

**DISCLOSURE STATEMENT
FOR
CORTLAND FARMS CONDOMINIUM**

**A Residential Condominium Development
in Bay County, Michigan**

**Developer: Metzler, Inc., a
Michigan Corporation
4859 Appletree Lane
Bay City, Michigan 48706
Telephone: (517) 684-6940**

Effective Date: January 1, 1991

I. Introductory Provisions

In accordance with the Michigan Condominium Act (Public Acts of 1978, No. 59, as amended), this Disclosure Statement has been prepared for distribution to prospective purchasers of residential condominium units in Cortland Farms Condominium, a residential condominium development in the Monitor Township, Bay County, Michigan. This Statement includes information about Cortland Farms Condominium and an explanation of the rights, interests and obligations of purchasers and owners of residential units within the development. Persons considering the purchase of such a unit should also read and examine the Master Deed and accompanying By-Laws and Subdivision Plan for Cortland Farms Condominium and the brochure prepared by the Michigan Department of Commerce titled "Condominium Buyers Handbook: Down-to-Earth Answers to Your Questions about the Condominium Concept in Michigan." Copies of all of those documents are included in the "Cortland Farms Condominium - Purchaser Information Packet" which may be obtained from sales representatives of the project developer, Metzler, Inc.

II. Developer's Background and Experience

The developer and general contractor for construction of the Cortland Farms Condominium project is Metzler, Inc., a Michigan corporation. Metzler, Inc., is also the developer of the Appletree Farms Condominium project in Monitor Township, Michigan. James E. Metzler and Michael J. Metzler, who are principal stockholders, directors and officers of Metzler, Inc., have been involved in residential real estate development and construction in Bay County, Michigan for more than twenty-five years, with respect to James E. Metzler and for more than fifteen years with respect to Michael J. Metzler.

III. General Description of Development

Cortland Farms is a residential condominium development situated in Section 31, Town 14 North, Range 5 East, Monitor Township, Michigan, South of Salzburg Road and East of Two Mile Road.

The development includes the following real estate improvements and amenities: underground utility lines, access roads, vehicle parking areas, walkways, landscaped lawn areas, and one-story buildings which contain single family residential condominium units with an attached one-car or two-car garage and with

adjacent outdoor patios or wood decks appurtenant to the units. Each residential condominium unit includes the following interior components: plywood floors; painted drywall ceilings and walls; stained or painted wood doors and moldings; finished kitchen cabinets, range hood, and garbage disposal; central heating and air conditioning systems; complete kitchen and bathroom plumbing installations; electrical wiring and connections, including wall outlets and switches. Purchasers of condominium units will receive allowances in specified dollar amounts to be applied to the cost of lighting fixtures, cabinetry and floor coverings selected by the purchaser for installation in the unit, provided that, the purchaser shall be personally responsible for paying costs of such lighting fixtures and floor coverings which exceed the amounts of those allowances.

As provided in the Master Deed for Cortland Farms Condominium, the project developer is entitled, but is not required, within six years after the Master Deed is recorded, to expand the project by adding additional phases thereto. Expansion of the project would require annexation to the condominium premises of adjacent land described in paragraph 6.1 of Article VI of the Master Deed. Structures built on annexed land pursuant to each subsequent phase of the project, may include multi-unit residential structures similar to those which comprise the first phase of the development together with free-standing single family homes whose size, design and appearance may be different than those aspects of structures in the development's first phase. The total number of all residential condominium units in the initial and all subsequent phases of the Cortland Farms Condominium project, will not exceed one hundred and eighty (180).

As provided in paragraph 52 of Article V of the Master Deed, the developer for itself and for its successors and assigns, has retained perpetual easements to use, extend and connect to utility systems, roads, driveways, parkways, and walkways within the condominium development for purposes of ingress and egress to and from the condominium premises and in regard to the future use and development of land adjacent thereto now owned or hereafter acquired by the developer or its successors or assigns.

IV. Developer's Warranty

As set forth in the statement of limited warranty included in each Contract for Sale and Purchase of Residential Condominium Unit concluded between the developer and a prospective purchaser of a Cortland Farms Condominium unit,

buildings and other improvements to the condominium premises are warranted by the developer against defects in workmanship and materials for a period of one year following the original sale of the unit. Such warranty does not extend to or cover any of the following conditions or occurrences: defects in appliances and equipment which are covered by manufacturers' warranties; damage due to ordinary wear and tear, abusive use or lack of proper maintenance; damage to or destruction of any tree, shrub or plant growth which is native to the condominium site; defects in items installed and work performed by a purchaser, or by anyone other than the developer or its agents or contractors; damage or loss due to the elements; and consequential or incidental damages. Such warranty given by the developer is in lieu of all other warranties, either expressed or implied. The warranty of developer applies only to the initial purchaser of a condominium unit and is not transferrable to any assignee of that original purchaser during the one year warranty period.

Warranty claims of the original purchaser of a condominium unit must be submitted in writing to the developer within fourteen days after expiration of the one year warranty period. Following receipt of a claim, the developer upon inspection and confirmation of the merits of the claim, will be obligated to repair or replace the defective condition or material without charge to the condominium owner or the Condominium Association.

V. Condominium Association

A Michigan non-profit corporation known as "Cortland Farms Condominium Owners' Association," hereinafter called "Condominium Association," will be established to conduct the business, financial, and administrative affairs of the condominium development under the direction of a board of directors in accordance with provisions of the Association By-Laws attached as Exhibit A to the Master Deed.

The By-Laws of the Condominium Association provide that the Association shall be governed by a board of directors composed of not more than seven persons. The initial members of the board of directors will be appointed by the developer. Within 120 days after the first condominium unit is sold to a non-developer owner, all of the non-developer owners of condominium units at that time will be entitled to appoint an advisory committee comprised of no more than three persons (other than representatives of the developer) who are owners of condominium units, to meet with the board of directors for the purpose of

facilitating communication and aiding transition of control of the association from the developer to non-developer owners of condominium units, provided that, the advisory committee will cease to function when three or more non-developer owners become members of the board of directors. Positions on the board of directors will be allocated to non-developer owners elected by those non-developer owners, as follows:

<u>Time Period</u>	<u>Number of Board of Directors Positions Allocated to Non-Developer Owners</u>
Within 120 days after 10 Condominium Units have been sold to non-developer Owners	1
Within 120 days after 20 Condominium Units have been sold to non-developer Owners	2
Within 120 days after 30 Condominium Units have been sold to non-developer Owners	3
Within 120 days after 40 Condominium Units have been sold to non-developer Owners	4
Within 120 days after 50 Condominium Units have been sold to non-developer Owners	5
Within 120 days after 60 Condominium Units have been sold to non-developer Owners	6
Within 120 days after 90% of total Condominium Units planned to be included in the Condominium Development have been sold to non-developer Owners	7

Until 90% of total condominium units planned to be included in the Cortland Farms Condominium development have been sold to non-developer owners, the developer will be entitled to appoint persons to fill positions on the board of directors not allocated to non-developer owners elected in accordance with the foregoing schedule. Within 120 days after 90% of condominium units planned to be constructed in the Cortland Farms development have been sold to non-developer

owners, all members of the board of directors shall be elected by the non-development owners in the manner provided in the Association's By-Laws.

Only non-developer owners shall be entitled to elect persons to fill director positions allocated to non-development owners. In all other matters, each owner of a condominium unit, including the developer with respect to units which it owns, are entitled personally, or by the owner's designated representative or proxy, to vote at Condominium Association owners' meetings, such votes to be weighted in the manner provided in paragraph 3.2 of Article III of the Master Deed, as amended.

VI. Association Budget

In accordance with provisions of Article VI of the Condominium Association By-Laws, the board of directors is required each year to prepare a budget which sets forth estimated expenses for administration and operation of the condominium project during the year, including a reasonable allowance for contingencies and an appropriate contribution to a capital reserve fund for costs of future maintenance, repair, improvement and replacement of physical components of the condominium project. A copy of the current budget for the Association is appended to this Disclosure Statement.

VII. Assessment

As provided in Article VI of the Condominium By-Laws, the board of directors is responsible each year for levying assessments on residential condominium units within the Cortland Farms Condominium development to provide income to the Association sufficient to pay estimated expenses for administration and operation of the condominium project as set forth in that year's budget. Such assessments are required to be apportioned among the condominium units in accordance with the percentage value assigned to each unit as specified in paragraph 3.2 of Article III of the Master Deed, as amended, or on the basis of other formulation as determined by the Association's board of directors, provided that, the apportionment of those assessments among condominium units fairly represents the value of each unit in relation to all other units in the Cortland Farms Condominium development. The annual assessment levied against each condominium unit may be fully paid in advance by the owner of a condominium unit or may be paid without interest in equal quarterly or monthly installments. In addition to regular assessments levied each year by the board of directors to pay expenses projected in that year's budget,

the board may levy special assessments to pay liabilities and expenses of the Association not included in the annual budget. Each owner of a condominium unit is liable for payment of all regular and special assessments levied against his unit. Interest, late payment charges, and costs of collection, may be added to an assessment which is not paid on a timely basis. Regular and special assessments levied against a condominium unit, including interest, late payment charges, and costs of collection added thereto, shall constitute liens against the condominium unit to which they pertain until those amounts are fully paid. The Condominium Association upon the determination of the board of directors may initiate suit for money judgment or may commence lien foreclosure action against the owner of a condominium unit, to enforce and collect past due assessments on that owner's unit, including interest, late payment charges and costs of collection. The Association is entitled to foreclose a lien against a condominium unit for unpaid assessments in the same manner as provided under Michigan law for foreclosure of a real estate mortgage either by judicial action in a court of competent jurisdiction or by advertisement which does not require commencement of court proceedings.

As specified in sub-paragraph 6.1(viii) of the Condominium Association By-Laws, the developer is obligated to pay a proportionate share of Association expenses, or the amount of assessment, attributable to condominium units which the developer owns.

At the time a person purchases a condominium unit from the developer, he may be required to reimburse the developer for the unlapsed portion of a monthly assessment which the developer previously paid in advance to the Association with respect to the condominium unit in question.

If the mortgagee of a recorded first mortgage or other purchaser of a condominium unit obtains title to the unit as a result of foreclosure of the mortgage or upon owner's conveyance of the unit to the mortgagee in lieu of foreclosure, such mortgagee or purchaser will not be liable for unpaid assessments on the unit to the extent that those assessments become due prior to that party's acquisition of title to the unit, and the amount of such unpaid assessments will thereupon be assumed as common expenses of the Condominium Association to be covered by assessments paid by all condominium unit owners including that party who acquired title to the unit as a result of foreclosure of the first mortgage thereon.

VIII. Insurance

Article VI of the Condominium By-Laws requires the Association to carry fire and extended coverage, vandalism and malicious mischief and liability insurance, and workmen's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the common elements of the condominium project. Casualty losses incurred by the Association and not covered by insurance because they are within the deductible level specified by the policy or because they exceed policy limits or are excepted from coverage under policy provisions, shall be paid as administrative expenses or capital investment costs of the Association. The board of directors is responsible for obtaining such insurance coverage, and the insurance premiums shall be included as administration expenses in the Association's annual budget. Copies of such current insurance policies of the Association are available for inspection at the Association's business office during regular office hours.

Each owner of a condominium unit is individually responsible for obtaining and paying for insurance to protect against casualty loss or damage to his personal property and individually installed fixtures and improvements in his unit, limited common elements appurtenant thereto, or elsewhere within the condominium project, and to provide personal liability coverage for occurrences inside his unit or upon limited common elements appurtenant thereto.

