

RECORDED 5th DAY OF Jan.
A.D. 19 90 AT 12:50 O'CLOCK P.M.

LIBER 324 PAGE 154

MASTER DEED

44-51-675-017-00

44-51-675-017-50

Marie Frankovich

STONECLIFFE MANOR IV

REGISTER OF DEEDS

This Master Deed is made and executed on this 12th day of September, 1989, by STONECLIFFE DEVELOPMENT COMPANY, INC., a Michigan Corporation, hereinafter referred to as "Developer", whose address is 101 Stonecliffe Road, Mackinac Island, Michigan 49757 in pursuance of the provisions of the Michigan Condominium Act (being Act 59 of the Public Acts of 1978, as amended), hereinafter referred to as the "Act."

W I T N E S S E T H :

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

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

ARTICLE I

TITLE AND NATURE

The Condominium Project shall be known as STONECLIFFE MANOR IV, Mackinac County Condominium Subdivision Plan No. 15. The architectural plans for all dwellings and other improvements to be constructed within the Project must be approved by the City of Mackinac Island and thereafter will be filed with the City of Mackinac Island. The Condominium Project is established in accordance with the Act. The Units contained in the Condominium, including the number, boundaries, dimensions and area of each Unit therein, are set forth in the Condominium Subdivision Plan attached as Exhibit "B" hereto. Each individual Unit has been created for residential purposes and each Unit is capable of individual utilization on account of having its own access to a Common Element of the Condominium Project. Each Condominium Owner in the Condominium Project shall have an exclusive right to his Unit and shall have undivided and inseparable rights to share with other Co-owners the Common Elements of the Condominium Project as are designated by the Master Deed.

I hereby certify that all taxes are paid for the previous five years to the date of this instrument except any taxes now in the process of collection.

01-05-90 *James E. Hampton*
Date Mackinac County Treasurer

ARTICLE II

DESCRIPTION

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

Together with, as to the Units indicated below, an easement for sewage disposal, subject to the provisions of Articles VI and VII hereof as follows:

Part of Private Claim No. 2, City of Mackinac Island, Mackinac County, Michigan: Commencing at the Northernmost corner of Private Claim No. 2, thence South 33°16'45" West along the

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Northwesterly line of said private claim 394.10 feet to the point of beginning; thence South 79°41'48" East 80.00 feet; thence South 12°35'07" East 156.34 feet; thence South 33°00'00" West 280.00 feet; thence South 30°13'20" East 105.75 feet; thence South 21°14'50" East 354.06 feet; thence South 11°37'00" West 198.48 feet; thence South 0°51'31" East 557.72 feet; thence South 76°53'55" West 29.18 feet; thence South 68°13'15" West 68.72 feet to the Easterly boundary of the recorded plat of WOODBLUFF; thence along said plat the following courses: North 3°04'15" West 177.87 feet; North 10°11'15" West 338.56 feet; North 29°00'15" West 128.02 feet; North 2°12'45" East 284.42 feet; North 24°12'45" East 114.15 feet; North 53°45'00" West 227.87 feet to the Northwesterly line of said private claim, thence North 33°16'45" East 566.44 feet to the point of beginning.

ALSO Part of Private Claim No. 2, City of Mackinac Island, Mackinac County, Michigan: Commencing at the Northernmost corner of Private Claim No. 2; thence South 33°16'45" West along the Northwesterly line of said private claim 554.10 feet; thence South 70°41'48" East 136.93 feet; thence South 33°00'00" West 280.00 feet; thence South 30°13'20" East 105.75 feet; thence South 21°14'50" East 354.06 feet; thence South 11°37'00" West 198.48 feet; thence South 0°51'31" East 557.72 feet to the North line of the drive in STONECLIFFE MANOR II, a recorded condominium; thence North 76°53'55" East along said drive 70.00 feet to the point of beginning; thence North 3°26'55" West 121.80 feet; thence East 40.00 feet; thence South 44°49'19" East 130.51 feet to the North line of said drive; thence South 76°53'55" West 128.00 feet to the point of beginning.

ALSO together with an easement for road, utility and connection purposes described as: Part of Private Claim No. 2, City of Mackinac Island, Mackinac County, Michigan: Commencing at the Northernmost corner of Private Claim No. 2; thence South 33°16'45" West along the Northwesterly line of said private claim 554.10 feet; thence South 70°41'48" East 136.93 feet; thence South 33°00'00" West 280.00 feet; thence South 30°13'20" East 105.75 feet; thence South 21°14'50" East 354.06 feet; thence South 11°37'00" West 198.48 feet; thence South 0°51'31" East 557.72 feet to the North line of the drive in STONECLIFFE MANOR II, a recorded condominium, being the point of beginning; thence North 76°53'55" East along said drive 173.28 feet; thence South 20.53 feet; thence South 76°53'55" West 196.29 feet; thence South 68°13'15" West 73.97 feet; thence North 3°04'15" West 21.12 feet; thence North 68°13'15" East 68.72 feet; thence North 76°53'55" East 29.18 feet to the point of beginning. (Recorded Liber 321, Page 160 Mackinac County Records)

Together with, as to the Units indicated below, an easement for sewage disposal, subject to the provisions of Article VI hereof as follows:

Unit 1 Easement - Part of Private Claim No. 2, City of Mackinac Island, Mackinac County, Michigan: Commencing at the Northernmost corner of Private Claim No. 2; thence South 33°16'45" East along the Northwesterly line of said private claim 394.10 feet; thence South 70°41'48" East 80.00 feet to the point of beginning; thence South 70°41'48" East 100.00 feet; thence South 12°35'07" West 78.17 feet; thence North 70°41'48" West 100.00 feet; thence North 12°35'07" East 78.17 feet to the point of beginning.

Unit 2 Easement - Part of Private Claim No. 2, City of Mackinac Island, Mackinac County, Michigan: Commencing at the Northernmost corner of Private Claim No. 2; thence South 33°16'45" East along the Northwesterly line of said private claim 394.10 feet; thence South 70°41'48" East 80.00 feet; thence South 12°35'07" East 78.17 feet to the point of beginning; thence South 70°41'48" East 100.00 feet; thence South 12°35'07" West 78.17 feet; thence North 70°41'48" West 100.00 feet; thence North 12°35'07" East 78.17 feet to the point of beginning.

Unit 3 Easement - Part of Private Claim No. 2, City of Mackinac Island, Mackinac County, Michigan: Commencing at the Northernmost corner of Private Claim No. 2; thence South 33°16'45" East along the Northwesterly line of said private claim 394.10 feet; thence South 70°41'48" East 80.00 feet; thence South 12°35'07" East 156.34 feet to the point of

beginning; thence South 57° East 20.00 feet; thence South 33° West 80.00 feet; thence North 57° West 20.00 feet; thence North 33° East 80.00 feet to the point of beginning.

Unit 4 Easement - Part of Private Claim No. 2, City of Mackinac Island, Mackinac County, Michigan: Commencing at the Northernmost corner of Private Claim No. 2; thence South $33^{\circ}16'45''$ East along the Northwesternly line of said private claim 394.10 feet; thence South $70^{\circ}41'48''$ East 80.00 feet; thence South $12^{\circ}35'07''$ East 156.34 feet; thence South 33° West 80.00 feet to the point of beginning; thence South 57° East 20.00 feet; thence South 33° West 100.00 feet; thence North 57° West 20.00 feet; thence North 33° East 100.00 feet to the point of beginning.

Unit 5 Easement - Part of Private Claim No. 2, City of Mackinac Island, Mackinac County, Michigan: Commencing at the Northernmost corner of Private Claim No. 2; thence South $33^{\circ}16'45''$ East along the Northwesternly line of said private claim 394.10 feet; thence South $70^{\circ}41'48''$ East 80.00 feet; thence South $12^{\circ}35'07''$ East 156.34 feet; thence South 33° West 180.00 feet to the point of beginning; thence South 57° East 20.00 feet; thence South 33° West 100.00 feet; thence North 57° West 20.00 feet; thence North 33° East 100.00 feet to the point of beginning.

Unit 8 Easement - Part of Private Claim No. 2, City of Mackinac Island, Mackinac County, Michigan: Commencing at the Northernmost corner of Private Claim No. 2; thence South $33^{\circ}16'45''$ East along the Northwesternly line of said private claim 394.10 feet; thence South $70^{\circ}41'48''$ East 80.00 feet; thence South $12^{\circ}35'07''$ East 156.34 feet; thence South 33° West 280.00 feet; thence South $30^{\circ}13'20''$ East 105.75 feet to the point of beginning; thence South $21^{\circ}14'50''$ East 80.00 feet; thence North $68^{\circ}45'10''$ East 51.00 feet; thence North $21^{\circ}14'50''$ West 80.00 feet; thence South $68^{\circ}45'10''$ West 51.00 feet to the point of beginning.

Unit 9 Easement - Part of Private Claim No. 2, City of Mackinac Island, Mackinac County, Michigan: Commencing at the Northernmost corner of Private Claim No. 2; thence South $33^{\circ}16'45''$ East along the Northwesternly line of said private claim 394.10 feet; thence South $70^{\circ}41'48''$ East 80.00 feet; thence South $12^{\circ}35'07''$ East 156.34 feet; thence South 33° West 280.00 feet; thence South $30^{\circ}13'20''$ East 105.75 feet; thence South $21^{\circ}14'50''$ East 80.00 feet to the point of beginning; thence South $21^{\circ}14'50''$ East 81.72 feet; thence North $68^{\circ}45'10''$ East 35.00 feet; thence North $21^{\circ}14'50''$ West 81.72 feet; thence South $68^{\circ}45'10''$ West 35.00 feet to the point of beginning.

Unit 16 Easement - Part of Private Claim No. 2, City of Mackinac Island, Mackinac County, Michigan: Commencing at the Northernmost corner of Private Claim No. 2; thence South $33^{\circ}16'45''$ East along the Northwesternly line of said private claim 394.10 feet; thence South $70^{\circ}41'48''$ East 80.00 feet; thence South $12^{\circ}35'07''$ East 156.34 feet; thence South 33° West 280.00 feet; thence South $30^{\circ}13'20''$ East 105.75 feet; thence South $21^{\circ}14'50''$ East 354.06 feet; thence South $11^{\circ}37'00''$ West 198.48 feet; thence South $0^{\circ}51'31''$ East 15.95 feet to the point of beginning; thence South $0^{\circ}51'31''$ East 65.51 feet; thence North $82^{\circ}00'00''$ East 36.00 feet; thence North $10^{\circ}30'58''$ West 65.06 feet; thence South $82^{\circ}00'00''$ West 25.00 feet to the point of beginning.

Unit 17 Easement - Part of Private Claim No. 2, City of Mackinac Island, Mackinac County, Michigan: Commencing at the Northernmost corner of Private Claim No. 2; thence South $33^{\circ}16'45''$ East along the Northwesternly line of said private claim 394.10 feet; thence South $70^{\circ}41'48''$ East 80.00 feet; thence South $12^{\circ}35'07''$ East 156.34 feet; thence South 33° West 280.00 feet; thence South $30^{\circ}13'20''$ East 105.75 feet; thence South $21^{\circ}14'50''$ East 354.06 feet; thence South $11^{\circ}37'00''$ West 198.48 feet; thence South $0^{\circ}51'31''$ East 81.46 feet to the point of beginning; thence South $0^{\circ}51'31''$ East 65.51 feet; thence North $82^{\circ}00'00''$ East 47.00 feet; thence North $10^{\circ}30'58''$ West 65.06 feet; thence South $82^{\circ}00'00''$ West 36.00 feet to the point of beginning.

