, 1988, before me, a Notary Public, in and for said County and State, personally

appeared VICTOR A. ZUCCO, President of SCHUSS MOUNTAIN GOLF CLUB, INC., to me personally known, who, being by me duly sworn, did say that he is the Developer of said condominium project, and he acknowledged that he has executed said instrument as his free and voluntary act and deed.

Blain D. Russell

Notary Public *BLAIN D. RUSSELL*

County: *KALKASKA*

My commission expires: *MAR 2, 1992*

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

SMITH, JOHNSON, BRANDT & HEINTZ, ATTORNEYS, P.C.

By: DONALD A. BRANDT

603 Bay Street, P.O. Box 705

Traverse City, MI 49685-0705

(616)946-0700

ANTRIM COUNTY
MICHIGAN
RECEIVED FOR RECORD
SEP 22 11 20 AM '88
Wanda R. C...
REGISTER OF DEEDS

SEP 22 11 25 AM '88

Wanda R. Conway
REGISTER OF DEEDS

DECLARATION OF COVENANTS FOR USE PERIODS

UNIT NO. (3) VILLA MONTE'

THIS DECLARATION is made this 22nd day of September, 1988, by SCHUSS MOUNTAIN GOLF CLUB, INC., a Michigan corporation of 3781 Windy Hill, Bellaire, Michigan, 49615 (hereinafter called "Declarant");

W I T N E S S E T H :

WHEREAS, Declarant is the owner of certain real property described as Unit No. (3), Villa Monte' a condominium according to the Master Deed thereof, recorded in Liber 316, Pages 878 through 921, Antrim County Records, also designated as Antrim County Condominium Subdivision Plan No. (39), 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 four (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 interest 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 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 conveyed or reserved and all parties having or acquiring any right, title, interest or estate herein.

I. DEFINITIONS

(A) "Declarant" shall mean SCHUSS MOUNTAIN GOLF CLUB, 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. (3), Villa Monte' 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 an Owner.

(D) "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.

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

(F) "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.

(G) "Agent" shall mean any Agent appointed by the Owners as hereinafter 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.

(H) "Association" shall mean Villa Monte' Condominium Association of which each Unit owner in Villa Monte' is required to be a member.

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

(J) "Other Terms." Certain other terms herein used from time to time shall have the same meanings ascribed to them in the Condominium Documents for Villa Monte', recorded as aforesaid and as provided 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 to do so.

(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 as 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 to do so or subject the Unit or the Common Furnishings to any fines for the making of improvements, decorations or repairs. No Owner shall create or permit to exist 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, shall be permitted within the Unit at any time.

(4) Number of Persons Limited. No more than eight 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 occupant 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, including costs of alternative accommodations, court costs, reasonable attorneys 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 at the rate of twenty-five (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 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 property 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 Five Hundred (\$500.00) Dollars 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, if any, 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 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 at such meetings 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 to do so.

(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 an 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 provisions 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 cleanup fee; (c) general maintenance expenses; and (d) any portion of the Agent's compensation with respect to any Use Period 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 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 direct. 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 ten (10) days after receipt of a statement therefor, the amount of any 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 liable to any Owner in the absence of bad faith or negligence but shall hold the Owners harmless from and against any and all claims, expenses, 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 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 by Agent.

VI. SEPARATE MORTGAGES

Each Owner shall have the right to mortgage or otherwise encumber his Use Period. No Owner shall attempt to mortgage or otherwise encumber in any manner whatsoever the entire Unit or any part thereof except his Use Period nor shall any Owner have the right or authority to do so. Any mortgage, deed of trust or other encumbrance of any Use Period 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 Use Period 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 Use Period or sale of the Use Period in lieu of partition as between such co-tenants or joint tenants.

VIII. ESTABLISHING OF USE PERIODS

Any Use Period conveyed by Declarant, and any Use Period 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 Use Period 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 this interest in any Use Period 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 Use Period 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 Use Period 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 seven (7%) percent per annum from the due date, or if advanced or incurred by any other Owner or by the Agent and provided herein to be repaid, from ten (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 furnishing of any utilities or other services to such defaulting Owner.

(B) Remedies. The aforesaid 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 provisions hereof shall permit or empower any other Owner to terminate any such provisions or excuse any such breach or failure, and each Owner shall continue to perform and comply with and hold his Use Period 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 the 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 twelve (12) calendar months in the Office of the Antrim County Register of Deeds, which notice of lien described the Use Period 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 use Period 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 Use Period acknowledges that at the time of acquiring title to such Use Period, 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 or the subject Use Period. 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 Owner(s) at his or their last known address, of a written notice that one (1) or more installments of the annual assessment levied against the pertinent Use Period 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, attorneys fees and further assessments); (iv) the legal description of the subject Use Period; 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 proceeds, but it need not have been recorded as of the date of mailing as aforesaid. If the

delinquency is not cured with the ten-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 Use Period.

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 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 Use Period to the extent depleted by reason of the assertion and 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 Use Period subject to this Declaration and also subject to the provisions of a certain Master Deed of Villa Monte' and its exhibits, as amended, affecting Villa Monte', of which Unit is a part.