IX. Property Taxes

As provided in paragraph 6.2 of Article VI of the Condominium Association By-Laws, all real property taxes and special assessments imposed by a public taxing authority upon any part of the condominium premises, including individual condominium units, shall be apportioned among the owners of condominium units in accordance with provisions of the Michigan Condominium Act. Personal property taxes assessed against tangible personal property of the Condominium Association, shall be included as an administrative expense in the Association's annual budget.

X. Condemnation

As provided in paragraph 8.3 of Article VIII of the Condominium Association ByLaws, if all or any part of the condominium premises, including any condominium unit or common elements within the development, shall be condemned or taken by governmental or other authority exercising powers of eminent domain, rights of owners of condominium units will be governed by provisions of the Michigan

Condominium Act. The Association through its board of directors is empowered to negotiate, decide upon and settle all claims, suits and actions regarding condemnation or threat of condemnation of any part of the condominium premises, including any condominium unit or common elements within the premises.

XI. Restrictions

Article VII of the Condominium Association By-Laws sets forth restrictions governing the ownership, occupancy, use and lease of a condominium unit within the condominium development. Matters covered by those restrictions include the following:

Each residential condominium unit may be used and occupied only as a single family residence.

No unlawful, improper, immoral, hazardous or disruptive conduct or activities shall be permitted within the condominium premises.

Household pets shall not be kept within a condominium unit or within common areas of the condominium development, except that a purchaser of a condominium unit will be entitled to keep one small pet which the purchaser owns at the time he purchases the unit, provided that, the pet is not dangerous and does not create a nuisance, and further provided that, when outside the confines of a condominium unit, such pet shall be leashed and attended by a responsible person and each owner who brings a pet within the condominium premises shall be responsible for clean-up of wastes from the pet.

No unsightly or inoperable motor vehicles, mobile homes, house trailers, recreational or similar vehicles, trucks, boats or trailers, shall be parked within the condominium premises, except for short periods of time not exceeding twenty-four hours.

No "for sale" signs or other signs or advertising devices may be displayed within the condominium premises except upon written authorization of the board of directors, provided that, the developer during the construction and sales period of the development shall be permitted to maintain construction and sales storage and office facilities and advertising signs on the premises.

No changes in landscaping or planting of trees, shrubs or exterior decoration is permissible within the condominium premises except upon written authorization of the board of directors.

Unless expressly permitted by Association rules and regulations, the following acts are prohibited within the outdoor areas of the condominium premises: storage of supplies or other personal property, disposal of trash or refuse, drying or airing of clothing or other articles, maintenance of any unsightly conditions.

No alterations in the exterior appearance of a condominium unit or structural modifications within the unit are permitted except upon written authorization of the board of directors.

No owner of a condominium unit is permitted to lease his unit to other persons or parties except upon a written lease approved by the board of directors.

In addition to the specific restrictions set forth in the By-Laws, the board of directors may enact other rules and regulations governing the use and operation of the condominium premises.

The Association through the board of directors is empowered to enforce restrictions, rules and regulations of the Association, including initiation of suit against the owner of a condominium unit for damages or injunctive relief and for recovery of legal costs, including attorney fees, thereby incurred by the Association.

The foregoing is merely a summary of some of the provisions of the Condominium Association By-Laws governing and restricting use and occupancy of the condominium premises, including individual residential and garage condominium units. Each prospective purchaser of a condominium unit within the development should carefully read Article VII and other provisions of the By-Laws to determine the manner in which those restrictions may affect his interests and activities if he purchases and occupies a condominium unit.

XII. Legal Claims and Proceedings

The developer has no knowledge of any claim of liability, law suit or other legal proceeding which has been asserted, threatened or commenced against the developer.

XIII. Purchase of Condominium Unit from Developer

The price, terms and conditions for purchase of a particular condominium from the developer shall be set forth in a Purchase Agreement concluded between the developer and the purchaser. All funds required by the Purchase Agreement to be

paid to or for the benefit of the developer, shall be deposited in escrow with Superior Abstract and Title Company of Bay City, 600 N. Jefferson Avenue, Bay City, Michigan, as escrow agent, to be administered and disbursed in accordance with provisions of an Escrow Agreement between the developer and said escrow agent. Pursuant to provisions of the Escrow Agreement, such funds shall be disbursed by the escrow agent to the developer upon occurrence of the following:

Issuance by the responsible governmental agency of an occupancy permit for the condominium unit being purchased.

Issuance by a licensed professional engineer or architect of a certificate confirming substantial completion of structures and improvements represented on the Condominium Site Plan (Exhibit B to the Master Deed) except improvements labelled "Need Not Be Built," provided that, if such certificate is not issued, the escrow agent may only release to the developer escrow funds which exceed the cost for completion of those structures and improvements as estimated by the licensed professional engineer or architect, or alternatively, the developer may provide adequate security, acceptable to the escrow agent, for the cost of completion of those improvements, and in consideration for such security, the escrow agent may release those retained escrow funds to the developer.

Execution and delivery of a warranty deed which conveys ownership and title of the condominium unit to the purchaser, subject to provisions of the Master Deed and to easements, rights, reservations and restrictions of record.

XIV. Conclusion

This Disclosure Statement explains and summarizes some of the provisions of the Master Deed, Condominium Association By-Laws, Purchase Agreement and Escrow Agreement, which govern the rights and interests of each purchaser of a condominium unit in Cortland Farms Condominium. Any person considering the purchase of such a condominium unit, should retain qualified legal counsel to examine the complete text of all of those documents.

Requests for additional information or explanation regarding provisions of the documents or any aspect of transactions for purchase of a condominium unit, should be directed to the developer.

METZLER, INC.

Developer of Cortland Farms Condominium

Dated: January 1, 1991

CORTLAND FARMS CONDOMINIUM

Escrow Agreement

THIS ESCROW AGREEMENT concluded this 21st day of February, 1991, by and between

METZLER, INC., a Michigan corporation, having its principal business office at 4859 Appletree Lane, Bay City, Michigan 48706,

hereinafter called "Developer," and

FIRST AMERICAN TITLE INSURANCE COMPANY through its representative: Superior Abstract and Title Company of Bay City, a Michigan corporation, 600 N. Jefferson Avenue, Bay City, Michigan 48708,

hereinafter called "Escrow Agent,"

WITNESSES the following premises for the provisions herein:

a. Developer plans to establish a residential condominium development called "Cortland Farms Condominium: in the Monitor Township, Bay County, Michigan, as described in the Master Deed thereof, to be hereafter executed and recorded in the Office of the Bay County Register of Deeds.

b. In accordance with provisions of the Michigan Condominium Act (Public Acts of 1978, No. 59), hereinafter called "Act," Developer proposes to conclude purchase contracts with prospective purchasers, hereinafter called "Purchaser" or "Purchasers," of condominium units within the development and to accept deposits and binder payments remitted by those Purchasers.

c. Pursuant to the provisions hereinafter set forth and in compliance with the Act, Escrow Agent has agreed to receive, hold and administer in escrow such deposits and binder payments and ultimately to disburse those escrowed funds to the parties entitled thereto.

NOW THEREFORE, Developer and Escrow Agent agree:

1. Deposit of Funds. Developer shall, promptly after receipt, transmit to Escrow Agent all sums deposited with it under a Purchase Agreement, together with a fully executed copy of such Agreement and a receipt signed by the Purchaser for the Condominium Documents furnished to him by the Developer. Unless Escrow Agent shall give its prior written consent, said Purchase Agreement shall not be amended or modified

thereafter in any manner which in the opinion of the Escrow Agent would increase its liability or materially change its duties as set forth herein.

At such time as a Master Deed for the Project has been prepared, Developer shall furnish to Escrow Agent a copy thereof together with copies of such other Condominium Documents as may be requested by Escrow Agent. After it has had an opportunity to review such documents Escrow Agent may, at its sole discretion, either elect to continue the escrow or to return to each Purchaser the funds which have been deposited by him in complete satisfaction of its duties hereunder.

2. Release of Funds. The sums paid to Escrow Agent under the terms of any Purchase Agreement shall be held and released to Developer or to Purchaser only upon the conditions hereinafter set forth:

(a) Upon Withdrawal by Purchaser. The escrowed funds shall be released to Purchaser under the follow circumstances:

(i) If the Purchase Agreement is contingent upon Purchaser obtaining a mortgage and he fails to do so as provided therein and duly withdraws from the Purchase Agreement as a result thereof, Escrow Agent shall release to Purchaser all sums held by it pursuant to said Agreement.

(ii) In the event that a Purchaser duly withdraws from a Purchase Agreement prior to the time that said Agreement becomes binding, Escrow Agent shall, within 3 business days from the date of receipt of notice of such withdrawal, release to Purchaser all of Purchaser's deposits held thereunder.

(iii) If, however, Developer, files with Escrow Agent a written objection to the withdrawal request of a Purchaser, which objection claims an interest in the sums held pursuant to this Agreement, Escrow Agent shall hold or dispose of the funds as provided in Section 4 hereof.

(b) Upon Default by Purchaser. In the event that a Purchaser defaults in making any payments required by a Purchase Agreement or in fulfilling any other obligations thereunder for a period of 10 days after written notice by Developer to Purchaser, Escrow Agent shall release sums held pursuant to the Purchase Agreement to Developer in accordance with the terms of said Agreement. Provided, that if Purchaser filed a written objection to the notice of default with Escrow Agent, which objection claims an interest in the sums held pursuant to this Agreement, Escrow Agent shall hold or dispose of the funds as provided in Section 4 hereof.

(c) Upon Conveyance of Title. Upon conveyance of title to a Unit from Developer to Purchaser (or upon execution of a land contract between Developer and Purchaser in fulfillment of a Purchase Agreement) and upon issuance of a Certificate of Occupancy with respect to the Unit if required by local public ordinance, Escrow Agent shall release to Developer all sums held in escrow under such Agreement provided Escrow Agent has confirmed:

(i) That those portions of the phase of the Project in which such Purchaser's Unit is located and which under the terms of the Condominium Documents "must be built" are substantially complete; and

(ii) That recreational facilities or other similar amenities and all similar common elements or improvements intended for common use, wherever located and which under the terms of the Condominium Documents "must be built" are substantially complete; or

(iii) That, if the elements or facilities referred to in paragraphs 2(c)(i) and 2(c)(ii) above are not substantially complete, sufficient funds to finance substantial completion of such elements or facilities are being retained in escrow or that other adequate security has been arranged as provided herein.

For purposes of paragraph 2(c)(i), the phase of the Condominium Project in which Purchaser's Unit is located shall be "substantially complete" when all utility mains and leads, all major structural components of buildings, all building exteriors, and all sidewalks, driveways, landscaping and access roads (to the extent such items are designated on the Condominium Documents as "must be built") are substantially complete as evidenced by certificates of the type described in Section 3. The substantial completion of improvements of the type described in Paragraph 2(c)(ii) shall also be evidenced by certificates of the type described in Section 3.

(d) Release of Funds Escrowed for Completion. Upon furnishing Escrow Agent a certificate from a licensed professional architect or engineer evidencing substantial completion in accordance with the pertinent plans and specifications of a structure, improvement, facility or identifiable portion thereof for which funds or other security have been deposited in escrow, Escrow Agent shall release to Developer the amount of such funds or other security specified by the issuer of the certificate as being attributable to such substantially completed item(s); provided, however, that if the amounts remaining in escrow after any such partial release would be insufficient in the opinion of the issuer of such certificate to finance substantial completion of any remaining incomplete items for which funds or other security have been deposited in escrow, only the amount in escrow in excess of such estimated cost to substantially complete shall be released by Escrow Agent to Developer. Notwithstanding any release of escrowed funds authorized or required hereunder, Escrow Agent may refuse to release if it, in its sole Judgment, has sufficient cause to believe that the certificate confirming substantial completion or determining the amount necessary for substantial completion is fraudulent or without factual basis.