Unit 18 Easement - Part of Private Claim No. 2, City of Mackinac Island, Mackinac County, Michigan: Commencing at the Northernmost corner of Private Claim No. 2; thence South

33°16'45" East along the Northwesterly line of said private claim 394.10 feet; thence South 70°41'48" East 80.00 feet; thence South 12°35'07" East 156.34 feet; thence South 33° West 280.00 feet; thence South 30°13'20" East 105.75 feet; thence South 21°14'50" East 354.06 feet; thence South 11°37'00" West 198.48 feet; thence South 0°51'31" East 146.97 feet to the point of beginning; thence South 0°51'31" East 65.51 feet; thence North 82°00'00" East 58.00 feet; thence North 10°30'58" West 65.06 feet; thence South 82°00'00" West 47.00 feet to the point of beginning.

Unit 19 Easement - Part of Private Claim No. 2, City of Mackinac Island, Mackinac County, Michigan: Commencing at the Northernmost corner of Private Claim No. 2; thence South 33°16'45" East along the Northwesterly line of said private claim 394.10 feet; thence South 70°41'48" East 80.00 feet; thence South 12°35'07" East 156.34 feet; thence South 33° West 280.00 feet; thence South 30°13'20" East 105.75 feet; thence South 21°14'50" East 354.06 feet; thence South 11°37'00" West 198.48 feet; thence South 0°51'31" East 212.48 feet to the point of beginning; thence South 0°51'31" East 65.51 feet; thence North 82°00'00" East 69.00 feet; thence North 10°30'58" West 65.06 feet; thence South 82°00'00" West 58.00 feet to the point of beginning.

Unit 20 Easement - Part of Private Claim No. 2, City of Mackinac Island, Mackinac County, Michigan: Commencing at the Northernmost corner of Private Claim No. 2; thence South 33°16'45" East along the Northwesterly line of said private claim 394.10 feet; thence South 70°41'48" East 80.00 feet; thence South 12°35'07" East 156.34 feet; thence South 33° West 280.00 feet; thence South 30°13'20" East 105.75 feet; thence South 21°14'50" East 354.06 feet; thence South 11°37'00" West 198.48 feet; thence South 0°51'31" East 277.99 feet to the point of beginning; thence South 0°51'31" East 65.51 feet; thence North 82°00'00" East 80.00 feet; thence North 10°30'58" West 65.06 feet; thence South 82°00'00" West 69.00 feet to the point of beginning.

Unit 21 Easement - Part of Private Claim No. 2, City of Mackinac Island, Mackinac County, Michigan: Commencing at the Northernmost corner of Private Claim No. 2; thence South 33°16'45" East along the Northwesterly line of said private claim 394.10 feet; thence South 70°41'48" East 80.00 feet; thence South 12°35'07" East 156.34 feet; thence South 33° West 280.00 feet; thence South 30°13'20" East 105.75 feet; thence South 21°14'50" East 354.06 feet; thence South 11°37'00" West 198.48 feet; thence South 0°51'31" East 343.50 feet to the point of beginning; thence South 0°51'31" East 65.51 feet; thence North 82°00'00" East 82.00 feet; thence North 0°51'31" West 65.51 feet; thence South 82°00'00" West 82.00 feet to the point of beginning.

Unit 22 Easement - Part of Private Claim No. 2, City of Mackinac Island, Mackinac County, Michigan: Commencing at the Northernmost corner of Private Claim No. 2; thence South 33°16'45" East along the Northwesterly line of said private claim 394.10 feet; thence South 70°41'48" East 80.00 feet; thence South 12°35'07" East 156.34 feet; thence South 33° West 280.00 feet; thence South 30°13'20" East 105.75 feet; thence South 21°14'50" East 354.06 feet; thence South 11°37'00" West 198.48 feet; thence South 0°51'31" East 409.01 feet to the point of beginning; thence South 0°51'31" East 65.51 feet; thence South 59°05'39" East 79.04 feet; thence North 3°26'55" West 115.00 feet; thence South 82°00'00" West 62.49 feet to the point of beginning.

Unit 23 Easement - Part of Private Claim No. 2, City of Mackinac Island, Mackinac County, Michigan: Commencing at the Northernmost corner of Private Claim No. 2; thence South 33°16'45" East along the Northwesterly line of said private claim 394.10 feet; thence South 70°41'48" East 80.00 feet; thence South 12°35'07" East 156.34 feet; thence South 33° West 280.00 feet; thence South 30°13'20" East 105.75 feet; thence South 21°14'50" East 354.06 feet; thence South 11°37'00" West 198.48 feet; thence South 0°51'31" East 474.52 feet to the point of beginning; thence South 0°51'31" East 83.22 feet; thence North 76°53'55" East 70.00 feet; thence North 3°26'55" West 26.80 feet; thence North 59°05'39" West 79.04 feet to the point of beginning.

Unit 24 Easement - Part of Private Claim No. 2, City of Mackinac Island, Mackinac County, Michigan: Commencing at the Northernmost corner of Private Claim No. 2; thence South 33°16'45" East along the Northwesternly line of said private claim 394.10 feet; thence South 70°41'48" East 80.00 feet; thence South 12°35'07" East 156.34 feet; thence South 33° West 280.00 feet; thence South 30°13'20" East 105.75 feet; thence South 21°14'50" East 354.06 feet; thence South 11°37'00" West 198.48 feet; thence South 0°51'31" East 557.74 feet; thence North 76°53'55" East 70.00 feet; thence North 3°26'55" West 121.80 feet; thence East 40.00 feet to the point of beginning; thence South 44°49'19" East 130.51 feet; thence North 45°10'41" East 20.00 feet; thence North 44°49'19" West 130.51 feet; thence South 45°10'41" West 20.00 feet to the point of beginning.

Subject to all easements and restrictions of record.

ARTICLE III

DEFINITIONS

Certain terms are utilized not only in this Master Deed and Exhibits "A" and "B" hereto, but are or may be used in various other instruments such as, by way of example and not limitation, the Articles of Incorporation and rules and regulations of the Stonecliffe Manor IV Association, a Michigan non-profit corporation, and deeds, mortgages, liens, land contracts, easements and other instruments affecting the establishment of, or transfer of, interests in Stonecliffe Manor IV as a condominium. Wherever used in such documents or any other pertinent instruments, the terms set forth below shall be defined as follows:

Section 1. ACT.

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

Section 2. ASSOCIATION.

"ASSOCIATION" means Stonecliffe Manor IV Association, which is the non-profit corporation organized under Michigan law of which all Co-owners shall be members, which corporation shall administer, operate, manage and maintain the Condominium.

Section 3. BYLAWS.

"BYLAWS" means Exhibit "A" hereto, being the Bylaws setting forth the substantive rights and obligations of the Co-owners and required by Section 3(8) of the Act to be recorded as part of the Master Deed. The Bylaws shall also constitute the corporate bylaws of the Association as provided for under the Michigan Non-profit Corporation Act.

Section 4. COMMON ELEMENTS.

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

Section 5. CONDOMINIUM DOCUMENTS.

"CONDOMINIUM DOCUMENTS" means and includes this Master Deed and Exhibits "A" and "B" hereto, and the Articles of Incorporation, and rules and regulations, if any, of the Association, as all of the same may be amended from time to time.

Section 6. CONDOMINIUM PREMISES.

"CONDOMINIUM PREMISES" means and includes the land described in Article II above, all improvements and structures thereon, and all easements, rights and appurtenances belonging to Stonecliffe Manor IV as described above.

Section 7. CONDOMINIUM PROJECT, CONDOMINIUM OR PROJECT.

"CONDOMINIUM PROJECT", "CONDOMINIUM", or "PROJECT" means Stonecliffe Manor IV as a Condominium Project established in conformity with the provisions of the Act.

Section 8. CONDOMINIUM SUBDIVISION PLAN.

"CONDOMINIUM SUBDIVISION PLAN" means Exhibit "B" hereto.

Section 9. CONSOLIDATING MASTER DEED.

"CONSOLIDATING MASTER DEED" means the final amended Master Deed which shall describe Stonecliffe Manor IV as a completed Condominium Project. Such Consolidating Master Deed, when recorded in the office of the Mackinac County Register of Deeds, shall supersede the previously recorded Master Deed for the Condominium and all amendments thereto.

Section 10. CONSTRUCTION AND SALES PERIOD.

"CONSTRUCTION AND SALES PERIOD", for the purposes of the condominium documents and the rights reserved to Developer thereunder, means the period commencing with the recording of the Master Deed and continuing as long as the Developer owns any Unit which it offers for sale.

Section 11. CO-OWNER.

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

Section 12. DEVELOPER.

"DEVELOPER" means Stonecliffe Development Company, Inc., a Michigan Corporation which has made and executed this Master Deed, and its successors and assigns. Both successors and assigns shall always be deemed to be included within the term "Developer" whenever, however and wherever such terms are used in the Condominium Documents.

Section 13. FIRST ANNUAL MEETING.

"FIRST ANNUAL MEETING" means the initial meeting at which non-developer Co-owners are permitted to vote for the election of all Directors and upon all other matters which properly may be brought before the meeting. Such meeting is to be held (a) in the Developer's sole discretion after fifty (50%) percent of the Units which may be created are sold, or (b) mandatorily within (i) fifty-four (54) months from the date of the first Unit conveyance, or (ii) one hundred twenty (120) days after seventy-five (75%) percent of all Units which may be created are sold, whichever first occurs.

Section 14. TRANSITIONAL CONTROL DATE.

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

Section 15. UNIT OR CONDOMINIUM UNIT.

"UNIT" or "CONDOMINIUM UNIT" each mean a single Unit in Stonecliffe Manor IV, as such space may be described in Article V, Section 1 hereof and on Exhibit "B" hereto, and shall have the same meaning as the term "Condominium Unit" as defined in the Act.

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

ARTICLE IV

COMMON ELEMENTS

The Common Elements of the Project described in Exhibit "B" attached hereto, as may be modified from time to time pursuant to certain other provisions of this Master Deed and the Bylaws attached hereto as Exhibit "A", and the respective

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responsibilities for maintenance, decoration, repair or replacement thereof, are as follows:

Section 1. GENERAL COMMON ELEMENTS.

The General Common Elements are:

A. LAND.

That portion of the land described in Article II hereof and in Exhibit "B" hereto together with beneficial easements described in Article II hereof and including riparian and littoral rights, if any, attributable to such land.

B. IMPROVEMENTS.

All roads, unassigned parking spaces and other surface improvements not identified as Limited Common Elements and not located within the boundaries of a Condominium Unit. Those structures and improvements that now or hereafter are located within the boundaries of a Condominium Unit shall be owned in their entirety by the Co-owner of the Unit in which they are located and shall not, unless otherwise expressly provided in the Condominium Documents, constitute Common Elements.