XIV. TERMINATION

This declaration shall terminate and be of no further force and effect upon the expiration of twenty-eight (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 not 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 Use Period upon ceasing to own any interest therein and paying all sums and performing all obligations hereunder in respect of such Use Period 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.

XVIII. NO WAIVER

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

CLUB, INC., a Michigan corporation, 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.



Notary Public *BLAIN D. RUSSELL*
County: *KALKASKA*
My Commission Expires: *MAR 2, 1992*

Prepared in the Law Office of:

SMITH, JOHNSON, BRANDT & HEINTZ, P.C.
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EXHIBIT "A" TO DECLARATION OF COVENANTS FOR USE PERIODS
FOR VILLA MONTE CONDOMINIUM UNIT NO. 3

USE PERIOD DESIGNATIONS

Use Period No. 1: Undivided Ownership Interest Percentage: 25%

1. Years 1991, 1995, 1999, 2003, 2007, 2011 and 2015: Weeks designated below as Weeks: 1, 5, 9, 13, 17, 21, 25, 29, 33, 37, 41 and 49.
2. Years 1988, 1992, 1996, 2000, 2004, 2008 and 2012: Weeks designated below as Weeks: 4, 8, 12, 16, 20, 24, 28, 32, 36, 40, 44, 48 and 52.
3. Years 1989, 1993, 1997, 2001, 2005, 2009 and 2013: Weeks designated below as Weeks: 3, 7, 11, 15, 19, 23, 27, 31, 35, 39, 43, 47 and 51.
4. Years 1990, 1994, 1998, 2002, 2006, 2010 and 2014: Weeks designated below as Weeks: 2, 6, 10, 14, 18, 22, 26, 30, 34, 38, 42, 46 and 50.

Use Period No. 2: Undivided Ownership Interest Percentage: 25%

1. Years 1991, 1995, 1999, 2003, 2007, 2011 and 2015: Weeks designated below as Weeks: 2, 6, 10, 14, 18, 22, 26, 30, 34, 38, 42, 46 and 50.
2. Years 1988, 1992, 1996, 2000, 2004, 2008 and 2012: Weeks designated below as Weeks: 1, 5, 9, 13, 17, 21, 25, 29, 33, 37, 41 and 49.
3. Years 1989, 1993, 1997, 2001, 2005, 2009 and 2013: Weeks designated below as Weeks: 4, 8, 12, 16, 20, 24, 28, 32, 36, 40, 44, 48 and 52.
4. Years 1990, 1994, 1998, 2002, 2006, 2010 and 2014: Weeks designated below as Weeks: 3, 7, 11, 15, 19, 23, 27, 31, 35, 39, 43, 47 and 51.

Use Period No. 3: Undivided Ownership Interest Percentage: 25%

1. Years 1991, 1995, 1999, 2003, 2007, 2011 and 2015: Weeks designated below as Weeks: 3, 7, 11, 15, 19, 23, 27, 31, 35, 39, 43, 47 and 51.
2. Years 1988, 1992, 1996, 2000, 2004, 2008 and 2012: Weeks designated below as Weeks: 2, 6, 10, 14, 18, 22, 26, 30, 34, 38, 42, 46 and 50.
3. Years 1989, 1993, 1997, 2001, 2005, 2009 and 2013: Weeks designated below as Weeks: 1, 5, 9, 13, 17, 21, 25, 29, 33, 37, 41 and 49.
4. Years 1990, 1994, 1998, 2002, 2006, 2010 and 2014: Weeks designated below as Weeks: 4, 8, 12, 16, 20, 24, 28, 32, 36, 40, 44, 48 and 52.

Use Period No. 4: Undivided Ownership Interest Percentage: 25%

1. Years 1991, 1995, 1999, 2003, 2007, 2011 and 2015: Weeks designated below as Weeks: 4, 8, 12, 16, 20, 24, 28, 32, 36, 40, 44, 48 and 52.
2. Years 1988, 1992, 1996, 2000, 2004, 2008 and 2012: Weeks designated below as Weeks: 3, 7, 11, 15, 19, 23, 27, 31, 35, 39, 43, 47 and 51.
3. Years 1989, 1993, 1997, 2001, 2005, 2009 and 2013: Weeks designated below as Weeks: 2, 6, 10, 14, 18, 22, 26, 30, 34, 38, 42, 46 and 50.
4. Years 1990, 1994, 1998, 2002, 2006, 2010 and 2014: Weeks designated below as Weeks: 1, 5, 9, 13, 17, 21, 25, 29, 33, 37, 41 and 49.

Service Periods : Week 45.

WEEK DESIGNATIONS

<u>Week No.</u>	<u>Week Designation</u>
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
50 ends and terminating the next following Sunday.
- 51 Commencing each year on the Sunday upon which Week
51 ends and terminating the next following Sunday.
- 52 ** Commencing each year on the Sunday upon which Week
51 ends and terminating the next following Sunday.

* 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 (2) weeks in it.