(e) Interest Earned Upon Escrowed Funds. Escrow Agent shall be under no obligation to earn interest upon the escrowed sums held pursuant hereto. In the event that interest upon such sums is earned, however, all such interest shall be separately accounted for by Escrow Agent and shall be held in escrow and released as and when principal deposits are released hereunder, provided, however, that all interest earned on deposits refunded to a Purchaser upon the occasion of his withdrawal from a Purchase Agreement shall be paid to Developer.

(f) Other Adequate Security. If Developer requests that all of the escrowed funds held hereunder or any part thereof be delivered to it prior to the time it otherwise becomes entitled to receive the same, Escrow Agent may release all such

sums to Developer if Developer has placed with Escrow Agent an irrevocable letter of credit drawn in favor of Escrow Agent in form and substance satisfactory to Escrow Agent and securing full repayment of said sums, or has placed with Escrow Agent such other substitute security as may be permitted by law and approved by Escrow Agent. Escrow Agent may, at its sole discretion, present any letter of credit deposited pursuant to this paragraph for payment without prior notice to or consent of Developer.

(g) Incomplete Elements or Facilities. If Escrow Agent is holding in escrow funds or other security for completion of incomplete elements or facilities under §103b(7) of the Act, such funds or other security upon the request of the Sandstone Creek Condominium Association or any interested Co-owner, shall be administered by Escrow Agent in the following manner:

(i) Escrow Agent shall upon request give all statutorily required notices under §103b(7) of the Act.

(ii) If Developer, the Sandstone Creek Condominium Association and any other party or parties asserting a claim to or interest in the escrow deposit enter into a written agreement satisfactory in its terms and conditions to Escrow Agent for Escrow Agent's protection, (as determined by Escrow Agent in its absolute and sole discretion), as to the disposition of the funds or security in escrow under §103b(7) of the Act, Escrow Agent shall release such funds or security in accordance with the terms of such written agreement among such parties.

(iii) Failing written agreement as provided in paragraph 2(g)(ii) above, Escrow Agent shall be under no obligation whatever to release any such escrowed funds or security, in which event Escrow Agent shall initiate an interpleader action in any circuit court in the State of Michigan naming the Developer, the Sandstone Creek Condominium Association and all other claimants and interested persons as parties and deposit all funds or other security in escrow under §103b(7) of the Act with the clerk of such court in full acquittance of its responsibilities under this Agreement.

3. Proof of Occurrences. Escrow Agent may require reasonable proof of occurrence of any of the events, actions or conditions stated herein before releasing any sums held by it pursuant to this Escrow Agreement either to a Purchaser or to Developer. Whenever Escrow Agent is required hereby to confirm that a facility, element, structure, improvement or identifiable portion of any of the same is substantially complete in accordance with the pertinent plans and specifications therefor, it may base such confirmation entirely upon the certificate of the Developer to such effect coupled with the certificate to the same effect of a licensed professional architect or engineer or, except for improvements of the type described in paragraph 2(c)(ii) above, that of a local public building inspector having jurisdiction. Likewise, all estimates and determinations of the cost to substantially complete any incomplete elements, facilities, structures and improvements for which escrowed funds are being

specifically maintained under paragraph 2(d) above shall be made entirely by a licensed professional engineer or architect and the determination of all amounts to be retained or maintained in the escrow account for the completion of any such elements, facilities, improvements or structures shall be based entirely upon such determinations and estimates as are furnished by such engineer or architect. No inspections of the Project or any portion thereof by any representative of Escrow Agent shall be deemed necessary hereunder, nor must any cost estimates or determinations be made by Escrow Agent and Escrow Agent may rely entirely upon certificates, determinations and estimates as described above in retaining and releasing all escrowed funds hereunder.

4. Conflicting Claims. If Escrow Agent receives conflicting instructions or claims to the funds, securities or documents held in Escrow, then it may take any one or more of the following actions:

(a) It may release all or any portion of the funds to the party which it, in its sole judgment, determines is entitled to receive such funds under the provisions of this Agreement:

(b) It may hold all or any portion of the funds, securities and documents affected by the conflicting instructions or claims in this Escrow and take no further action until otherwise directed, either by mutual written instructions from all interested parties or by final order of a court of competent jurisdiction;

(c) It may initiate an interpleader action in any circuit court in the State of Michigan naming all interested persons as parties and depositing all or any portion of the funds, securities and documents affected by the adverse claims with the clerk of the court in full acquittance of its responsibilities under this Agreement.

5. Rights and Liabilities of Escrow Agent. Upon making delivery of the funds deposited with Escrow Agent pursuant to this Escrow Agreement and performance of the obligations and services stated herein, Escrow Agent shall be released from any further liability hereunder, it being expressly understood that liability is limited by the terms and provisions set forth in this Agreement, and that by execution of this Agreement Escrow Agent is acting in the capacity of a depository and is not, as such, responsible or liable for the sufficiency, correctness, genuineness or validity of the instruments submitted to it, or the marketability of title to any Unit in the Project. Escrow Agent is not responsible for the failure of any bank used by it as an escrow depository for funds received by it under this Agreement.

Further, Escrow Agent is not a guarantor of performance by Developer under the Condominium Documents or any Purchase Agreement, and Escrow Agent undertakes no responsibilities whatever with respect to the nature, extent or quality of such performance thereunder or with regard to the conformity of such performance to the

terms of such documents, to the plans and specifications for the Project, to local or state laws or in any other particular. So long as Escrow Agent relies in good faith upon any certificate, cost estimate or determination of the type described in Section 3, Escrow Agent shall have no liability whatever to Developer, any Purchaser or any other party for any error in such certificate, cost estimates or determination.

Except in instances of gross negligence or wilful misconduct, Escrow Agent's liability hereunder shall in all events be limited to return, to the party or parties entitled thereto, of the funds retained in escrow (or which were replaced by security) less any reasonable expenses which Escrow Agent may incur in the administration of such funds including, without limitation, reasonable attorneys' fees and litigation expenses paid in connection with the defense, negotiation or analysis of claims against it, by reason of litigation or otherwise, arising out of the administration of such escrowed funds, all of which costs Escrow Agent shall be entitled without notice to deduct from amounts on deposit hereunder.

6. Notices. All notices required or permitted hereunder and all notices of change of address shall be deemed sufficient if personally delivered or sent by certified mail, postage prepaid and return receipt requested, addressed to the recipient at the address shown below such party's signature to this Agreement or upon the pertinent Purchase Agreement. For purposes of calculating time periods under the provisions of this Agreement, notice shall be deemed effective upon such mailing or personal delivery, whichever is applicable.

Executed by an in behalf of Developer and Escrow Agent on the date first stated above.

DEVELOPER:

Metzler, Inc., a Michigan corporation

By: 

Michael J. Metzler, Vice-President

ESCROW AGENT:

First American Title Insurance Company
through its representative: Superior
Abstract and Title Company of Bay City,
a Michigan corporation

By: 

LIBER 1165 PAGE 01

MASTER DEED
FOR
CORTLAND FARMS CONDOMINIUM

RECORDED
FEB 21 4 05 PM '91
BAY COUNTY, MICHIGAN

THIS MASTER DEED executed on February 21, 1991, by and in behalf of

METZLER, INC., a Michigan corporation, having its principal
business office at 4859 Appletree Lane, Bay City, Michigan
48706 (hereinafter called "Developer"),

pursuant to provisions of the Michigan Condominium Act, Public Acts of 1978, No.
59, as amended (hereinafter called "Act"), together with Condominium By-Laws
(Exhibit A attached hereto) and Bay County Condominium Subdivision Plan No. 17
(Exhibit B attached hereto), shall be recorded in the Office of the Bay County
Register of Deeds to evidence the establishment of a residential condominium under
provisions of the Act in the following described real estate in Monitor Township,
Bay County, Michigan, to wit:

All that part of Lots 3, 4, and 5 of "Subdivision of Section 31, T14N, R5E
and Part of the Northwest 1/4 of Section 6, T13N, R5E, Bay County,
Michigan" recorded Liber 3 Page 21 of plats on file in the Register of
Deeds Office, Bay County, Michigan, described as: Commencing at the
Northwest corner of Section 31, Township 14 North, Range 5 East,
Monitor Township; Bay County, Michigan; thence South 01°06'04" West
440.0 feet along the West Section line to the POINT OF BEGINNING;
thence North 90°00'00" East 153.0 feet parallel with the North Section
line; thence North 01°06'04" East 90.0 feet; thence South 90°00'00" West
3.0 feet; thence North 01°06'04" East 100.0 feet; thence North 90°00'00"
East 430.0 feet; thence South 00°41'20" West 201.34 feet; thence South
82°31'42" East 123.04 feet; thence South 16°56'33" East 157.85 feet;
thence South 07°49'25" East 132.23 feet; thence South 06°36'48" West
69.46 feet; thence South 32°38'41" West 76.01 feet; thence South 51°50'34"
West 106.83 feet to the Northeasterly Right of Way for Cortland Drive;
thence North 36°15'14" West 37.20 feet along said Right of Way; thence
South 35°50'16" West 177.63 feet; thence South 18°26'06" West 23.46 feet;
thence South 49°05'08" West 99.25 feet; thence South 35°32'16" West 17.20
feet; thence North 40°01'49" West 65.30 feet; thence North 29°06'09" West
232.33 feet; thence North 45°42'47" East 165.95 feet to a point on a
curve concave to the Southwest having a radius of 432.00 feet and a
central angle of 23°17'19" thence 175.59 feet along the arc of said curve,
said arc having a long chord bearing and distance of North 75°42'16"
West 174.39 feet; thence North 89°44'23" West 215.14 feet; thence North
01°06'04" East 315.50 feet to the Point of Beginning.

further subject to covenants, terms and conditions hereinafter set forth.

I have examined the
recording of this deed and from such
examination I have ascertained that the Taxes have
been paid up to the date of recording of this deed.
21st day of February 1991.
This certificate does not apply to taxes
if any, now in process of collection by
township, city or village collecting officials.

Mary L. Jacobs

L. Definitions and References

1.1 Definitions. As used in this Master Deed and in the Condominium Association By-Laws (Exhibit A attached hereto) and Condominium Project Subdivision Plan (Exhibit B attached hereto), the words and terms set forth below, whether used in singular or plural form, shall be defined in the manner indicated:

"Act" means the Michigan Condominium Act, Public Acts of 1978, No. 59, as amended (M.C.L. §§559.101 et seq.).

"Common Elements" when used without qualification, means both General and Limited common elements as described in Article IV herein.

"Comprehensive Master Deed" means the final amended Master Deed for Cortland Farms Condominium, encompassing all of the completed phases of the Condominium Project. Such Comprehensive Master Deed when recorded in the Office of the Register of Deeds for Bay County, Michigan, shall supersede this Master Deed and all amendments thereto.

"Condominium Association" (or "Association") means the Michigan nonprofit corporation called "Cortland Farms Condominium Owners' Association" incorporated by Developer.

"Condominium Association By-Laws" (or "Association By-Laws" or "By-Laws") means Exhibit A attached hereto, which sets forth the rights and obligations of Cortland Farms Condominium Co-Owners in accordance with provisions of Section 53 of the Act.

"Condominium Documents" means this Master Deed, Condominium Association By-Laws (Exhibit A hereto), Condominium Project Site Plan (Exhibit B hereto), and Articles of Incorporation for Cortland Farms Condominium Owners' Association.

"Condominium Premises" (or "Premises") means the real estate described in the preface on the first page of this Master Deed together with buildings and other appurtenances heretofore or hereafter constructed or installed thereon.