C. ELECTRICAL.

The electrical transmission system throughout the Project up to, but not including, the electric meter for each residential dwelling that now or hereafter is constructed within the perimeter of a Unit.

D. TELEPHONE.

The telephone system throughout the Project, if any, up to the point of connection with each residential dwelling that now or hereafter is constructed within the perimeter of a Unit.

E. GAS.

The gas distribution system, if any, throughout the Project up to the point where the service is stubbed for connection with each residential dwelling that now or hereafter is constructed within the perimeter of a Unit.

F. WATER.

The water distribution system throughout the Project, if any, up to the point where the service is stubbed for connection with each residential dwelling that now or hereafter is constructed within the perimeter of a Unit.

G. SANITARY SEWER.

The sanitary sewer system throughout the Project, if any, up to the point where the service is stubbed for connection with each residential dwelling that now or hereafter is constructed within the perimeter of a Unit.

H. TELECOMMUNICATIONS.

The telecommunications system, if and when it may be installed, up to, but not including, connections to provide service to each residential dwelling that now or hereafter is constructed within the perimeter of a Unit.

I. OTHER.

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

Some or all of the utility lines, systems (including mains and service leads) and equipment and the telecommunications system described above may be owned by local public authority or by the company that is providing the pertinent service. Accordingly, such utility lines, systems and equipment, and the telecommunications system, shall be General Common Elements only to the extent of the Co-owners interest therein, if any, and Developer

makes no warranty whatever with respect to the nature or extent of such interest, if any.

Section 2. LIMITED COMMON ELEMENTS.

Limited Common Elements shall be subject to the exclusive use and enjoyment of the Co-owner of the Unit or Units to which the Limited Common Elements are appurtenant. The Limited Common Elements are the land so designated in Exhibit "B" to this Master Deed and to the extent any of the following are located outside the boundaries of a Condominium Unit, the individual sewage septic system, if any, garage, driveways, sidewalks, porches, courtyards, patio areas (together with any fences enclosing or partially enclosing any such courtyards or patio areas) and any other improvements constructed by Developer and designated Limited Common Elements pursuant to Article VI and Article VII below. All such Limited Common Elements shall be shown on said amendments to the Condominium Subdivision Plan, as provided in Article VI or Article VII below.

Section 3. RESPONSIBILITIES.

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

A. CO-OWNER RESPONSIBILITIES.

The responsibility for, and the cost of maintenance, decoration, repair and replacement of any and all dwelling unit exteriors, patio areas and courtyards appurtenant to each Unit as Limited Common Elements (but not the unimproved land which unimproved land shall be maintained and decorated by the Association, as hereinafter set forth), shall be borne by the Co-owner of the Unit which is served thereby; provided, however, that the exterior appearance of the dwelling exteriors, patio areas and courtyards, to the extent visible from any General Common Element in the Project, shall be subject at all times to the approval of the Association. In connection with any amendment made by Developer pursuant to Article VI or Article VII hereof, Developer may designate additional Limited Common Elements that are to be maintained, decorated, repaired and replaced at Co-owner expenses.

B. ASSOCIATION RESPONSIBILITIES.

The responsibility for and the cost of maintenance, repair and replacement of the dwelling exteriors, porches, walks and driveways shall be borne by the Co-owners; however, that if a majority of all Co-owners so agree in writing, the costs of maintenance, repair and replacement of all General and Limited Common Elements other than as described above or in Article VI or Article VII hereof shall be borne by the Association, subject to any provision of the Condominium Documents expressly to the contrary.

The respective decoration, maintenance and replacement responsibilities set forth above shall be in addition to all such responsibilities set forth in Article VI hereof or elsewhere in the Condominium Documents.

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

ARTICLE V

UNIT DESCRIPTION AND PERCENTAGE OF VALUE

Section 1. DESCRIPTION OF UNITS.

Each Unit in the Condominium Project is described in this paragraph with reference to the Condominium Subdivision Plan of Stonecliffe Manor IV as surveyed by Nicholas B. DeYoung and attached hereto as Exhibit "B". Each Unit shall consist of the space contained within the Unit boundaries as shown in Exhibit "B" hereto and delineated with heavy outlines and excluding therefrom any land.

Section 2. PERCENTAGE OF VALUE.

The percentage of value assigned to each Unit shall be 4.166 percent except for Unit 6 which shall have a percentage value of 4.182 percent. The determination that percentages of value should be equal was made after reviewing the comparative characteristics of each Unit in the Project which would affect maintenance costs and value and concluding that there are not material differences among the Units insofar as the allocation of percentages of value is concerned. The percentage of value assigned to each Unit shall be determinative of each Co-owner's respective share of the Common Elements of the Condominium Project, the proportionate share of each respective Co-owner in the proceeds and the expenses of the administration and the value of such Co-owner's vote at meetings of the Association. Each Unit shall have a percentage of value of 4.166 percent except for Unit 6 which shall have a percentage value of 4.182 percent and the total value of the project is 100%.

ARTICLE VI**CONVERTIBLE AREA****Section 1. IMPROVEMENTS TO BE SHOWN.**

Not all out buildings, driveways, sidewalks, porches, courtyards, patio areas, fences, septic systems and sewers or other accessory improvements ancillary in nature or use to the residential dwellings to be constructed within the Units may have been shown on the original Condominium Subdivision Plan because it is impossible to identify and locate such accessory improvements until the architectural plans for the dwellings have been completed and the actual location of the various dwellings has been established within the perimeter of each Unit. In the event that neither a municipal or private sewerage system shall exist at the time a Co-owner determines that sewerage service to his Unit is required, Developer, upon the request of a Co-owner shall install at Developer's sole cost and expense, except for tap in fees, if any, either individual septic systems on the Unit, the Limited Common Elements of each Unit, or upon the easements set forth in Article II hereof, individual or multiple use sewage systems then satisfactory to the Michigan Department of Public Health. Further, Developer may install an underground irrigation system, an exterior lighting system, a security system, architectural walls, fences and ornamentation and other similar systems and improvements designed and intended to benefit the entire Project, although Developer shall in no event be obligated to construct any such improvements. Until a decision is made as to the nature and extent of any such common systems and improvements as will or may be installed by Developer, it is impossible to identify and locate them on the Condominium Subdivision Plan. Developer therefore reserves the right to construct, install and locate any or all of the improvements identified above, and to adjust Unit boundaries to conform to actual or proposed construction of improvements including residences upon the Unit, and such other improvements as may be similar thereto in nature, regardless of whether intended to serve one Unit or more than one Unit, anywhere on the General Common Elements or anywhere on that portion of the land designated as a Limited Common Element, as hereinafter provided.

Section 2. DESIGNATION OF CONVERTIBLE AREA.

The land depicted as a General Common Element or as a Limited Common Element on Exhibit "B" hereto has also been designated as a Convertible Area within which, during a period ending July 31, 1993, may be constructed improvements of the type specified in Section 1 of this Article VI. Such improvements, to the extent constructed, may be designated as Limited Common Elements appurtenant to one or more Units or General Common Elements, as determined by Developer in its discretion in light of the nature and intended use of the improvements.

Section 3. COMPATIBILITY OF IMPROVEMENTS.

All improvements constructed within the Convertible Area shall be reasonably compatible with the structures on other portions of the Condominium Project, as determined by Developer in its discretion. No additional Units and no improvements, other than as indicated above, may be created on the Convertible Area.

Section 4. AMENDMENT OF MASTER DEED.

Developer shall be obligated to amend the Condominium Subdivision Plan to show all improvements constructed within the Convertible Area pursuant to this Article VI. In the case of those improvements serving only one (1) residential dwelling, the amendment shall be recorded within one hundred twenty (120) days after completion of construction of such residential dwelling, and in the case of those improvements serving more than one (1) residential dwelling, the amendment shall be recorded within one hundred twenty (120) days after the completion of construction of the dwellings served by the improvement, or completion of construction of the improvement itself, whichever event shall last occur. Such amendments to this Master Deed shall be made from time to time as provided herein and by law, which amendments shall be prepared by and at the discretion of Developer and shall contain such further definitions and redefinitions of General or Limited Common Elements as may be necessary to adequately describe and service the dwellings and Common Elements being added to the Project by such amendments. In connection with any such amendments, Developer shall have the right to change the nature of any Common Element previously included in the Project for any purpose reasonably necessary to achieve the purposes of this Article.

Section 5. SEWER SYSTEMS AND EASEMENTS.

In the event that the appropriate governmental authority shall provide a public system to serve the Unit, each Co-owner shall at its expense install, if required, a septic tank and affluent pump or other system as may be required by the Michigan Department of Health for affluent collection and tie into such system and each Co-owner and the Association shall, be deemed to have released, and reassigned to the Developer, its successors or assigns, all right, title and interest in the premises and Sewer System Easements described in Article II and each Co-owner and the Association hereby empowers the Developer to execute, deliver and record on their and its behalf such instrument or instruments as may be necessary or desirable to effectuate such release and reassignment of such right, title and interest in such Sewer System Easements.

Section 6. CONSENT OF INTERESTED PARTIES.

All of the Co-owners and mortgagees of the Units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendment to this Master Deed as may be made pursuant to this Article VI. All such interested persons irrevocably appoint Developer as agent and attorney for the purpose of execution of such amendment to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendment may be effected without the necessity of rerecording an entire Master Deed or the Exhibits hereto and may incorporate by reference all or any pertinent portions of this Master Deed and Exhibits hereto.

ARTICLE VII**EASEMENTS****Section 1. EASEMENT FOR MAINTENANCE OF ENCROACHMENTS AND UTILITIES.**

In the event any portion of a Unit or Common Element encroaches upon another Unit or Common Element due to shifting, settling, or moving of a building, or due to survey errors, or construction deviations, reciprocal easements shall exist for the maintenance of such encroachment for so long as such encroachment exists, and for maintenance thereof after rebuilding in the event of any destruction. There shall be easements to, through and over those portions of the land, structures, buildings, improvements and walls contained therein for the continuing maintenance and repair of all utilities in the Condominium. One of the purposes of this Section is to clarify the right of the Co-owners to maintain structural elements and fixtures which project into the Common Elements surrounding each Unit notwithstanding their projection beyond the Unit perimeters.

Section 2. EASEMENT FOR MAINTENANCE OF DWELLING EXTERIORS, ETC.

There shall be easements to and in favor of the Association, and its officers, directors, agents and designees, in, on and over all Units and Common Elements in the Project, for access to the Units and exterior of each of the residential dwellings in accordance with the terms hereof. Except as otherwise expressly provided herein, the Association shall be responsible for the routine decoration, maintenance, repair and replacement of that portion of a Unit that consists primarily of grass and that is not enclosed by a fence or is otherwise inaccessible to lawn maintenance equipment. The Co-owners shall be individually responsible for the costs of maintenance, repair and replacement of all individual septic systems, if any, residential dwellings constructed in the Project, all fences enclosing or partially enclosing courtyards and patio areas and windows, window walls, sliding glass doors, and front entry doors in each dwelling unit, regardless of the cause of such maintenance, repair and replacement. Provided, however, should the Co-owner fail to perform such routine decoration, maintenance, repair or replacement as above provided, the Association shall, after written notice to the Co-owner, have the right and obligation to perform such acts and shall assess and charge each such defaulting Co-owner for the costs of such services, which costs if unpaid by the Co-owner shall be a lien in favor of the Association upon the Unit in the same manner as herein elsewhere described for delinquent dues and assessments all as set forth in further detail in Exhibit "A" to his Master Deed. In no event shall the Association be liable for the decoration, maintenance, repair or replacement of any portion of the interior of any such dwelling. There also shall exist easement to and in favor of the Association, and its officers, directors, agents, and designees, in, on and over all Units and Common Elements of the Project for access to, and maintenance of, those Common Elements of the Project or the Unit which the Association may from time to time be responsible except as provided above. The Association shall in no event be obligated to repair any dwelling or other improvement located within or appurtenant to a Unit as a Limited Common Element.