"Condominium Project" (or "Project") means Cortland Farms Condominium established pursuant to the provisions of this Master Deed.

"Condominium Project Subdivision Plan" (or "Condominium Subdivision Plan" or "Subdivision Plan") means Exhibit B attached hereto, which includes engineering and architectural schematics for Cortland Farms Condominium.

"Condominium Unit" (or "Unit") means the enclosed space constituting a single, complete residential unit in Cortland Farms Condominium as depicted on the

Condominium Project Subdivision Plan (Exhibit B) in accordance with the definition of the term "condominium unit" set forth in Section 4(3) in the Act.

"Co-Owner" (or "Owner") means a person, corporation, partnership, association, trust or other legal entity, who or which is titleholder or possesses a land contract vendee's interest or other ownership rights in one or more Condominium Units.

"Developer" means Metzler, Inc., a Michigan corporation, or any successor thereto or assignee thereof.

1.2 References. Portions of this Master Deed and of the Condominium Association By-Laws (Exhibit A) which are identified by Roman numerals are herein referred to as "Articles."

II. Declaration and Establishment of Condominium Project.

Upon the execution of this Master Deed, Developer declares and establishes pursuant to the Act, Cortland Condominium as a residential Condominium Project upon the Condominium Premises in accordance with the Condominium Association By-Laws and Condominium Project Subdivision Plan, attached as Exhibits A and B hereto and incorporated by reference herein. Said Condominium Project shall be subject to the provisions of this Master Deed and other Condominium Documents and future amendments thereto.

III. Description of Condominium Units

3.1 Individual Condominium Units. Each Condominium Unit within the Condominium Project is depicted on the Condominium Project Subdivision Plan (Exhibit B). Each Unit consists of the space contained within the interior finished unpainted walls, ceilings and sub-floors within the confines of such Unit as depicted in the floor plan and section diagrams in Exhibit B.

3.2 Percentage of Value Assigned to Each Condominium Unit. A percentage of value is hereby assigned to each Condominium Unit based upon the relative size of the standard floor plan of each Unit including attached garage structure, as determined by the square foot area of its floor space (not including optional variations or additions thereto), as follows:

<u>Unit Number as Specified in Exhibit B</u>	<u>Percentage Value Assigned</u>
1	2.93%
2	2.52%
3	2.52%
4	2.93%

5	2.76%
6	2.76%
7	2.93%
8	2.52%
9	2.52%
10	2.76%
11	2.93%
12	2.52%
13	2.52%
14	2.76%
15	2.76%
16	2.76%
17	2.93%
18	2.93%
19	2.76%
20	2.76%
21	2.93%
22	2.93%
23	2.76%
24	2.52%
25	2.52%
26	2.93%
27	2.76%
28	2.52%
29	2.52%
30	2.93%
31	3.77%
32	3.77%
33	3.77%
34	3.18%
35	3.18%
Discrepancy factor	<u>.23%</u>

Total Percentage
Value 100.00%

The percentage value assigned to each Unit shall be determinative of each Co-Owner's proportionate share of Association proceeds and expenses and of the numerical weight of each Co-Owner's vote as a member of the Condominium Association. The total percentage value of all Condominium Units shall be 100. As provided in following Article VI, if this Master Deed is amended to effect expansion of the Condominium Project by adding Condominium Units thereto, the percentage value herein assigned to each Unit shall be adjusted in proportion to the size of all Units within the entire Condominium Project in order to preserve the total value of 100 for the aggregate percentage value assigned to all Units included in the Project as thereby expanded. No percentage value is assigned to any Limited Common Element appurtenant to the Unit.

IV. Common Elements

4.1 General Common Elements. General Common Elements of the Condominium Project are for the common use of Co-Owners or are required for the operation and maintenance of the Condominium Project. Such General Common Elements are described below:

(i) Real estate, described in the preface of this Master Deed, which comprises the Condominium Premises, including lawn areas, roads, driveways, parking spaces and sidewalks, not otherwise designated as Condominium Units or as Limited Common Elements.

(ii) Utility and support systems, electrical wiring, telephone and other type communication lines, plumbing, water and sanitary sewer and drain pipes, and gas lines throughout the Condominium Project, including the portions of such apparatus installed within, Condominium Unit walls up to the point of connection with fixtures inside the Unit.

(iii) Foundations, exterior walls, partition walls between Condominium Units, roofs, floor and ceiling structures between Unit levels, crawl spaces, structural supports and chimneys, vents and flues throughout the Condominium Project.

No Co-Owner shall use any such Common Element in any manner which may impair or interfere with the rights of other Co-Owners to the use and enjoyment of their Condominium Units and the General and Limited Common Elements appurtenant thereto.

4.2 Limited Common Elements. Limited Common Elements of the Condominium Project are subject to the exclusive use of the Co-Owner of the particular Condominium Unit to which such Limited Common Elements are appurtenant as specified in Exhibit B. Limited Common Elements are described below:

(i) Outdoor patios and decks adjacent to individual Condominium Units.

(ii) Outdoor vehicle parking spaces allocated for the exclusive use of the Co-Owner of each Condominium Unit.

(iii) Perimeter walls, ceilings and floors within each Condominium Unit, except interior surfaces thereof which are deemed to comprise part of the Condominium Unit.

(iv) Structural components and load-bearing walls within each Condominium Unit.

(v) Exterior concrete support pads appurtenant to each Condominium Unit for installation at the Unit Owner's option of air conditioning equipment to service the Unit.

No Co-Owner shall use any Limited Common Element appurtenant to his Unit in any manner which may impair or interfere with the rights of other Co-Owners to the use and enjoyment of their Condominium Units and the General and Limited Common Elements appurtenant thereto.

4.3 Costs of Maintaining General and Limited Common Elements. Costs for maintaining, repairing and replacing General and Limited Common Elements shall be borne by the Condominium Association, except that a Condominium Co-Owner shall be responsible for and shall bear the cost of decoration and maintenance of interior wall, ceiling and floor surfaces within that Co-Owner's Condominium Unit. The Condominium Association shall be responsible for and bear the cost of requisite repair and replacement of wall, ceiling and floor components, excluding decorative surfaces, within a Condominium Unit. Notwithstanding the foregoing provision of this paragraph 4.3, a Co-Owner may be held liable to the Association for costs of repair or replacement of General or Limited Common Elements necessitated by the acts or negligence of a Co-Owner or his family members, guests, invitees, agents or assigns.

V Easements

5.1 Easements in Favor of Condominium Association. The Condominium Association shall possess easements in, to, through and over the land, buildings, fixtures, structures and improvements throughout the Condominium Premises as required to fulfill the Association's responsibility for the maintenance, repair and replacement of General and Limited Common Elements.

5.2 Easements in Favor of Developer. Developer for the benefit of itself, its successors and assigns, reserves permanent, perpetual and nonexclusive easements within the Condominium Premises as described below:

(i) Right to use all roads, driveways and walkways within the Condominium Premises for purposes of ingress and egress to and from the Premises and any land adjacent thereto which is now owned or is hereafter acquired by Developer or its successors or assigns.

(ii) Right to connect to, use, extend and enlarge all utility systems and apparatus within the Condominium Premises, including water lines, sanitary and storm sewer systems, gas mains, and electrical and communication lines, and the right of access to such utility installations

for purposes of repair, improvement and replacement by removing and cutting into fixtures and wall coverings as may be necessary for those purposes.

VI. Expansion of Condominium Project

6.1 Developer's Reservation of Right to Expand Condominium Premises and Condominium Project. Within two years after the date this Master Deed is recorded, Developer shall complete the Condominium Project on the Condominium Premises in accordance with the specifications set forth in the Subdivision Plan (Exhibit B). Developer reserves the right within six years after the date this Master Deed is recorded to expand the Condominium Project upon all or any portion of the following-described land in Monitor Township, Bay County, Michigan:

All that part of Lots 3, 4 and 5 of "Subdivision of Section 31, Town 14 North, Range 5 East and Part of the Northwest 1/4 of Section 6, Town 13 North, Range 5 East, Bay County, Michigan", recorded in Liber 3, Page 21 of Plats on file in the Register of Deeds Office, Bay County, Michigan, described as: Commencing at the Northwest corner of Section 31, Township 14 North, Range 5 East, Monitor Township, Bay County, Michigan; thence South 01°06'04" West 440.0 feet along the West Section line to the POINT OF BEGINNING; thence South 90°00'00" East 153.0 feet parallel with the North Section line; thence North 01°06'04" East 90.0 feet; thence North 90°00'00" West 3.0 feet; thence North 01°06'04" East 100.0 feet; thence South 90°00'00" East 1052.0 feet; thence South 0°29'44" West 806.0 feet parallel with the North-South 1/4 line; thence South 90°00'00" East 791.6 feet; thence South 0°29'40" West 762.79 feet along the North-South 1/4 line to the Southeast corner of Lot 3; thence North 89°38'41" West 607.67 feet along the boundary line between Lots 3 and 5; thence continuing along said boundary line North 01°06'04" East 252.90 feet; thence North 90°00'00" West 1402.5 feet along the South line of the North 13 acres of Lot 5; thence North 01°06'04" East 1122.35 feet along the West Section line to the Point of Beginning, EXCEPT the following-described portion thereof:

Commencing at the Northwest corner of Section 31, Township 14 North, Range 5 East, Monitor Township, Bay County, Michigan; thence South 01°06'04" West 440.0 feet along the West Section line to the POINT OF BEGINNING; thence North 90°00'00" East 153.0 feet parallel with the North Section line; thence North 01°06'04" East 90.0 feet; thence South 90°00'00" West 3.0 feet; thence North 01°06'04" East 100.0 feet; thence North 90°00'00" East 430.0 feet; thence South 00°41'20" West 201.34 feet; thence South 82°31'42" East 123.04 feet; thence South 16°56'33" East 157.85 feet; thence South 07°49'25" East 132.23 feet; thence South 06°36'48" West 69.46 feet; thence South 32°48'41" West 76.01 feet; thence South 51°50'34" West 106.83 feet to the Northeasterly Right of Way for Cortland Drive; thence North 36°15'14" West 37.20 feet along said Right of Way; thence South 35°50'16" West 177.63 feet; thence South 18°26'06" West 28.46 feet; thence South 49°05'08" West 99.25 feet; thence South

35°32'16" West 17.20 feet; thence North 40°01'49" West 65.30 feet; thence North 29°06'09" West 232.33 feet; thence North 45°42'47" East 165.95 feet to a point on a curve concave to the Southwest having a radius of 432.00 feet and a central angle of 23°17'19" thence 175.59 feet along the arc of said curve, said arc having a long chord bearing and distance of North 75°42'16" West 174.39 feet; thence North 89°44'23" West 215.14 feet; thence North 01°06'04" East 315.50 feet to the Point of Beginning.

6.2 Conditions and Restrictions Applicable to Expansion of Condominium Project. The following conditions and restrictions shall apply to any such expansion of the Condominium Premises and Condominium Project:

(i) Expansion may be undertaken by Developer in successive phases each evidenced by an appropriate amendment to the Condominium Documents as provided in following paragraph 6.3. Any portion of the land described in foregoing paragraph 6.1 which Developer elects to add to the Condominium Premises shall be adjacent to the land originally comprising the Premises or land subsequently added thereto. Subject to other provisions and requirements herein, the size and configuration of any such land which Developer decides to add to the Condominium Premises pursuant to future expansion of the Condominium Project, shall be determined solely at the discretion of Developer.