Section 3. GRANT OF EASEMENTS BY ASSOCIATION.

The Association, acting through its lawfully constituted Board of Directors (including any Board of Directors acting prior to the Transitional Control Date) shall be empowered and obligated to grant such easements, licenses, rights of entry and rights of way over, under and across the Condominium Premises for utility purposes, access purposes or other lawful purposes as may be necessary for the benefit of the Condominium subject, however, to the approval of the Developer until July 31, 1993. No easements created under the Condominium Documents may be modified, or obligations with respect thereto varied, without the consent of each person benefited thereby.

Section 4. EASEMENTS FOR MAINTENANCE, REPAIR AND REPLACEMENT.

The Developer and all public or private utilities shall have such easements as may be necessary over the Condominium Premises, including all Units and Common Elements to fulfill any responsibilities of maintenance, repair, decoration or replacement which they or any of them are required or permitted to perform under the Condominium Documents. These easements include, without any implication of limitation, the right of the Association to obtain access during reasonable hours and upon reasonable notice to water meters, sprinkler controls and valves and other Common Elements located within any dwelling on any Unit or its appurtenant Limited Common Element.

Section 5. UTILITY EASEMENT.

Developer also hereby reserves for the benefit of itself, its successors and assigns, and all future owners of any land adjoining the Condominium or any portion or portions thereof, perpetual easements to utilize, tap, tie into, extend and enlarge all utility mains located on the Condominium Premises, including, but not limited to, water, gas, storm and sanitary sewer mains. In the event Developer, its successors or assigns, thus utilizes taps, ties-in, extensions or enlargements, the costs of maintenance, repair and replacement of all utilities shared by the Co-owners and the owner or owners of any land adjoining the Condominium Premises shall be borne by all such persons proportionately based upon the ratio of the number of residential

dwellings located upon the adjoining land to the total number of residential dwellings sharing the utilities.

Developer reserves the right at any time prior to the Transitional Control Date to grant easements for utilities over, under and across the Condominium to appropriate governmental agencies or public utility companies and to transfer title of utilities to state, county or local governments. Any such easement or transfer of title may be conveyed by Developer without the consent of any Co-owner, mortgagee or other person and shall be evidenced by an appropriate amendment to the Master Deed and to Exhibit "B" hereto, recorded in the Mackinac County Records. All of the Co-owners and mortgagees of Units and other persons interested, or to become interested in the Project from time to time, shall be deemed to have irrevocably and unanimously consented to such amendment or amendments of this Master Deed to effectuate the foregoing easement or transfer of title.

Section 6. TELECOMMUNICATIONS AGREEMENTS.

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

ARTICLE VIII

AMENDMENT

This Master Deed and the Condominium Subdivision Plan (Exhibit "B" to said Master Deed) may be amended with the consent of sixty-six and two-thirds (66-2/3%) percent of the Co-owners, except as hereinafter set forth.

Section 1. MODIFICATION OF UNITS OR COMMON ELEMENTS.

Except as provided in Articles VI and VII hereof, no Unit dimension may be modified without the consent of the Co-owner and mortgagee of such Unit nor may the nature or extent of Limited Common Elements or the responsibility for maintenance, repair or replacement thereof be modified without the written consent of the Co-owner of any Unit to which the same are appurtenant and except as otherwise expressly provided above to the contrary.

Section 2. MORTGAGEE CONSENT.

Wherever a proposed amendment would alter or change the rights of mortgagees generally, then such amendment shall require the approval of sixty-six and two-thirds (66-2/3%) percent of all first mortgagees of record allowing one (1) vote for each mortgage held.

Section 3. 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 this Master Deed and the Condominium Documents without approval of any Co-owner or mortgagee for the purposes of correcting survey or other errors and for any other purpose unless the amendment would materially alter or change the rights of a Co-owner or mortgagee, in which event mortgagee consent shall be required as provided in Section 2 of this Article.

Section 4. CHANGE IN PERCENTAGE OF VALUE.

The value of the vote of any Co-owner and the corresponding proportion of common expenses assessed against such Co-owner shall not be modified without the written consent of such Co-owner and his mortgagee, nor shall the percentage of value assigned to any Unit be modified without like consent, except as otherwise provided in this Master Deed or in the Bylaws.

Section 5. TERMINATION, VACATION, REVOCATION OR ABANDONMENT.

The Condominium Project may not be terminated, vacated, revoked or abandoned without the written consent of eighty-five (85%) percent of all Co-owners.

Section 6. DEVELOPER APPROVAL.


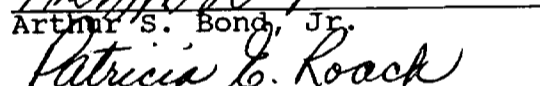
During the Construction and Sales Period, Article VI, Article VII, and this Article VIII shall not be amended nor shall the provisions thereof be modified by any other amendment to this Master Deed without the written consent of the Developer.

ARTICLE IX

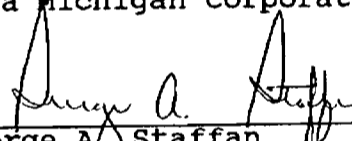
ASSIGNMENT

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

WITNESS:

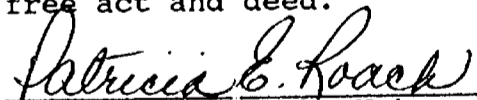

Arthur S. Bond, Jr.

Patricia E. Roach

STONECLIFFE DEVELOPMENT COMPANY,
 INC., a Michigan Corporation

By: 
George A. Staffan
 Its: President

STATE OF MICHIGAN)
 : ss.
 COUNTY OF ANTRIM)

On this 12th day of September, 1989, before me, a Notary Public, in and for said County personally appeared GEORGE A. STAFFAN, President of Stonecliffe Development Company, Inc., a Michigan Corporation, and on behalf of said corporation executed the foregoing Master Deed as its free act and deed.


Patricia E. Roach, Notary Public
 Antrim County, Michigan
 My Commission Expires: 12-11-91

Prepared by:
 Arthur S. Bond, Jr.
 Shanty Creek Properties
 Route 3, Shanty Creek Road
 Bellaire, MI 49615
 (616) 533-8123

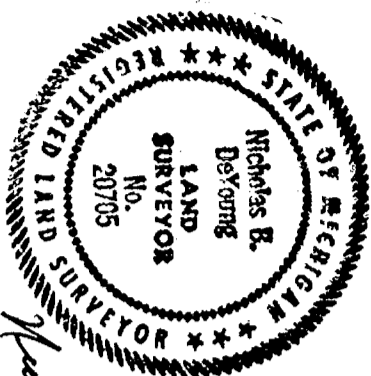
LIBER 324 PAGE 167

DEVELOPER
STONECLIFFE DEVELOPMENT COMPANY, INC.
101 STONECLIFFE ROAD
MACKINAC ISLAND, MICHIGAN 49757

SURVEYOR
NICHOLAS B. DEYOUNG
LICENSED LAND SURVEYOR NO. 20705
1301 S. BRIDGE ST.
CHARLEVOIX, MICHIGAN 49720

SHEET INDEX

1. TITLE PAGE, SURVEYOR'S CERTIFICATE
2. SITE, SURVEY, UNIT, AND UTILITY PLAN
UNITS 1 - 22.
3. LEGEND, TYPICAL SECTION,
ELEVATIONS, AND COORDINATES.



MACKINAC COUNTY CONDOMINIUM
SUBDIVISION PLAN NO. 15

EXHIBIT B TO THE MASTER DEED OF

STONECLIFFE MANOR IV
A CONDOMINIUM
CITY OF MACKINAC ISLAND,
MACKINAC COUNTY, MICHIGAN

STONECLIFFE MANOR IV

Part of Private Claim No. 2, City of Mackinac Island, Mackinac County, Michigan; Commencing at the Northernmost corner of Private Claim No. 2; thence South 33°16'45" West along the Northwestern line of said Private claim 394.10 feet to the point of beginning; thence South 70°41'48" East 80.00 feet; thence South 12°35'07" East 156.34 feet; thence South 33°00'00" West 280.00 feet; thence South 30°13'20" East 105.75 feet; thence South 21°14'50" East 354.06 feet; thence South 11°37'00" West 198.48 feet; thence South 0°51'31" East 557.72 feet; thence South 76°53'55" West 29.18 feet; thence South 68°13'15" West 68.72 feet to the Eastern boundary of the recorded plat of WOODBLUFF; thence along said plat the following courses: North 3°04'15" West 177.87 feet; North 10°11'15" West 338.56 feet; North 29°00'15" West 128.02 feet; North 2°12'45" East 284.42 feet; North 24°12'45" East 114.15 feet; North 53°45'00" West 227.87 feet to the Northwestern line of said private claim; thence North 33°16'45" East 566.44 feet to the point of beginning.

ALSO Part of Private Claim No. 2, City of Mackinac Island, Mackinac County, Michigan; Commencing at the Northernmost corner of Private Claim No. 2; thence South 33°16'45" West along the Northwestern line of said Private claim 554.10 feet; thence South 70°41'48" East 136.93 feet; thence South 33°00'00" West 280.00 feet; thence South 30°13'20" East 105.75 feet; thence South 21°14'50" East 354.06 feet; thence South 11°37'00" West 198.48 feet; thence South 0°51'31" East 557.72 feet to the North line of the drive in STONECLIFFE MANOR II, a recorded condominium; thence North 76°53'55" East along said drive 42.80 feet to the point of beginning; thence North 3°26'55" West 42.80 feet; thence East 40.00 feet; thence South 44°49'57" East 130.51 feet to the North line of said drive; thence South 76°53'55" West 128.00 feet to the point of beginning.

ALSO together with an easement for road and utility purposes described as: Part of Private Claim No. 2, City of Mackinac Island, Mackinac County, Michigan; Commencing at the Northernmost corner of Private Claim No. 2; thence South 33°16'45" West along the Northwestern line of said Private claim 554.10 feet; thence South 70°41'48" East 136.93 feet; thence South 33°00'00" West 280.00 feet; thence South 30°13'20" East 105.75 feet; thence South 21°14'50" East 354.06 feet; thence South 11°37'00" West 198.48 feet; thence South 0°51'31" East 557.72 feet to the North line of the drive in STONECLIFFE MANOR II, a recorded condominium, being the point of beginning; thence North 76°53'55" East along said drive 173.28 feet; thence South 20°53'15" West 73.97 feet; thence North 3°04'15" West 21.12 feet; thence North 68°13'15" East 68.72 feet; thence North 76°53'55" East 29.18 feet to the point of beginning.