(ii) The number of Condominium Units included in each successive phase of expansion of the Condominium Project shall be determined solely at the discretion of Developer, provided that, the total maximum number of Units in the Project, including the 35 Units in the initial phase as provided in this original Master Deed together with all Units added by expansion of the Project pursuant to the provisions herein, shall not exceed 180 Condominium Units. The total aggregate floor space of Condominium Units added to the Condominium Project as a result of such expansion, shall not exceed 550% of the total floor space of the 35 Units included in the initial phase of the Project pursuant to the provisions of this original Master Deed.

(iii) Condominium Units added to the Condominium Project as a result of such expansion, may include multi-unit residential structures similar to those which comprise the first phase of the Development together with free-standing single family homes whose size, design and appearance may be different than those aspects of Condominium Units included in the Development's first phase.

(iv) Any land added to the Condominium Premises as a result of such expansion, shall be subject to encumbrances and easements identical or similar to the encumbrances and easements provided herein with respect to the Condominium Premises which comprises the initial phase of the Condominium Project pursuant to the provisions of the Condominium Documents, including this original Master Deed.

The decision to expand the Condominium Project to any extent, but not to exceed the maximum limits specified herein, shall be solely at the discretion of Developer, or its successors or assigns, and Developer shall have no obligation to undertake any such expansion. All or any portion of the land described in preceding paragraph 6.1 which Developer decides not to add to the Condominium Premises pursuant to expansion of the Condominium Project, may at any time following the recording of this Master Deed be used or developed by Developer, its successors or assigns, for any purpose or in any manner consistent with applicable laws and regulations, including its development as a rental apartment complex or as a separate residential condominium development unrelated to the Condominium Project created by this Master Deed.

6.3 Amendment of Condominium Documents to Reflect Expansion of Condominium Project. Developer's expansion of the Condominium Premises and Condominium Project in accordance with the provisions of preceding paragraphs 6.1 and 6.2, shall be effected by an appropriate amendment or amendments to this Master Deed and other Condominium Documents and by recording each such amendment to this Master Deed and to the exhibits hereto, in the Office of the Iosco County Register of Deeds. Such amendment or amendments shall provide that the percentages of value of Condominium Units set forth in preceding paragraph 3.2 shall be proportionately adjusted to preserve a total percentage value of 100 for the entire Condominium Project as thereby expanded. Such adjustments in percentages of value of Condominium Units shall be determined by Developer in accordance with the criteria specified in preceding paragraph 3.2. Each such amendment may also include further definitions and redefinitions of terms, including Condominium Premises, Condominium Project and Common Elements. All Co-Owners and mortgagees of Condominium Units and all other persons or parties having an interest, or who hereafter acquire an interest, in the Condominium Premises or Condominium Project, or in any Condominium Unit or Limited or Common Elements therein, shall be deemed to have irrevocably and unanimously consented to such amendment of Condominium Documents providing for expansion of the Condominium

Premises and Condominium Project. All such interested persons or parties shall be deemed to have irrevocably appointed Developer, or its successors and assigns, as their agent and attorney in fact to execute such amendment or amendments of Condominium Documents and to conclude all transactions and to execute all instruments required to effect expansion of the Condominium Premises and Condominium Project in accordance with the provisions herein. Upon completion of all future phases of expansion of the Condominium Premises and Condominium Project as determined and effected by Developer, or its successors and assigns, in accordance with the provisions herein, a Comprehensive Master Deed and appropriate amendments of other Condominium Documents shall be recorded in the Office of the Bay County Register of Deeds and shall supersede this Master Deed and all amendments thereto.

VII. Amendment of Master Deed

This Master Deed and the Condominium Project Subdivision Plan, Exhibit B hereto (but not Condominium By-Laws, Exhibit A hereto, which may only be amended as provided therein) may be amended upon the written consent of Co-Owners (or their designated voting representatives as provided in paragraph 2.11 of Article II of Condominium Association By-Laws, Exhibit A hereto) having two-thirds of total votes assigned to Co-Owners in accordance with the formula set forth in preceding paragraph 3.2 of Article III of this Master Deed and the written consent of mortgagees of Condominium Units representing a majority of the votes of all Units which are subject to mortgages, such mortgagees' votes pertaining to particular Condominium Units to be weighted in accordance with the formula set forth in preceding paragraph 3.2 with respect to each of those Units, subject to the following exceptions and conditions:

- (i) Prior to the first annual meeting of Association Co-Owners as provided in Association By-Laws, the Developer without the consent of any Co-Owner or any other party or person, may amend this Master Deed and other Condominium documents to correct errors and discrepancies, including survey errors, in such Documents and to make other amendments which do not materially affect rights and interests of Co-Owners or mortgagees in the Condominium Project, amendments required by law or by government regulatory agency, or as may be mandated or recommended by any lending institution to facilitate mortgage loan financing for existing or prospective Co-Owners.

(ii) Except as otherwise provided herein, the dimensions of a Condominium Unit may not be altered without the written consent of the Co-Owner and mortgagee (if any) 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 and mortgagee (if any) of the Unit to which such Limited Common Element is appurtenant.

(iii) Except as otherwise provided herein, the proportional value of a Co-Owner's vote at a meeting of Condominium Association Co-Owners and the commensurate proportion of common expenses assessed against such Co-Owner shall not be modified without such Co-Owner's written consent of such Co-Owner and mortgagee (if any) of such Unit.

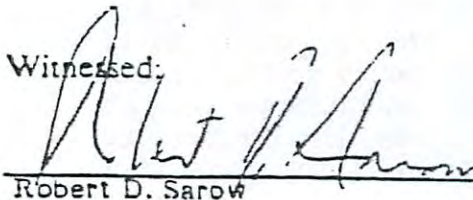
(iv) As long as Developer continues to offer any previously unsold Condominium Unit for sale or as long as Developer is entitled to expand the Condominium Project in accordance with the provisions herein, paragraphs 5.1, 5.2, 6.1 or 6.2 herein, inclusive of all sub-paragraphs thereunder, may not be modified without Developer's written consent.

(v) The Condominium Project may not be terminated, revoked, vacated or abandoned without the written consent of Co-Owners having nine-tenths of total votes assigned to Co-Owners in accordance with the formula set forth in preceding paragraph 3.2, and the written consent of mortgagees of Condominium Units representing a majority of the votes of all Units which are subject to mortgages, such mortgagees' votes pertaining to particular Condominium Units to be weighted in accordance with the formula set forth in preceding paragraph 3.2 with respect to each of those Units.

(vi) The date for the first annual meeting of Co-Owners and the period of time in which Developer is entitled to expand the Condominium Project may be extended upon the consent of Co-Owners in accordance with provisions of the Act.

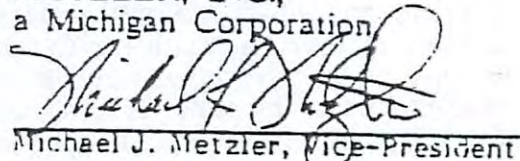
IN WITNESS WHEREOF, Developer has caused this instrument to be executed in its behalf by its undersigned officers upon the authorization of its board of directors.

Witnessed:


Robert D. Sarow


Marilyn M. Geno

METZLER, INC.,
a Michigan Corporation


Michael J. Metzler, Vice-President

STATE OF MICHIGAN

COUNTY OF BAY

} ss.

Subscribed and sworn to before me February 21, 1991, by James E. Metzler in his capacity as President of Metzler, Inc., a Michigan corporation, upon the authority of its board of directors.



Robert D. Sarow , Notary Public
Bay County, Michigan

My Commission expires: 11/14/93

Drafted by:
Robert D. Sarow
Attorney at Law
LEARMAN, PETERS, SAROW & McQUILLAN
900 Center Avenue
Bay City, Michigan 48708
Phone: (517) 892-0591

BY-LAWS
OF
CORTLAND FARMS CONDOMINIUM
AND
CORTLAND FARMS CONDOMINIUM OWNERS' ASSOCIATION

I. ADOPTION OF BY-LAWS

1.1 Declaration. The provisions set forth in this document constitute the By-Laws of Cortland Farms Condominium, a residential Condominium Project located in Monitor Township, Bay County, Michigan, and are incorporated by reference into the Master Deed for said Condominium Project as recorded in the Office of the Bay County Register of Deeds. These By-laws constitute both the By-Laws referred to in the Master Deed and those provided for under the Michigan Non-profit Corporation Act and by Section 3(8) of the Michigan Condominium Act.

1.2 Application. All Co-Owners of Condominium Units within the Condominium Project described in the Master Deed, as amended, together with their heirs, representatives, guests, invitees, mortgagees and assigns and all other persons or parties who acquire an interest in a Condominium Unit or Common Element appurtenant thereto, or who enter upon the Condominium Premises, shall be subject to and bound by the provisions of these By-Laws and other Condominium Documents.

1.3 Definitions. Words and phrases herein shall have the same definitions as set forth in the Master Deed and in the Michigan Condominium Act.

II. CO-OWNERS

2.1 Condominium Association Membership. Each Condominium Unit Co-Owner shall be a member of the Cortland Farms Condominium Owners' Association, a Michigan non-profit, non-stock corporation, and no other persons or parties shall be members. Additionally, the provisions set forth in this document constitute the By-Laws of Cortland Farms Condominium Owners' Association, a Michigan non-profit, non-stock corporation established pursuant to the provisions of this paragraph 2.1. Developer shall be responsible for organizing and incorporating said Cortland Farms Condominium Owners' Association.

2.2 Rights of Co-Owners. Each Co-Owner shall have the unrestricted, perpetual right of access to and possession of his Condominium Unit, subject to the terms, provisions, conditions and restrictions of these By-Laws and of other

Condominium Documents. The Association cannot restrict the right of a Co-Owner to sell or transfer ownership of his Unit or restrict his right to mortgage his Unit; nor may the Association require that such mortgage be transacted through a specific lender or type of lending institution. The rights of Condominium Co-Owners provided in these By-Laws and in other Condominium Documents shall apply to the initial Co-Owners of Condominium Units and to future and successive Co-Owners thereof, but such rights shall terminate as regards a particular person or party when his status as a Co-Owner of a Condominium Unit has ceased.

2.3 Rights of Co-Owners' Mortgagees, Mortgage Insurers and Guarantors.

Upon written request to the Association, a Co-Owner's mortgagee or mortgage insurer or guarantor shall be entitled to receive from the Association timely written notice of matters affecting their interests in that Co-Owner's Unit, including notice of the following: condemnation or casualty loss that affects either a material portion of the Condominium Project or of the Unit which secures such mortgage; any delinquency for sixty or more days in the payment of assessments or other charges levied against that Unit; lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; any proposed action that requires the consent of mortgagees.

2.4 First Annual Meeting. The First Annual Meeting of Co-Owners of the Condominium Association shall be convened by the Developer within 120 days after ten Condominium Units have been sold or conveyed to non-developer Co-Owners or 54 months after the first sale or conveyance of title of a Unit to a non-developer Co-Owner, whichever first occurs. The time and place of the First Annual Meeting (on the Condominium Premises or other convenient location no more than five miles from the Condominium Premises) shall be set by the Board of Directors and at least ten days advance written notice thereof shall be given to each Co-Owner. At the First Annual Meeting, Co-Owners in accordance with the following provisions of these By-Laws, shall elect members of the Association's Board of Directors and shall transact such other business of the Association as may properly come before them. Notwithstanding the foregoing provisions of this paragraph 2.4, the Developer prior to the First Annual Meeting may call meetings of Co-Owners for informative or other appropriate purposes.

2.5 Annual Meetings. Annual Meetings of Association members shall be held during the month of July of each year following the calendar year of the First Annual Meeting at a specific time and place (on the Condominium Premises or

other convenient location no more than five miles from the Condominium Premises) as determined by the Board of Directors. At least ten days advance written notice of each Annual Meeting shall be given by the Secretary to each Co-Owner. At each Annual Meeting, Co-Owners in accordance with the following provisions of these By-Laws, shall elect members of the Association's Board of Directors and may transact such other business of the Association as may properly come before them.