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

SURVEYOR'S CERTIFICATE

I, NICHOLAS B. DEYOUNG, LICENSED
LAND SURVEYOR OF THE STATE OF
MICHIGAN, HEREBY CERTIFY:

THAT THE SUBDIVISION PLAN KNOWN
AS MACKINAC COUNTY CONDOMINIUM
AS MACKINAC COUNTY CONDOMINIUM
SUBDIVISION PLAN NO. 15, AS
SHOWN ON THE ACCOMPANYING
DRAWINGS, REPRESENTS A SURVEY
ON THE GROUND MADE UNDER MY
DIRECTION, THAT THERE ARE NO
EXISTING ENCROACHMENTS UPON THE
LANDS AND PROPERTY HEREIN
DESCRIBED.

THAT THE REQUIRED MONUMENTS AND
IRON MARKERS HAVE BEEN LOCATED
IN THE GROUND AS REQUIRED BY
THE RULES PROMULGATED UNDER SECTION
142 OF ACT NUMBER 59 OF THE
PUBLIC ACTS OF 1978.

THAT THE ACCURACY OF THIS
SURVEY IS WITHIN THE LIMITS
REQUIRED BY THE RULES
PROMULGATED UNDER SECTION 142 OF
ACT NUMBER 59 OF THE PUBLIC ACTS
OF 1978.

THAT THE BEARINGS AS SHOWN, ARE
NOTED ON SURVEY PLAN AS
REQUIRED BY THE RULES
PROMULGATED UNDER SECTION 142 OF
ACT NUMBER 59 OF THE PUBLIC ACTS
OF 1978.

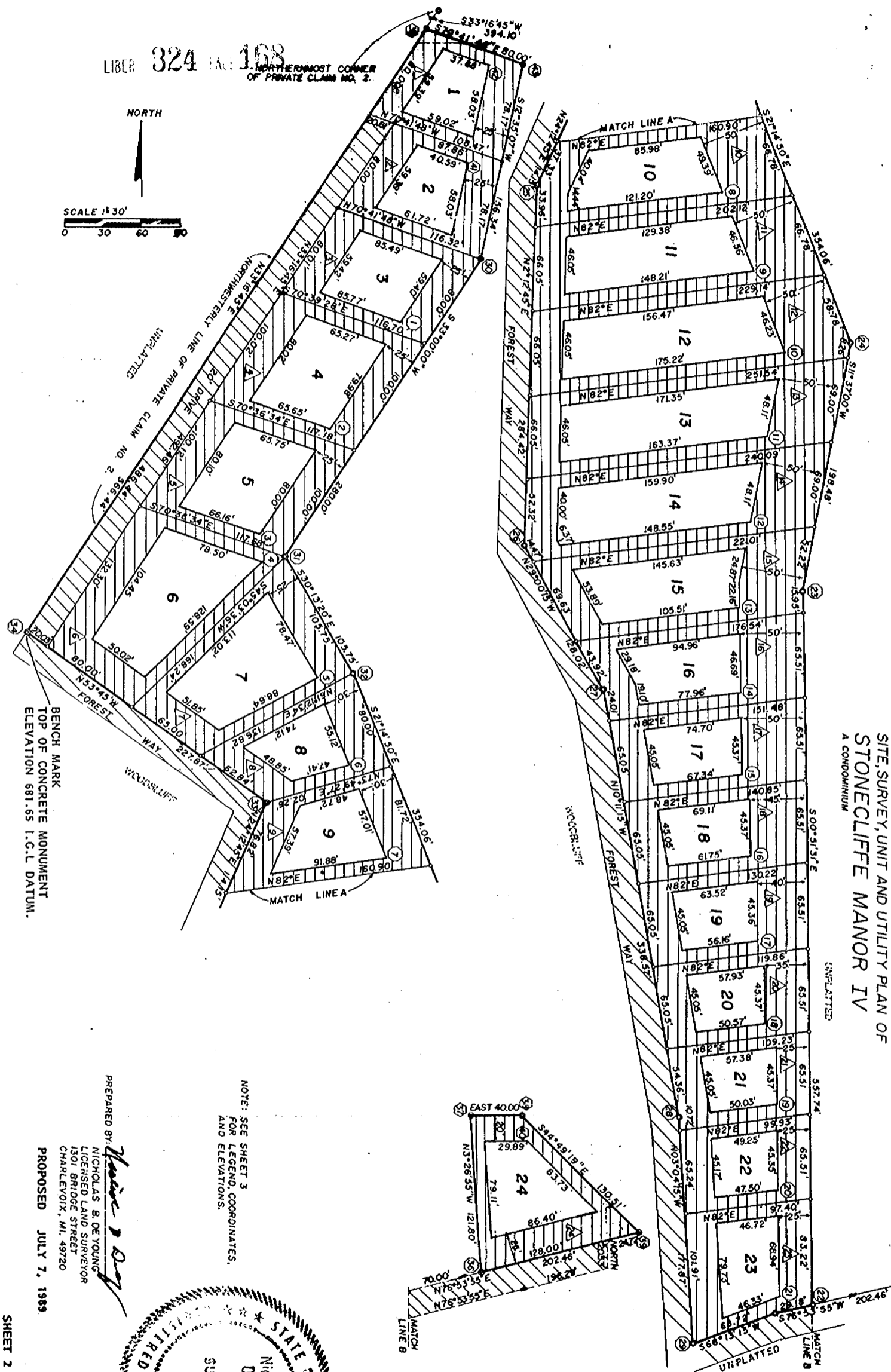
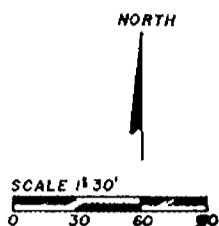
SURVEYOR

NICHOLAS B. DEYOUNG
LICENSED LAND SURVEYOR NO. 20705
1301 S. BRIDGE ST.
CHARLEVOIX, MICHIGAN 49720

PROPOSED JULY 7, 1985

LIBER 324 PAGE 168

NORTHERMOST CORNER
OF PRIVATE CLAIM NO. 2.

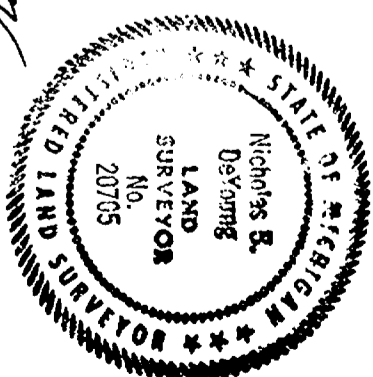


SITE SURVEY, UNIT AND UTILITY PLAN OF
STONECLIFFE MANOR IV
A CONDOMINIUM

BENCH MARK
TOP OF CONCRETE MONUMENT
ELEVATION 681.65 I.C.L. DATUM.

NOTE: SEE SHEET 3
FOR LEGEND, COORDINATES,
AND ELEVATIONS.

PREPARED BY: *Nicholas B. DeYoung*
NICHOLAS B. DE YOUNG
LICENSED LAND SURVEYOR
1301 BRIDGE STREET
CHARLEVOIX, MI. 49720
PROPOSED JULY 7, 1989



LEGEND

☐ = UNIT NUMBER AND LIMITS OF OWNERSHIP

▨ = GENERAL COMMON ELEMENT

▤ = LIMITED COMMON ELEMENT

○ = COORDINATE POINT

◊ = 1/2" X 18" IRON ROD

● = CONCRETE MONUMENT

— = LIMITS OF THE LIMITED COMMON ELEMENT SURROUNDING AND APPURTENANT TO THE UNIT

△ = LIMITED COMMON ELEMENT APPURTENANT TO UNIT

NOTE: ALL GENERAL AND LIMITED COMMON ELEMENT LAND IS ALSO DESIGNATED AS CONVERTIBLE AREA.

BEARINGS ARE IN RELATION WITH THE RECORDED PLAT OF "WOODBUFF", RECORDED IN LIBER 4, PAGE 70.

NOTE: PLANS FOR UTILITY LINES ARE NOT COMPLETE AT THIS TIME, "AS BUILT" PLANS WILL SHOW THEM.

UNIT LINES ARE PARALLEL WITH LIMITED COMMON ELEMENT LINES, UNLESS NOTED OTHERWISE.

UNIT SETBACKS ARE 25 FEET FROM THE ROAD AND 10 FEET SIDELINES UNLESS NOTED OTHERWISE.

COORDINATES ARE IN RELATION WITH STONECLIFFE MANOR, A CONDOMINIUM.

COORDINATE POINTS

No.	NORTH	EAST
1.	2644.17	277.47
2.	2560.32	223.01
3.	2476.45	168.55
4.	2455.13	168.89
5.	2364.50	213.49
6.	2294.31	236.87
7.	2222.46	264.80
8.	2157.36	268.66
9.	2095.13	292.86
10.	2032.89	317.06
11.	1965.24	302.77
12.	1897.65	288.87
13.	1830.76	280.01
14.	1765.12	279.95
15.	1699.62	280.93
16.	1634.82	286.91
17.	1570.02	292.88
18.	1505.22	298.85
19.	1441.12	309.81
20.	1375.62	310.79
21.	1286.61	312.13
22.	1285.84	337.14
23.	1843.50	328.78
24.	2037.91	368.75
25.	2160.74	124.40
26.	1876.53	113.42
27.	1764.57	175.50
28.	1431.35	235.38
29.	1253.73	244.91
30.	2694.11	339.71
31.	2459.29	187.21
32.	2367.90	240.44
33.	2264.85	171.22
34.	2399.59	-12.55
35.	2873.14	298.27
36.	1317.57	473.50
37.	1439.16	466.17
38.	1439.16	506.17
39.	1346.69	598.16
40.	1424.16	506.98
41.	2768.90	330.79
42.	2845.19	347.82
43.	2846.69	373.77

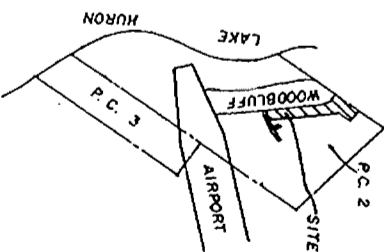
UNIT NO.