2.6 Special Meetings. At the direction of the Board of Directors or upon written petition, presented to the Secretary of the Association, signed by Co-Owners having one-third of total Condominium Association voting rights, the President shall promptly call a Special Meeting of Co-Owners. At least five days advance written notice of the specific time, place and purpose of such a Special Meeting shall be given by the Secretary to each Co-Owner. No business shall be transacted at a Special Meeting except as stated in the meeting notice.

2.7 Notices of Meetings. The Association Secretary, or other Association officer in the Secretary's absence, shall serve advance written notice of each Annual and Special Meeting of Co-Owners in conformity with the provisions of preceding paragraphs 2.5 and 2.6. Such notice shall be deemed to be given to a Co-Owner when it is mailed, postage prepaid, addressed to the Co-Owner (or his designated voting representative) at the address specified in the statement required to be submitted by each Co-Owner to the Association as provided in following paragraph 2.11 of this Article II. Such advance written notice of an Annual or Special Meeting of Co-Owners shall not be required with respect to a Co-Owner, or his designated representative, who furnishes the Association Secretary for filing in the Association records, a written waiver of notice.

2.8 Place of Meeting. Association meetings shall be held on the Condominium Premises or other convenient location not more than five miles from the Condominium Premises as determined by the Board of Directors.

2.9 Votes. Except as limited by other provisions of these By-Laws, each Co-Owner shall have one vote for each Condominium Unit owned by that Co-Owner and the value of each vote shall be weighted to reflect the percentages allocated to the Unit or Units owned by that Co-Owner as provided in paragraph 3.2 of Article III of the Master Deed, as amended.

2.10 Eligibility to Vote. At the First Annual Meeting and subsequent Annual and Special Meetings of Co-Owners, each Co-Owner or his representative, designated in accordance with provisions of following paragraph 2.11, shall be

entitled to vote in person or by proxy, unless disqualified from voting pursuant to other provisions of these By-Laws. At the First Annual Meeting and subsequent Annual and Special Meetings of Co-Owners, the Developer shall be entitled to vote for each Unit which it owns at the time of the meeting.

2.11 Designation of Voting Representative. Each Co-Owner shall execute and submit to the Association Secretary, a written designation of himself or other representative who shall be entitled to cast that Co-Owner's vote or votes at meetings of Co-Owners and to whom all notices and other communications from the Association shall be given. The Association's Board of Directors may require that such designation be set forth on a printed form furnished by the Association and that each designation be dated and signed by every Co-Owner of a particular Condominium Unit. At any time, in accordance with the provisions of this paragraph 2.11, a Co-Owner may revoke or change such designation of voting representative by submitting a new designation to the Association Secretary in the manner provided herein.

2.12 Proxies. With respect to a particular Co-Owners' meeting, a Co-Owner's designated voting representative may appoint a proxy to vote in that representative's behalf. Such appointment of a proxy shall be in written form, dated and signed by the Co-Owner's designated voting representative, and tendered to the Association's Secretary prior to or at the Co-Owners' meeting specified in the proxy. The Association's Board of Directors may require that the appointment of a proxy be set forth on a printed form furnished by the Association. Such appointment of a proxy to vote for a Co-Owner's designated representative at a particular Co-Owners' meeting, shall be deemed to lapse upon final conclusion of the meeting or of any continued or adjourned session thereof.

2.13 Quorum. Except as otherwise expressly provided in Condominium Documents, the presence in person or by proxy (or by pre-cast written vote as hereinafter provided) of Co-Owners' designated voting representatives having one-third of total Condominium Association votes weighted in accordance with paragraph 3.2 of Article III of the Master Deed, as amended, shall constitute a quorum for holding a meeting of Co-Owners. Notwithstanding the absence of a Co-Owner's voting representative or proxy at a meeting of Co-Owners, the written vote of such Co-Owner's designated voting representative or proxy tendered to the Association Secretary prior to or at a Co-Owners' meeting, shall be counted in

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

2.14 Meeting Procedure. A meeting of Co-Owners shall be presided over by the most senior officer of the Association's Board of Directors present at the meeting, in the following order of priority: President, Vice-President, Secretary, Treasurer. Meetings shall be conducted in conformity with Roberts Rules of Order or other accepted parliamentary procedural form as determined in advance by the Board of Directors. Minutes of a meeting shall be prepared by the Association's Secretary or in absence of the Secretary by other person appointed by the presiding officer.

2.15 Majority Rule. Except as otherwise expressly provided in these By-Laws or in other Condominium Documents, elections and decisions at a Co-Owners' meeting shall be determined by a simple majority of Co-Owners' votes, weighted in accordance with paragraph 3.2 of Article III of the Master Deed, as amended, cast in person by the respective Co-Owners' voting representatives or by proxy or pre-cast written vote as provided in preceding paragraphs 2.11 and 2.12 of this Article II.

III. DIRECTORS

3.1 First Board of Directors. The Association's First Board of Directors shall be composed of persons appointed by the Developer who shall serve until removed or replaced by the Developer or until election or appointment of non-developer Directors pursuant to provisions of following paragraphs 3.3 and 3.7.

3.2 Advisory Committee of Co-Owners. Within 120 days after the first Condominium Unit is sold to a non-developer Co-Owner, the non-developer Co-Owners at that time shall be entitled to appoint three persons who are non-developer Co-Owners as members of an Advisory Committee to meet with the Board of Directors for the purpose of facilitating communication and aiding transition of control of the Association from the Developer to non-developer Co-Owners. Election of non-developer Co-Owners as members of the Advisory Committee shall be by written ballots which the Developer shall mail to Co-Owners, or upon the request of one-third of non-developer Co-Owners at a meeting of Co-Owners convened by Developer in the same manner as provided in preceding paragraph 2.6 with respect to convening special meetings of Co-Owners. The Advisory Committee

will cease to function when three or more non-developer Co-Owners become members of the Board of Directors as provided in following paragraph 3.3.

3.3 Election of Directors. Non-developer Co-Owners shall be elected as members of the Board of Directors at Annual Meetings or Special Meetings of Co-Owners convened in the manner specified in Article II in accordance with the following schedule:

<u>Time Period</u>	<u>Number of Board of Directors Positions Allocated to Non-Developer Co-Owners</u>
Within 120 days after 10 Condominium Units have been sold to non-developer Co-Owners	1
Within 120 days after 20 Condominium Units have been sold to non-developer Co-Owners	2
Within 120 days after 30 Condominium Units have been sold to non-developer Co-Owners	3
Within 120 days after 40 Condominium Units have been sold to non-developer Co-Owners	4
Within 120 days after 50 Condominium Units have been sold to non-developer Co-Owners	5
Within 120 days after 60 Condominium Units have been sold to non-developer Co-Owners.	6
Within 120 days after 90% of total Condominium Units planned to be included in the Condominium Development have been sold to non-developer Co-Owners	7

Until 90% of total Condominium Units planned to be included in the Condominium Development have been sold to non-development Co-Owners, the Developer will be entitled to appoint persons to fill positions on the Board of Directors not allocated to non-developer Co-Owners in accordance with the foregoing schedule. Within 120 days after 90% of total Condominium Units planned to be included in the Condominium Development have been sold to non-developer Co-Owners, all Directors

shall be elected by Co-Owners or appointed by the Board of Directors to fill vacant positions as provided in paragraph 3.7. Except persons appointed as Directors by the Developer in accordance with the preceding provisions of this paragraph 3.3, each Director shall be a Co-Owner or part, joint, or entireties Co-Owner of a beneficial interest in a Condominium Unit. The Board of Directors determination regarding any challenge or question as to an individual's status as a Co-Owner, shall be conclusive.

3.4 Term. The term of each Director shall end upon the conclusion of the next Annual Meeting of Co-Owners at which an election of new Directors is conducted or upon such Director's disqualification, resignation or removal, whichever first comes. As long as an individual continues to be qualified for election as a Director, there shall be no limitation as to the number of consecutive or non-consecutive terms which that person may serve as a Director.

3.5 Resignation. Prior to the end of his term, a Director may resign his position as Director by tendering written notice of his resignation to the Association Secretary or, if the Secretary is unavailable, to any other Association officer.

3.6 Removal. Upon vote of Directors at a duly convened meeting of the Board of Directors, a Director may be removed from his position for any of the following reasons which shall be stated in the Minutes of the Board of Directors meeting at which such removal action is taken: (i) the individual has ceased to be the Co-Owner of a beneficial interest in a Condominium Unit, (ii) the individual has materially failed to perform his function as Director in accordance with the provisions herein, (iii) due to physical or mental incapacity, the individual is unable to perform his functions as Director in accordance with the provisions herein. Also, a Director may be removed without cause stated, upon the vote of Co-Owners at a duly convened Annual or Special Meeting of Co-Owners, provided that, the Director whose removal has been proposed at such a meeting of Co-Owners, shall be given the opportunity to be heard at the meeting.

3.7 Vacancies. The Developer may appoint persons to fill vacant positions on the Board of Directors with respect to Director positions which are allocated for appointment by the Developer during the construction and sale period of the Condominium Project as provided in preceding paragraph 3.1. All other vacant positions on the Board of Directors shall be filled by appointment by a majority of

the remaining members of the Board of Directors (including Directors appointed by the Developer during the construction and sale period of the Condominium Project), even though the number of those remaining Directors may constitute less than a quorum. Persons appointed to fill vacant positions on the Board of Directors shall serve as Directors for the remainder of the terms of the vacant Director positions which they are filling.

3.8 Board of Directors Meetings. Regular meetings of the Board of Directors shall be held at least four times a year at such times and places as the Directors determine. Special meetings of the Board of Directors may be called upon the initiative of the President. The President, (or in event of his absence or unavailability, other officers of the Board in the following order of priority: Vice-President, Secretary, Treasurer) shall be required to call a special meeting of the Board of Directors upon the written request of two Directors. The Secretary, or other officer acting in place or in behalf of the Secretary, shall give each Director, personally, by mail or telephone call, at least eight days advance notice of the time and place of a regular meeting and at least three days advance notice of a special meeting of the Board of Directors. Before or at any regular or special meeting of the Board of Directors, any Director may waive his entitlement to receive advance notice of the meeting by giving such written waiver to the Secretary. A Director's attendance at a meeting of the Board of Directors shall be deemed to constitute his waiver of entitlement to receive advance notice of that meeting.

3.9 Quorum. The presence of a majority of the Directors at a regular or special meeting of the Board of Directors shall constitute a quorum for the transaction of business. If at any duly convened meeting of the Board of Directors, less than a quorum is present, a majority of Directors present may adjourn the meeting to another time, provided that, the Secretary, or other officer acting in place or in behalf of the Secretary, shall give each Director, personally, by mail or telephone call, at least twenty-four hours advance notice of the time and place of such an adjourned meeting. A Director shall not be entitled to give his proxy to another person to act or vote in his behalf at a Board of Directors meeting, provided, however, an absent Director's subsequent signed concurrence in the minutes of a meeting shall constitute the presence of that Director at the meeting for purposes of constituting a quorum.

3.10 Meeting Procedure. A meeting of the Board of Directors shall be presided over by the most senior officer of the Board present at the meeting, in the following order of priority: President, Vice-President, Secretary, Treasurer. Board of Directors meetings shall be conducted in conformity with Roberts' Rules of Order or other parliamentary procedural form acceptable to a majority of the Directors. Minutes of each Board of Directors meeting shall be prepared by the Board's Secretary or in absence of the Secretary by another person appointed by the presiding officer.