LOWEST EARTH SURFACE GRADE ELEVATION

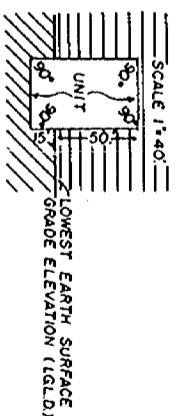
1.	690.00
2.	688.00
3.	685.00
4.	682.00
5.	688.00
6.	700.00
7.	702.00
8.	704.00
9.	702.00
10.	701.00
11.	702.00
12.	704.00
13.	706.00
14.	708.00
15.	710.00
16.	711.50
17.	711.80
18.	712.00
19.	714.00
20.	715.00
21.	716.00
22.	716.00
23.	717.00
24.	717.50

LEGEND, TYPICAL SECTION, ELEVATIONS, AND COORDINATES OF STONECLIFFE MANOR IV A CONDOMINIUM

LOCATION MAP



UNIT TYPICAL SECTION



PREPARED BY:

Nicholas B. DeYoung
NICHOLAS B. DE YOUNG
LICENSED LAND SURVEYOR
1301 BRIDGE STREET
CHARLEVOIX, MI. 49720

PROPOSED JULY 7, 1989

BYLAWS
STONECLIFFE MANOR IV

ARTICLE I

ASSOCIATION OF CO-OWNERS

STONECLIFFE MANOR IV, a residential site Condominium Project located in the City of Mackinac Island, Mackinac County Michigan, shall be administered by an Association of Co-owners which shall be a non-profit corporation, hereinafter called the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project in accordance with the Condominium Documents and the laws of the State of Michigan. These Bylaws shall constitute both the Bylaws referred to in the Master Deed and required by Section 3(8) of the Act and the Bylaws provided for under the Michigan Non-Profit Corporation Act. Each Co-owner shall be entitled to membership and no other person or entity shall be entitled to membership. The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Unit. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium Project available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Condominium Project. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

ARTICLE II

ASSESSMENTS

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

Section 1. Assessments for Common Elements.

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

Section 2. Determination of Assessments.

Assessments shall be determined in accordance with the following provisions:

A. Budget.

The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis shall be established in the budget and must be funded by regular payments as set forth in Section 3 below rather than by special assessments. At a minimum, the reserve fund shall be equal to ten (10%) percent of the Association's current annual

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budget. Since the minimum standard required by this subparagraph may prove to be inadequate for this particular Project, the Association should carefully analyze the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes from time to time. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-owner and the assessment for said year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Co-owner shall not affect or in any way diminish the liability of any Co-owner for any existing or future assessments. Should the Board of Directors at any time determine, in its sole discretion, that the assessments levied are or may prove to be insufficient: (1) to pay the costs of operation and management of the Condominium, (2) to provide replacements of existing Common Elements, (3) to provide additions to the Common Elements not exceeding three thousand five hundred (\$3,500) dollars annually for the entire Condominium Project, or (4) to pay the costs of any emergency, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The Board of Directors also shall have the authority, without Co-owner consent, to levy assessments pursuant to the provisions of Article V, Section 4 hereof. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or the members thereof.

B. Special Assessments.

Special assessments, in addition to those provided for in subparagraph A above, may be made by the Board of Directors from time to time and approved by the Co-owners as hereinafter provided to meet other needs or requirements of the Association, including, but not limited to: (1) assessments for additions to the Common Elements of a cost exceeding three thousand five hundred (\$3,500) dollars for the entire Condominium Project per year; (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 5 hereof; (3) assessments to purchase a Unit for the use as a resident manager's Unit; (4) assessments for a tap in fee to a municipal sewage system if such system is in the future provided by governmental authority or agency; or (5) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subparagraph B (but not including those assessments referred to in this subparagraph A above, which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than sixty (60%) percent of all Co-owners. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or the members thereof. Additionally, the Association may make special assessments against any one or more Co-owners to enforce those provisions set forth in Article VI, Paragraph 2 of the Master Deed without reference to the Co-owners for approval.

C. Special Assessments for Outside Maintenance.

In addition to the above, the Association may assess individual Co-owners for outside maintenance costs of dwellings and other structures placed upon the Units if: (1) the co-owner fails to maintain the outside of such structures, (2) the Association has given written notice to the co-owner of its failure to maintain, (3) a period of thirty (30) days has elapsed from the date of such notice without remedy to such failure to maintain, and (4) the Association has expended funds for such maintenance. The amount of such assessment shall be the cost incurred by the Association in performing such maintenance plus fifteen (15%) percent of such cost.

Section 3. Apportionment of Assessments and Penalty for Default.

Unless otherwise provided for in the Master Deed, all assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in accordance

with the percentage of value allocated to each Unit in Article V of the Master Deed, without increase or decrease for the existence of any limitation to use the Limited Common Elements appurtenant to a Unit. Annual assessments as determined in accordance with Article II, Section 2, A, above shall be payable by Co-owners in one (1) annual monthly payment and payable January 1st of each year and pro-rated to the date of acceptance of a deed to or a land contract vendee's interest in a Unit. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date of each payment.

Each installment in default for ten (10) or more days shall bear interest from the initial due date thereof at the rate of seven (7%) percent per annum until each installment is paid in full. The Association may, pursuant to Article XIX, Section 4 hereof, levy fines for the late payment in addition to such interest. Each Co-owner (whether one or more Co-owners) shall be, and remain, personally liable for the payment of all assessments (including fines for late payment and costs of collection and enforcement of payment) pertinent to his Unit which may be levied while the Co-owner is the owner thereof, except a land contract purchaser from any Co-owner including Developer shall be so liable for all such assessments levied up to and including the date upon which such land contract seller actually takes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit. Payments on account or installments of assessments in default shall be applied as follows: first to costs of collection and enforcement of payment, including reasonable attorney's fees; second, to any interest charges and fines for late payment on each installment; and third, to installments in default in order of their due dates.

Section 4. Waiver of Use or Abandonment of Unit.

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

Section 5. Enforcement.

A. Remedies.

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

B. Foreclosure Proceedings.

Each Co-owners, and every other person who from time to time has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the

rights and obligations of the parties to such actions. Further, each Co-owner and every other person who from time to time has any interest in the Project shall be deemed to have authorized and empowered the Association to sell, or to cause to be sold, the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner of a Unit in the Project acknowledges that at the time of acquiring title to such Unit he was notified of the provisions of this subparagraph and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and hearing on the same prior to the sale of the subject Unit.

C. Notice of Action.

Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his or their last known address, a written notice that one (1) or more installments of the annual assessment levied against the pertinent Unit is, or are, delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth: (1) the affiant's capacity to make the affidavit, (2) the statutory and other authority for the lien, (3) the amount outstanding exclusive of interest, costs, attorneys' fees and future assessment(s), (4) the legal description of the subject Unit(s), and (5) the name(s) of the Co-owner(s) of record. Such affidavit shall be recorded in the office of the Register of Deeds in the county in which the project is located prior to commencement of any foreclosure preceding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the delinquent Co-owner and shall inform him that he may request a judicial hearing by bringing suit against the Association.

D. Expenses of Collection.

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

Section 6. Liability of Mortgagee.

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

Section 7. Developer's Responsibility for Assessments.

The Developer of the Condominium, although a member of the Association, shall not be responsible at any time for payment of the monthly Association assessments. Developer, however, shall at all times pay all expenses of maintaining the Units that it owns, including the dwellings and other improvements located thereon, together with a proportionate share of all current expenses of administration actually incurred by the Association from time to time, except expenses related to maintenance and use of the Units

in the Project and of the dwellings and other improvements constructed within, or appurtenant to, the Units that are not owned by Developer. For purposes of the foregoing sentence, the Developer at the time the expense is incurred shall pay an amount in that proportion as the total number of units then owned by the Developer bears to the total number of Units then in the project. In no event shall Developer be responsible for payment of any assessments for deferred maintenance, reserves for replacement, for capital improvements or other special assessments, except with respect to Units owned by it on which a completed residential dwelling is located. A "completed residential dwelling" shall mean a dwelling with respect to which a certificate of occupancy has been issued by the appropriate governmental authority.

Section 8. Property Taxes and Special Assessments.

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

Section 9. Personal Property Tax Assessment of Association Property.

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

Section 10. Mechanic's Lien.

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

Section 11. Statement as to Unpaid Assessments.

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

ARTICLE III

ARBITRATION

Section 1. Scope and Election.

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

Section 2. Judicial Relief. 324 and 175

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

Section 3. Election of Remedies.

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

ARTICLE IV

INSURANCE

Section 1. Extent of Coverage.

The Association shall, to the extent appropriate given the nature of the Common Elements of the Project, carry fire and extended coverage, vandalism and malicious mischief, liability insurance, and workman's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the General Common Elements of the Condominium Project and such insurance shall be carried and administered in accordance with the following provisions:

A. Responsibilities of Association.

All such insurance shall be purchased by the Association for the benefit of the Association, and the Co-owners and their mortgagees, as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-owner.

B. Insurance of Common Elements.

All General Common Elements of the Condominium Project shall be insured against fire and other perils covered by a standard extended coverage endorsement, if appropriate, in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association.

C. Premium Expenses.

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

D. Proceeds of Insurance Policies.

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

Section 2. Authority of Association to Settle Insurance Claims.

Each Co-owner, by ownership of a Unit in the Condominium Project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the Condominium Project and the General Common Elements thereof and such insurer as may, from time to time, provide such insurance for the Condominium Project. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same

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to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

Section 3. Responsibilities of Co-owners.

Each Co-owner shall be responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to his residential dwelling and all other improvements constructed or to be constructed within the perimeter of his condominium unit, together with all Limited Common Elements appurtenant to his Unit, whether located within or outside the perimeter of his Unit, and for his personal property located therein or elsewhere on the Condominium Project. All such insurance shall be carried by each Co-owner in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs. In the event of the failure of a Co-owner to obtain such insurance, the Association may obtain such insurance of behalf of such Co-owner and the premiums therefor shall constitute a lien against the Co-owner's Unit which may be collected from the Co-owner and Co-owner also shall be obligated to obtain insurance coverage for his personal liability for occurrences within the perimeter of his Condominium Unit or within the residential dwelling located thereon and on the Limited Common Elements of his Condominium Unit or within the residential dwelling located thereon and on the Limited Common Elements appurtenant thereto (regardless of where located), and also for alternative living expense in the event of fire. The Association shall under no circumstances have any obligation to obtain any of the insurance coverage described in this Section 3 or any liability to any person for failure to do so.

Section 4. Waiver of Right of Subrogation.

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

ARTICLE V

RECONSTRUCTION OR REPAIR

Section 1. Determination to Reconstruct or Repair.

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

A. Partial Damage.

If the damaged property is a Common Element or the dwelling constructed within the perimeter of a Unit, the property shall be rebuilt or repaired if any Unit in the Condominium is tenantable, unless it is determined by a unanimous vote of all of the Co-owners in the Condominium that the Condominium shall be terminated.

B. Total Destruction.

If the Condominium is so damaged that no Unit is tenantable, the damaged property shall not be rebuilt unless eighty (80%) or more of the Co-owners agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

Section 2. Repair in Accordance with Plans and Specifications.

Any such reconstruction or repair shall be substantially in accordance with the Master Deed and the plans and specifications on file with the appropriate governmental authority for each dwelling in the Project to a condition as comparable as possible to the condition existing prior to damage unless the Co-owners shall unanimously decide otherwise.

Section 3. Co-owner Responsibility for Repair.**A. Definition of Co-owner Responsibility.**

If the damage is only to the dwelling or other improvement constructed within the perimeter of a Unit, or to a Limited Common Element appurtenant thereto which is the responsibility of a Co-owner to maintain and repair, it shall be the responsibility of the Co-owner to repair such damage. In all other cases, the responsibility for reconstruction and repair shall be that of the Association.

B. Damage to Interior of Dwelling.

Each Co-owner shall be responsible for the reconstruction, repair, and maintenance of the interior of the dwelling constructed within the perimeter of his Unit, including, but not limited to floor coverings, wall coverings, window shades, draperies, interior walls, interior trim, furniture, light fixtures and all appliances, whether free standing or built in. In the event of substantial damage to, or destruction of, any Unit or any improvements located thereon or any part of the Common Elements, the Association shall promptly so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

Section 4. Association Responsibility for Repair.

Except as otherwise provided in Section 3 above of the Master Deed, the Association shall be responsible for the reconstruction, repair and maintenance of Common Elements. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable detailed estimates of the cost to replace the damaged property in a condition as good as that existing prior to the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are not sufficient, assessment shall be made against all Co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost repair.

Section 5. Timely Reconstruction and Repair.

If damage to Common Elements or the dwelling or improvements constructed within the perimeter of a Unit adversely affects the appearance of the Unit, the Association or Co-owner responsible for the reconstruction, repair and maintenance thereof shall proceed with replacement of the damaged property without delay, and shall complete such replacement or repair six (6) months after the date of the occurrence which caused damage to the property.

Section 6. Eminent Domain.

Section 133 of the Act and the following provisions shall control upon taking by eminent domain:

A. Taking of Unit.

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

B. Taking of Common Elements.

If there is any taking of any portion of the Condominium other than any Unit, the condemnation proceeds relative to such taking shall be paid to the Co-owners and their mortgagees in proportion to their respective interests in the Common Elements and the affirmative vote of more than fifty (50%) of

the Co-owners shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

C. Continuation of Condominium After Taking.

In the event the Condominium Project continues after taking by eminent domain, then the remaining portion of the Condominium Project shall be resurveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Article V of the Master Deed shall also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-owners based upon the continuing value of the Condominium of one hundred (100%) percent. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Co-owner or other person having any interest whatever in the Project, as mortgagee or otherwise.

D. Notification of Mortgagees.

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

Section 7. Notification of FHLMC.

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

Section 8. Priority of Mortgage Interests.

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

ARTICLE VI

RESTRICTIONS

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

Section 1. Residential Use.

No Unit in the Condominium shall be used for other than single-family residence purposes and the Common Elements shall be used only for purposes consistent with the use of single-family residences.

Section 2. Leasing and Rental.

A. Right to Lease.

A Co-owner may lease his unit for the same purposes set forth in Section 1, of this Article VI provided that written disclosure of such lease transaction is submitted to the Board of Directors of the Association in the manner specified in subsection B below. With the exception of a lender in possession of a unit following default of a first mortgage, foreclosure or deed or other arrangement in lieu of foreclosure, no Co-owner shall lease less than an entire Unit in the Condominium unless specifically approved in writing by the Association. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be

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deemed to incorporate all of the provisions of the Condominium Documents.

B. Leasing Procedures.

The leasing of Units in the project shall conform to the following provisions:

- 1) The term of the lease shall be a minimum of one (1) week.
- 2) A Co-owner, including the Developer, desiring to rent or lease a Unit, shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form to a potential lessee of the Unit and, at the same time shall supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents. If Developer desires to rent Units before the Transitional Control Date, it shall notify either the Advisory Committee or each Co-owner in writing.
- 3) Tenants or nonco-owner occupants shall comply with all of the conditions of the Condominium Documents of the Condominium Project and all leases and rental agreements shall so state.
- 4) If the Association determines that the tenant or nonco-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:
 - a) The Association shall notify the Co-owner by certified mail advising of the alleged violation by the tenant.
 - b) The Co-owner shall have fifteen (15) days after receipt of such notice to investigate and correct the alleged breach by tenant or advise the Association that a violation has not occurred.
 - c) If after fifteen (15) days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the Co-owners on behalf of the Association, if it is under the control of the Developer, an action for eviction against the tenant or nonco-owner occupant and simultaneously for money damages in the same action against the Co-owner and tenant or nonco-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this subparagraph may be summary proceeding. The Association may hold both the tenant and the Co-owner liable for any damages to the Common Elements caused by the Co-owner or tenant in connection with the Unit or Condominium Project.
- 5) When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-owner's Unit under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not constitute a breach of the rental agreement or lease by the tenant.

Section 3. Architectural Control.

The Developer of the Project intends that there shall be a residential dwelling and certain other improvements within the boundaries of each of the Condominium Units in the Project in conjunction with the sale of such Units to individual Co-owners, however, only, except as provided in Paragraph B of this Section 3, in the specific area set forth in Exhibit "B" to the Master Deed as originally recorded. If the Unit dimensions are expanded pursuant to the provisions of Article VI of the Master Deed, the site upon which improvements, other than septic systems, may be constructed shall nonetheless remain limited to the Unit dimensions as set forth in Exhibit "B" to the Master Deed as originally recorded. All preliminary plans and working drawings shall:

- A. Be prepared by a registered architect or other person satisfactory to the Developer; and
- B. Require the approval of the Developer and or the Association as hereinafter set forth prior to the time of the commencement of any construction within the boundaries of the Condominium Unit or Units or upon any of the Common Elements of the Condominium Project. Then with prior written consent by the Developer, a Co-owner may engage the services of a licensed builder to construct improvements (including the residential dwelling) within the boundaries of a Unit or to the extent approved by the Developer and/or the Association on the Limited Common Elements appurtenant to a Condominium Unit. In such event, Developer shall be entitled to require that such builder or Co-owner furnish to the Association adequate security, in Developer's discretion, to protect the Association against costs and expenses which it might incur in connection with the failure to complete construction in a timely and diligent manner in accordance with the approved plans and specifications for the dwelling and its appurtenances and in this respect construction shall be completed within six (6) months of the start of construction unless waived in writing by the Developer or Association. No one other than the Developer shall be entitled to alter the nature or appearance of any improvements constructed within the boundaries of a Condominium Unit or the Limited Common Elements appurtenant thereto without the prior written consent of the Board of Directors of the Association, which consent may be withheld by the Board in its absolute discretion. Developer's prior written approval of proposed plans is required for any residential construction, additional buildings or structures, roads, sidewalks or other improvements to be built or erected on the Premises and any changes to existing buildings or structures prior to the construction or erection thereof; however, such approval shall not be unreasonably withheld. Any such plans for construction or alteration referred to above shall include a plan for restoration of the premises after construction or alteration to a condition satisfactory to the Association and/or the Developer, as the case may be. Construction of any dwelling must also receive any necessary approvals from the local public authority. Developer shall have the right to refuse to approve any such plan or specifications, or grading or landscaping plans which are not suitable or desirable in its opinion for aesthetic or other reasons; and in passing upon such plans and specifications it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is proposed to construct the same, and the degree of harmony thereof with the Condominium as a whole and the area of future development described in the Master Deed. Developer may also, in its discretion, require as a condition of approval of any plans, an agreement for special assessment of increased maintenance charges from any Co-owner whose proposed dwelling and appurtenances and related improvements will cause the Association abnormal expenses in carrying out its responsibilities with respect thereto under the Master Deed. The purpose of this Section is to assure the continued maintenance of the Condominium as a beautiful and harmonious residential development, and shall be binding upon both the Association and upon all Co-owners. Further, the restrictions hereby placed upon the Premises shall not be construed or deemed to create negative reciprocal covenants, easements or any restrictions upon the use of the area of future development described in the Master Deed or any portion thereof unless, until and only to the extent such land is included in this Project by Master Deed amendment. Developer's rights under this Article VI, Section 3 may in Developer's discretion be assigned to the Association or other successor to Developer. Developer may construct any improvements upon the Condominium Premises that it may, in its sole discretion, elect to make without the necessity or prior consent from the Association or any other person or entity, subject only to the express limitations contained in the Condominium Documents. In this respect:
- 1) No building, fence, wall, deck, swimming pool, out building or other structure, landscaping or exterior improvement shall be commenced, erected or maintained on any Unit nor shall any exterior addition to or change or alteration therein or change in the exterior appearance

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thereof or change in landscaping be made until the plans and specifications showing the kind, size, shape, height, colors, materials, topography and location of the same on the Unit shall have been submitted to and approved in writing by the Board of Directors of the Association (the "BOARD");

- 2) Plans and specifications for final approval by the BOARD shall include the following:
 - a. Complete plans and specifications sufficient to secure a building permit from the City of Mackinac Island including a dimensioned plot plan showing the Unit and placement of residence, out-building and fences, if any, and all other improvements and an engineered plan showing storm water run off,
 - b. Front elevation, side elevation and rear elevation of the building, plus elevations of any walls and fences,
 - c. A perspective drawing, if deemed necessary by the BOARD, to interpret adequately the exterior design,
 - d. Data as to size, materials, colors and texture of all exteriors, including roof coverings and any fences and walls,
 - e. One (1) set of blueprints to be left with the BOARD permanently,
 - f. One (1) set of blueprints showing individual septic systems if such septic system is to be utilized by the Co-owner. The cost of installation of such system shall be borne by the Developer,
 - g. Any other data, drawings or materials which the Committee requests in order to fulfill its function;
- 3) Preliminary plans shall first be submitted to the BOARD for preliminary approval;
- 4) The BOARD may disapprove plans because of noncompliance with any of the restrictions herein contained, or because of dissatisfaction with the grading and drainage plan, the location of the structure on the Unit, the materials used, the color scheme, the finish, design, proportion, shape, height, style or appropriateness of the proposed improvement or alteration or because of any matter or thing which in the judgment of the BOARD would render the proposed improvement or alteration or because of any matter or thing which in the judgment of the BOARD would render the proposed improvement or alteration inharmonious or out of keeping with the objectives of the BOARD or with improvements erected or to be erected on other Units in the Condominium, including purely aesthetic conditions;
- 5) In the event the BOARD fails to approve or disapprove plans within forty-five (45) days after proper submission, then such approval will not be required but all other limitations, conditions and restrictions set forth herein shall apply and remain in force as to such plans;
- 6) BOARD approval shall be deemed given if the plans and specifications submitted for approval are marked or stamped as having been finally approved by the BOARD and are dated;
- 7) All Units shall be used for single family residence purposes only and no building of any kind whatsoever shall be erected, re-erected, moved or maintained thereon except one single family dwelling house and appurtenant structures on each Unit or the Limited Common Elements thereof as hereinafter provided. Each house shall be designed and erected for occupation by a single private family. A private out building for the sole use of the occupants of the Unit upon which the out building is erected may also be erected and maintained as herein provided;
- 8) No dwelling shall be permitted on any Lot unless, in the case of one-story building, the living area thereof shall

be no less than nine hundred (900) square feet; in the case of a two-story building, the living area thereof shall be not less than twelve hundred (1200) square feet; and in the case of a quad or tri-level building, the living area thereof shall be not less than fifteen hundred (1500) square feet. All computations of square footage for determination of the permissibility of erection of residences under this section shall be exclusive of basements, attics, out buildings, porches or similar areas which are not normally classified as living areas. All out buildings must be attached or architecturally related to the dwelling. The BOARD may grant such exceptions to this restriction as it deems suitable;