3.11 Majority Rule. Except as otherwise provided in these By-Laws or other Condominium Documents, actions and decisions of the Board of Directors shall be determined by a simple majority of Directors present at a duly convened meeting of the Board.

3.12 Powers and Duties. The Board of Directors, as the governing board of the Condominium Association, shall have the following powers and duties:

(i) Elect Condominium Association officers as provided in following Article IV of these By-Laws.

(ii) Manage and administer the operation of the Condominium Association.

(iii) Administer and enforce the provisions of the Condominium Documents.

(iv) Levy and collect assessments from Co-Owners and administer the investment and expenditure of such funds for programs and purposes in behalf of the Condominium Association.

(v) Terminate or rescind any management or service contract between the Association and the Developer or any other person or party concluded prior to the time when non-developer Co-Owners hold a majority of the positions on the Board of Directors as provided in paragraph 3.3 of Article III, regardless of whether or not such a contract contains specific provisions for such termination or rescission.

(vi) Contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium Project.

(vii) Carry liability and casualty insurance and fidelity bonds for the Condominium Association and collect and allocate proceeds from such insurance.

(viii) Provide for the repair or rebuilding of Common Elements as required due to ordinary wear and tear or as a result of casualty damage or loss.

(xi) Grant permits, licenses and easements within the Condominium Premises for utilities, roads and other purposes deemed necessary or appropriate for the proper operation of the Condominium Project.

(x) Make rules and regulations consistent with the provisions of these By-Laws and other Condominium Documents, governing the use and possession of Condominium Units and Common Elements, as deemed appropriate for the benefit of Co-Owners generally.

(xi) Establish committees and appoint members to such committees as deemed appropriate to assist the Board in performing its functions and to assure the proper administration of the Condominium Association, provided that, no authority or responsibility shall be delegated to a committee which by law or provisions of Condominium Documents may only be exercised or fulfilled by the Board of Directors.

(xii) Borrow money and mortgage, pledge or encumber Condominium Association assets as security for repayment of such loan and execute promissory notes, mortgages, security agreements, financing statements, and other debt and security instruments, which shall be binding upon the Condominium Association, as deemed necessary or appropriate by the Directors to assure or facilitate the proper administration of the Condominium Association, provided that, following the conduct of the First Annual Meeting of Co-Owners as provided in preceding paragraph 2.4 of Article II of these By-Laws, any such loan transaction shall require advance approval of Co-Owners at a duly convened Annual or Special Meeting of Co-Owners.

IV. OFFICERS

4.1 Election of Officers. The officers of the Condominium Association shall be elected annually by the Board of Directors at the initial meeting of each new Board or at other intervals as may be required to fill vacancies in officer positions.

4.2 Officers. The officers of the Association shall be a President and Vice-President, both of whom shall be members of the Board of Directors, and a Secretary and a Treasurer, who need not be members of the Board of Directors. Additionally, the Board may elect assistants to those officers and may create other

temporary or permanent officer positions and elect persons to fill those positions as the Board deems to be appropriate to facilitate the conduct of Condominium Association business and affairs.

4.3 Officers' Duties. The President, Vice-President, Secretary and Treasurer of the Condominium Association shall be responsible for the administration of the Association's affairs as provided in Section 54 of the Michigan Condominium Act. As administrators of the Condominium Development, those Association officers shall be responsible for keeping Association books and records with a detailed account of expenditures, receipts and operating expenses pertaining to the Condominium Association and management of the Cortland Farms Condominium Development. In accordance with Section 54(2) of the Condominium Act, the administrators shall be subject to assessment for tangible personal property tax as persons in possession of tangible personal property owned by the Condominium Association or owned in common by Co-Owners of Condominium Units. The duties of each officer are described below:

(i) **President** - The President shall be the chief executive officer of the Condominium Association, having the responsibilities and powers ordinarily conferred upon the chief executive officer of such type organization. The President shall preside at meetings of Co-Owners and of the Board of Directors.

(ii) **Vice-President** - The Vice-President shall perform the functions of the President in the event of the President's absence or inability to act and shall perform such other duties as may be conferred upon him by the Board of Directors.

(iii) **Secretary** - The Secretary shall be responsible for the maintenance and safekeeping of the Condominium Association's nonfinancial clerical records and correspondence and shall have charge of the corporate seal. The Secretary shall keep minutes of meetings of Co-Owners and the Board of Directors and shall perform such additional functions as provided in other provisions of these By-Laws or as may be conferred upon him by the Board of Directors.

(iv) **Treasurer** - The Treasurer shall be responsible for the maintenance and safekeeping of the Condominium Association's financial records. He shall be responsible for the collection, receipt, disbursement and expenditure of Association monies, for the deposit and investment of such monies in

institutions and securities approved by the Board of Directors, and for maintenance of complete and accurate books of account and financial statements of all Association assets and liabilities in accordance with generally accepted accounting principles. The Treasurer shall be responsible for the proper preparation and filing of Association tax returns and financial reports required by law.

(v) Other officers - Any other officer elected by the Board of Directors to a position created by the Board pursuant to the provisions of foregoing paragraph 4.2, shall have such powers and responsibilities as the Board confers upon that officer, consistent with the provisions of these By-Laws and other Condominium Documents.

4.4 Removal of Officers. Any officer may be removed with or without cause by the Board of Directors at a regular or special meeting, provided that, no such removal action may be taken unless the matter shall have been included in the notice of such meeting. The officer who is proposed to be removed shall be given an opportunity to be heard at such meeting of the Board.

V. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Every Director and officer of the Condominium Association shall be indemnified by the Association against all expenses and liabilities, including legal expenses and attorney fees, reasonably incurred 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, except in cases in which the Director or officer is adjudged guilty of wilful misconduct or gross negligence in the performance of his duties. Indemnification payment to a Director or officer in accordance with these provisions, shall require Board of Directors approval, provided that, any Director who will receive such payment shall be required to abstain from the Board's decision on the matter. The Secretary shall give Co-Owners at least ten days advance written notice before any indemnification approved by the Board of Directors is disbursed to or for the benefit of a Director or officer. The provisions herein for indemnification of a Director or officer shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled. The Board of Directors is authorized to carry liability insurance covering acts of Directors and officers of the Condominium Association with terms and limits as the Board deems appropriate.

VI. ADMINISTRATION AND OPERATION
OF THE ASSOCIATION

6.1 Assessments. All expenses incurred in the administration and operation of the Condominium Association in accordance with the provisions of these By-Laws and other Condominium Documents and the Michigan Condominium Act, shall be levied by the Association against the Condominium Units and the Co-Owners thereof pursuant to the following provisions:

(i) Budget - In advance of each fiscal year of the Condominium Association, the Board of Directors shall prepare and approve an annual budget which projects expenses expected to be incurred in the forthcoming year for the proper administration and operation of the Association and the upkeep and maintenance of the Condominium Project, including a reasonable allowance for contingencies and an adequate contribution (not less than ten per cent of total expenses, including contingency allowance, projected in the budget) to an Association capital reserve fund for costs of future maintenance, repair, improvement and replacement of Common Elements. As provided in Section 54(2) of the Michigan Condominium Act, tangible personal property tax assessed against tangible personal property owned by the Association or owned in common by Co-Owners of Condominium Units, shall be treated as an administrative expense of the Association. Upon completion and approval of an annual budget by the Board of Directors, copies shall be furnished to each Co-Owner.

(ii) Determination and apportionment of assessments - Upon approval of an annual budget, the Board of Directors shall determine the total amount of assessment income which will need to be received by the Association to fund the budget during the forthcoming fiscal year. The Directors shall then apportion and levy that total amount among the Condominium Units in proportion to their weighted values as specified in paragraph 3.2 of Article III of the Master Deed, as amended, or on the basis of other formulation as determined by the Board of Directors, provided that, the apportionment of those assessments among Condominium Units shall fairly represent the proportionate value of each Unit relative to the aggregate value of all Condominium Units in all phases of the Condominium Development which are completed at that time. The Secretary shall then promptly furnish Co-

Owners written notice of the amount of such total annual assessment and the portions thereof levied against each Unit. Such notice shall inform Co-Owners that the annual assessment levied against a Unit may be fully paid in advance or may be paid without interest in equal monthly or quarterly installments on or before the first day of each month or first day of each calendar quarter during the fiscal year, provided that, at the Board of Directors' discretion monthly or quarterly installments applicable to a particular Unit may be rounded to the nearest even dollar amount.

(iii) Mid-year adjustment of assessments - In the event that in the course of the Association's fiscal year, the Board of Directors determines that the total assessment amount approved by the Board pursuant to the process specified in preceding paragraph 6.1(ii) is significantly more than or less than the amount of assessment income required to satisfy Association obligations and liabilities during the balance of the fiscal year, the Board may increase or decrease the amount of assessments required to be paid by Co-Owners for that fiscal year. Any such increase or decrease in assessment shall be apportioned among Condominium Units in the manner specified in preceding paragraph 6.1(ii). The Secretary shall promptly furnish written notice of such adjustment in assessment to each Co-Owner. In the event the Board pursuant to the provisions herein, decreases the assessment previously levied, the decreased portion of such assessment already paid to the Association by a Co-Owner, shall at the Co-Owner's option be refunded to the Co-Owner or credited toward satisfaction of future assessments levied against that Co-Owner's Condominium Unit.

(iv) Special assessments - In addition to assessments levied by the Board of Directors pursuant to provisions of preceding paragraph 6.1(iii), the Board may from time to time levy special assessments which shall be apportioned among Condominium Units in the manner specified in preceding paragraph 6.1(ii) with respect to regular assessments. Such special assessments may be levied for the purpose of obtaining funds to pay for obligations or needs which the Board deems necessary or desirable for the benefit of Co-Owners, including, but not limited to, the following: repair, replacement or improvements of Common Elements; additions to Common Elements; purchase of a Condominium Unit; retention of legal counsel and payment of costs incurred in judicial or other legal proceedings or matters involving the Association.

The Board of Directors may permit such special assessment to be paid by Co-Owners in equal monthly installments without interest for a specified number of months. The Secretary shall give all Co-Owners written notice of such a special assessment at least thirty days prior to the date the assessment, or the first monthly installment thereof, is payable. The notice shall state the purpose of the special assessment, the total amount of the assessment and the proportion allocated to each Condominium Unit.

(v) Power to levy assessments limited to Board of Directors - The power to levy assessments pursuant to the provisions herein shall be exercised only by the Board of Directors for the benefit of the Association and its Co-Owners and shall not be exercisable by any creditors of the Association or creditors of any Co-Owners.

(vi) Interest and late payment charge for Co-Owner's default in paying assessment - The payment of a regular or special assessment shall be in default if such assessment or any part thereof, is not paid to the Association in full on or before the due date for such payment. Each assessment payment in default for ten or more days shall bear interest from the initial due date thereof until it has been paid, at a per annum rate of interest not to exceed ten (10%) per cent per annum as determined from time to time by the Board of Directors. In addition to the assessment of interest for such default in payment of an assessment, the Board of Directors may enact a late payment charge not to exceed ten (10%) per cent per month of the amount of any assessment payment which has not been paid within ten days of the due date thereof.