- 9) Each Co-owner shall keep all improvements on his Unit in good conditions and in good repair at all times;
- 10) No fence, wall, hedge, or shrub planting which obstructs sight lines at elevations between three (3) and six (6) feet above the roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the lot lines and a line connecting them at points twenty-five (25) feet from the intersection of the lot lines, or in the case of a rounded property corner, from the intersection of the lot lines as though extended. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of the sight lines;
- 11) Easements are provided for as follows:
 - a. Easements for the installation, maintenance, repair, replacement, modification and/or removal of utilities, underground television cable, sanitary and storm sewer lines, water mains, drainage lines, surface drainage swales and any other improvements which would serve the Condominiums, the Association and the Developer are reserved to the Developer, its successors and assigns, as shown on the Condominium Subdivision Plan which is Exhibit "B" to the Master Deed of the Condominium and also in, on, under and over a strip of land ten (10') feet in width on each side of and along the line of each Unit. The use of all or part of such easements may at any time or times hereafter be granted or assigned by the Developer, its successors or assigns, to any person, firm, corporation, governmental unit or agency which furnishes such services or utilities. No building may be constructed or maintained over or on any easements; provided however that after the aforementioned utilities have been installed, planting, fencing (where permitted), or other Unit line improvements shall be allowed, so long as they do not violate the provisions of this Article and do not interfere with, obstruct, hinder or impair the drainage plan of the Condominium and so long as access be granted without charge or liability for damages, for the installation, maintenance, repair, replacement, modification and/or removal of the utilities, drainage lines and/or additional facilities,
 - b. Private easements for public utilities are granted and reserved as shown on the Subdivision Plan of the Condominium;
- 12) Trailers, shacks, barns, or any temporary buildings of any description whatsoever are expressly prohibited and no temporary occupancy shall be permitted in unfinished residential buildings. Tents for entertainment or recreational purposes are permitted for periods not to exceed forty-eight (48) hours. The erection of a temporary storage building by a builder or his subcontractors for materials and supplies to be used in the construction of a dwelling is permitted during the period when new houses are under construction in the Subdivision by the builder;

- 13) The following general conditions shall be in effect:
- a. No unit shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste, and the same shall not be kept except in sanitary containers properly concealed from public view and/or provided by the Association,
 - b. No laundry shall be hung for drying in such a way as to be visible from the street on which the dwelling fronts and/or sides,
 - c. The grade of any lot in the subdivision may not be changed without the written consent of the BOARD,
 - d. Except as may otherwise be permitted in writing by the BOARD, no swimming pool may be built which is higher than one (1) foot above the final lot grade. No swimming pool may be built unless some portion of the pool is within twenty (20') feet of the residence. All swimming pools must be constructed so that they drain in a manner approved by the BOARD,
 - e. No radio, television, or other communication antennas of any type will be installed on or outside of any residence unless specifically approved by the BOARD in writing. Antennas may be installed or placed in the interior of any residence,
 - f. No exterior lighting shall be installed so as to disturb the occupants of neighboring Units or impair the vision of traffic on any street,
 - g. All utility lines including electric, gas, telephone and cable television must be installed underground;
- 14) The visible exterior walls of any dwelling structures shall be made of wood. The BOARD may grant such exceptions to this restriction as it deems suitable. Windows and doors made of unpainted aluminum or non-factory painted aluminum are prohibited. It is the intention of this paragraph that dwelling structures be Victorian in architectural style;
- 15) No fence, wall or solid hedge may be erected, grown or maintained in front of or along the front building line of any Unit; provided however, that low ornamental fencing or planting along the front Unit line in architectural harmony with the design of the house, may be erected with approval of the Board. No fence or wall may be erected or maintained on or along the sides lines of any Unit and/or on or along the rear line of any Unit except fences which are required by law to enclose swimming pools and fences which are an integral part of a deck or patio design shall be permitted. All fences must be constructed of pressure treated wood or the materials 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, any area occupied by a structure is excluded;
- 16) 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;
- 17) 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 BOARD. 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.

Except as provided in Article VI, Section 3 above with respect to the Developer, no Co-owner shall make changes in any of the Common Elements, Limited or General, without the express written approval of the Board of Directors.

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 the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved. Activities which are deemed offensive and are expressly prohibited include, but are not limited to, any activity involving the use of firearms, air rifles, pellet guns, B-B guns, bows and arrows, or other similar dangerous weapons, projectiles or devices.

Section 6. Pets.

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

Section 7. Aesthetics.

The Common Elements, Limited or General, shall not be used for storage of supplies, materials, personal property, trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. Garage doors, if any, 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 any way for the drying, shaking or airing of clothing or other fabrics. In general, no activity shall be carried on nor condition maintained by a Co-owner in his dwelling, elsewhere on his Unit or upon the Common Elements which is detrimental to the appearance of the Condominium.

Section 8. Vehicles.

No house trailers, drays, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, motorcycles, all

terrain vehicles, snowmobiles (except in the winter months in the case of snowmobiles), snowmobile trailers may be parked or stored upon the Condominium Premises, unless parked in an out building 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, except 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.

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 except for signs of 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 such rules, regulations and amendments thereto shall be furnished to all Co-owners.

Section 11. Right of Access of Association.

The Association or its duly authorized agents 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 Co-owner 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 and the Association may gain 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 Association.

Section 13. Common Elements Maintenance.

Sidewalks, yards, landscaped areas, driveways, roads, parking areas and the pool area 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. 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. Prior Approval by Developer.**

During the Construction and Sales Period, no buildings, fences, walls, retaining walls, drives, walks or other structures or improvements shall be commenced, erected, maintained, nor shall any addition to, or change or alteration to any structure be made (including color or design), nor shall any hedges, trees or substantial plantings or landscaping modifications be made until plans and specifications, acceptable to the Developer, showing the nature, kind, shape, height, materials, color scheme, location and approximate cost of such structure or improvement and the grading or landscaping plan of the area to be affected shall have been submitted to and approved in writing by Developer, and a copy of said plans and specifications, as finally approved, lodged permanently with Developer.

B. 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.

C. 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 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 Association or any Co-owner from any activity prohibited by these Bylaws.

Section 16. Public Sewer Connection.

Sewage services shall be provided by an individual septic system or a septic system maintained by the Association depending upon the requirements of the Michigan Department of Health at the time of construction of a residence upon a unit. The cost of installation of such system shall be borne by the Developer. It is contemplated however that the City of Mackinac Island will provide public sewage service in the future. In such event, all costs of connections charged by the City (except for tap in fees) to the Condominium shall be deemed an expense of the Association, and the Board of Directors shall increase the then existent budget of the Association by such costs without any approval of the Co-owners required.

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 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) days.

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, the value of which is determined by Article V of the Master Deed.

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 shall be entitled to vote during such period, notwithstanding the fact that the Developer may own no Units at some time or from time to time during such period. At and after the First Annual Meeting the Developer shall be entitled to vote for each Unit which it owns.

Section 3. Designation of Voting Representative.

Each Co-owner shall file a written notice with the Association designating the individual representative who shall vote at

meetings of the Association and receive all notices and other 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 herein provided.

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 in value of those qualified to vote and present in person or by proxy (or written vote, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth and may require such majority to be one or both number and value of designated voting representatives present in person or by proxy or by written ballot, if applicable, at a given meeting of the members of the Association.

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 rules 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.

The First Annual Meeting may be convened only by Developer and may be called at any time after more than fifty (50%) of the Units in Stonecliffe Manor II Condominiums (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 nondeveloper 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,

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as may be amended, to include in the Condominium.

Section 3. Annual Meetings.

Annual meetings of the Association shall be held on the second Saturday of September 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

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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 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 facia evidenced 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 perpetuated in any manner of at least three (3) nondeveloper Co-owners. The Committee shall be established and perpetuated in any manner the Developer deems advisable, except to select the Advisory Committee, then an election for such purpose shall be held. The Purpose of the Advisory Committee shall be to facilitate communications between the temporary Board of Directors and the nondeveloper 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 nondeveloper 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) members as may from time to time be fixed by the Board of Directors 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 nondeveloper Co-owners to the Board. Elections for nondeveloper Co-owner Directors shall be held as provided in subsections B and C below.

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

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Not later than one hundred twenty (120) days after conveyance of legal or equitable title to nondeveloper Co-owners of twenty-five (25%) percent of the Units that may be created, at least one (1) and not less than twenty-five (25%) percent of the Board of Directors of the Association shall be elected by nondeveloper Co-owners. Not later than one hundred twenty (120) days after conveyance of legal or equitable title to nondeveloper Co-owners of fifty (50%) percent of the units that may be created, not less than thirty-three and one-third (33-1/3%) percent of the Board of Directors shall be elected by nondeveloper Co-owners.

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 nondeveloper 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 nondeveloper 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 Developer owns and offers for sale at least ten (10%) percent of the units in the project or as long as ten (10%) percent of the units remain that may be created.
- 2) Notwithstanding the formula above, fifty-four (54) months after the first conveyance of legal or equitable title to a nondeveloper Co-owner of a Unit in the Project, if title to not less than seventy-five (75%) percent of the Units that may be created has not been conveyed, the nondeveloper 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 and for which all assessments are payable by the Developer.
- 3) If the calculation of the percentage of members of the Board of Directors that the nondeveloper 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 nondeveloper Co-owners results in a right of nondeveloper 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 nondeveloper Co-owners have the right to elect. After application of this formula the Developer shall have the right to elect the remaining members of the Board of Directors. Application of this subsection shall not eliminate the right of the Developer to designate one member as provided.
- 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, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association.
- G. To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association; provided, however, that any such action 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 by law or by the Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association. In no event shall the Board be authorized to enter into any contract with a professional management agent, or any other contract providing for services by the Developer, sponsor or builder, in which the maximum term is greater than three (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 Association. Vacancies among nondeveloper Co-owner elected Directors which occur prior to the Transitional Control Date may be filled only through election by nondeveloper Co-owners and shall be filled in the manner specified in Section 2, B of this Article.

Section 7. Removal.

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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%) 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, or from time to time, in its sole discretion. Likewise, any Director selected by the nondeveloper Co-owners to serve before the First Annual Meeting may be removed before the First Annual Meeting in the same manner set forth in this paragraph for removal of Directors generally.

Section 8. First Meeting.

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

Section 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) offices except that of President and Vice President may be held by 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 appropriate to assist in the conduct of the affairs of the Association.

B. Vice President.

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

C. Secretary.

The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; he shall have charge of the corporate seal, if any, and 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

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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 audit 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 Co-owners 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 mortgagees shall be required to amend these Bylaws unless such amendment would materially alter or change the rights of such mortgagees, in which event the approval of 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 change the rights of a Co-owner or Mortgagee, in which event

mortgagee consent shall be required as provided in Section 3 above.

Section 5. When Effective.

Any amendment to these Bylaws shall become effective upon recording of such amendment in the office of the Mackinac 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, when or where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, and 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 \$25.00 for the second violation, \$50.00 for the third violation or \$100.00 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 other and additional rights, remedies or privileges as may be available to such party at law or in equity.

Section 7. Enforcement of Provisions of Condominium Documents.

A Co-owner may maintain an action against the Association and its officers and Directors to compel such persons to enforce the terms and provisions of the Condominium Documents. A Co-owner may maintain an action against any other Co-owner for injunctive relief or for damages or any combination thereof for noncompliance with the 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 other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its 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.