(vii) Enforcement and collection of assessments - Each Co-Owner, whether one or more persons, shall be personally, jointly and severally liable for payment of all assessments (plus interest and late payment charges thereon and costs of collection) which become due and payable at the time such Co-Owner possesses an ownership interest in the Unit or is vendee under an executory land contract for purchase of the Unit, provided that, upon initiation of forfeiture or foreclosure proceedings by the vendor under a land contract for sale of a Unit, the vendor shall become jointly and severally personally liable with the vendee for all arrearage in assessments levied against that Unit (plus interest and late payment charges thereon and costs of collection) together with assessments which subsequently become due and

payable with respect to that Unit until the amount of arrearage is fully paid and the status and identity of the Co-Owner who will thereafter be personally liable for assessments levied against the Unit, have been firmly established. The Association upon the determination of the Board of Directors, may enforce collection of delinquent installments (plus interest and late payment charges thereon and costs of collection) by a suit for money judgment or by foreclosure of the statutory lien which secures payment of assessments. Each Co-Owner and every other person or party who possesses an interest in the Condominium Project, shall be deemed to have granted the Association the unqualified right to commence legal proceedings as herein provided to enforce and collect past due assessments (plus interest and late payment charges thereon and costs of collection) by suit for money judgment or by foreclosure (by judicial action or by advertisement) of the lien securing payment of assessments. 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 purpose of establishing the alternative procedures to be followed in such lien foreclosure actions and the rights and obligations of the parties to those actions. Further, each Co-Owner and every other person who possesses an interest in the Condominium Project, shall be deemed to have authorized and empowered the Association to bid upon and to purchase a Unit at foreclosure sale or to receive, hold and distribute proceeds of such sale in accordance with the priorities established by law. Expenses incurred by the Association in collecting unpaid assessments (plus interest and late payment charges thereon and costs of collection), including actual attorneys' fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-Owner in default and shall be secured by a lien on his Unit until payment of the full amount owed to the Association for such assessments, interest, charges and costs.

(viii) Developer's liability for payment of assessments - The Developer of the Condominium Project shall not be liable at any time for payment of monthly assessments or for expenses of any kind with respect to unbuilt or uncompleted Condominium Units. With respect to unsold and unoccupied completed Units owned by the Developer, the Developer shall pay a proportionate share of the Association's expenses of operation of the Project

based upon the ratio between the total number of completed Units in the Project at that time and the number of unsold and unoccupied completed Units then owned by the Developer. The Developer shall be liable at all times for payment of assessments on each occupied Unit which it owns. With respect to all completed Units owned by the Developer, the Developer shall be liable for utility and maintenance costs the same as any other Co-Owner.

(ix) Mortgagee's exemption from liability for assessment - The mortgagee of a Condominium Unit who acquires title of the Unit as a result of mortgage foreclosure, or Co-Owner's deed in lieu of foreclosure, shall not be liable for unpaid assessments levied prior to the foreclosure sale or execution and delivery of the Co-Owner's deed in lieu of foreclosure. However, such mortgagee and its transferees and assigns, shall be liable for assessments on the Unit levied after the date of foreclosure sale or execution and delivery of the Co-Owner's deed in lieu of foreclosure.

6.2 Property Taxes and Special Assessments. All real property taxes and special assessments imposed by any public taxing authority upon Condominium Association real estate, including individual Condominium Units, shall be allocated among Co-Owners in accordance with the provisions of Section 131 of the Michigan Condominium Act. Personal property tax assessed against tangible personal property of the Condominium Association shall be paid and accounted for as administration expenses of the Condominium Association.

6.3 Construction Liens. Mechanics' or construction liens shall apply to Condominium Association real estate, including individual Condominium Units, in accordance with the provisions of Section 132 of the Michigan Condominium Act.

6.4 Insurance. The Condominium Association shall carry casualty and liability insurance, and workmen's compensation insurance, if applicable, in accordance with the following provisions:

(i) Casualty and extended coverage - The Association shall maintain insurance policies which insure all Common Elements of the Condominium Project (including Condominium Unit structures, fixtures and appurtenances for which the Association has maintenance responsibility) against fire and other perils covered by a standard extended coverage endorsement with limits equal to the current insurable replacement value, excluding excavation and foundation costs, as determined annually by the Board of Directors in consultation with representatives of the Association's insurance carrier. The maximum deductible

amount for such casualty insurance policy maintained by the Association, shall be the lesser of \$5,000.00 or 1% of the policy limits. Such casualty insurance policy shall contain the following provisions: any insurance trust agreement entered into by the Association or by a Co-Owner will be recognized by the insurer; insurer's waiver of right of subrogation against Co-Owners; Association's entitlement to receive insurance proceeds will not be prejudiced by acts or omissions of Co-Owners or other persons who are not directly subject to the Association's control; the policy coverage is primary regardless of duplicative insurance coverage maintained by a Co-Owner with respect to his Condominium Unit, appurtenances and contents; the Association, any insurance trustee of the Association, and each mortgagee having a recorded first mortgage lien in a Condominium Unit or in Common Elements, shall be provided by the insurer with at least ten days advance written notice of cancellation or substantial change in the Association's casualty insurance coverage. Information in the Association's records regarding such casualty insurance coverage shall be available to all Co-Owners upon request during regular business hours. Each Co-Owner shall be responsible at his own expense for obtaining such additional insurance coverage as he determines to be necessary or desirable to provide adequate insurance coverage for his Condominium Unit, including additions, improvements and fixtures thereto, which may not be covered by insurance obtained by the Association, and for personal property within his Unit or Common Elements appurtenant thereto. Also each Co-Owner shall be responsible for obtaining such insurance as he desires to have for alternative living expense resulting from casualty damage which renders his Unit uninhabitable and the Association shall have no responsibility for obtaining such insurance for the benefit of individual Co-Owners.

(ii) Liability Insurance - The Condominium Association shall maintain a general comprehensive liability insurance policy covering all common areas, public ways and any other areas under the Association's supervision and control. Such liability insurance policy should have limits not less than \$1,000,000.00 for bodily injury and property damage for any single occurrence. In addition to protection of the Association with respect to liability arising from conduct or negligence within the Condominium Premises, such liability insurance policy shall protect the Association against liability related to

employment contracts to which the Association is a party. Such liability insurance policy shall contain the following provisions: the insurer may not deny a claim on grounds that the damage, injury or loss resulted from the acts or negligence of the Association or of any Co-Owner; the Association, any insurance trustee of the Association, and each mortgagee having a recorded first mortgage lien in a Condominium Unit or in Common Elements, shall be provided by the insurer with at least ten days advance written notice of cancellation or substantial change in the Association's liability insurance coverage. Information in the Association's records regarding such liability insurance coverage shall be available to all Co-Owners upon request during regular business hours. Each Co-Owner shall be responsible at his own expense for obtaining liability insurance to provide protection against liability claims asserted against him personally for occurrences within his Condominium Unit or Common Elements appurtenant to his Unit and the Association shall have no responsibility for obtaining such liability coverage for the benefit of individual Co-Owners.

(iii) Fidelity bonds - The Association shall obtain fidelity bonds for all persons who handle or have responsibility for Association funds, regardless of whether they are compensated by the Association for their services, provided, however, that an independent management agency which handles Association funds, shall be responsible for obtaining fidelity bonds for its personnel, having provisions and coverage at least as extensive as fidelity bonds which the Association is required to obtain for its personnel, with the Association designated as an additional obligee or insured beneficiary. Each such fidelity bond required to be obtained by the Association or any management agency which it retains, shall have limits equal to the maximum funds which will be held or administered by the Association or its management agency during the terms of the bonds or the total sum of three months' assessments levied against all Condominium Units in the Project, whichever is greater. Such fidelity bonds shall provide that the Association, any insurance trustee of the Association, and each mortgagee (or servicer of a Federal National Mortgage Association mortgage) having a recorded first mortgage lien in a Condominium Unit or in Common Elements, shall be provided by the fidelity bond insurer with at least ten days advance written notice of cancellation or substantial change in the insurance coverage provided under such fidelity bonds.

(iv) Casualty and liability insurance policy and fidelity bond premiums- All premiums on casualty and liability insurance policies and fidelity bonds obtained by the Condominium Association pursuant to the foregoing provisions of this section 6.4, shall be expenses of administration of the Association.

(v) Casualty and liability insurance and fidelity bond proceeds- Proceeds of all casualty and liability insurance policies and fidelity bonds owned by the Association shall be received by the Association and distributed to the Association or to Co-Owners and their mortgagees, as their respective interests may appear, subject to the provisions in following paragraph 6.4(vi) whereby insurance policy proceeds received by the Association as a result of casualty damage or loss requiring repair or reconstruction shall be applied directly to pay for the costs of each repair or reconstruction.

(vi) Application of casualty insurance proceeds to pay for costs of repair and reconstruction - Casualty insurance proceeds received by the Condominium Association as reimbursement for damage or destruction of a Condominium Unit or other part of the Condominium Premises shall be applied and expended by the Association to repair or replace such damaged or destroyed portion of the Premises in accordance with the provisions of following section 6.5.

(vii) Authority of Association to settle insurance claims - Each Co-Owner is deemed irrevocably to have appointed the Association as his attorney in fact to negotiate, decide and determine all agreements with respect to obtaining and maintaining casualty, liability and workmen's compensation insurance coverage and fidelity bonds for the Association in accordance with the foregoing provisions of this Section 6.4, to settle claims of the Association for benefits under such insurance, to receive and distribute insurance policy proceeds, and to execute receipts, releases and waivers in consideration for such proceeds.

6.5 Repair of Premises Damage. The Condominium Association and individual Co-Owners of Condominium Units shall have responsibilities for repair or replacement of any part of the Condominium Premises or of a Condominium Unit in accordance with the following provisions:

(i) Responsibility of Association - The Association is obligated to effect prompt repair or replacement of any part of Common Elements of the Condominium Project which has sustained casualty damage or destruction. In fulfillment of its obligation in this regard, the Association shall be responsible

for repair or replacement of such damaged or destroyed property to restore it to a condition as close as practicable to that which existed prior to the casualty. If insurance proceeds received by the Association are insufficient to pay for the full costs of such repair or replacement of damaged or destroyed property, other Association funds, including funds obtained by special assessment against Condominium Co-Owners for that purpose, shall be expended to pay those costs. Notwithstanding the foregoing provisions of this subparagraph (i), the Association may forego repair or replacement of a damaged or destroyed portion of the Condominium Premises or may restore such damaged or destroyed property in a manner different than existed prior to such damage or destruction, provided that, such non-repair, non-replacement or modification is approved by the Board of Directors and by express written consent of Co-Owners having a majority of votes weighted in the manner provided in paragraph 3.2 of Article III of the Master Deed, as amended, including the express written consent of each Co-Owner whose Condominium Unit or any Limited or Common Element appurtenant thereto, will be physically affected by the proposed inaction or modification.

(ii) Responsibility of Co-Owners - A Co-Owner shall be responsible, and the Association shall not be responsible, for prompt repair or replacement of casualty damage or destruction of any part of that Co-Owner's Condominium Unit for which the Association does not have general maintenance and repair responsibility. Pursuant to the provisions of this sub-paragraph (ii), a Co-Owner shall be deemed responsible for repair or replacement of damage or destruction within the interior of his Unit, including, but not limited to, floor coverings, wall coverings, draperies, window shades, interior walls (but not Common Elements therein), interior trim, light fixtures, appliances and furniture, whether or not attached to the structure of the Unit. Such repair or replacement by a Co-Owner, shall conform to provisions of Condominium Documents and shall comply with applicable laws and ordinances.

6.6 Distribution of Annual Financial Statements to Co-Owners. No later than the date of each Annual Meeting of Co-Owners as specified in Section 25 of Article II of these By-Laws, the Secretary of the Association (or other officer designated by the Board of Directors) shall deliver or mail to each Co-Owner, a financial statement for the preceding calendar year, or other fiscal year, of the Association.

As provided in Section 54(5), such annual financial statement shall set forth pertinent financial information pertaining to the Association, including information specifically requested by Co-Owners.

VII. RESTRICTIONS

7.1 Restrictions on Use of Condominium Premises. The following rules and restrictions shall govern the use and occupancy of the Condominium Premises, Common Elements and individual Condominium Units, by Co-Owners and all other persons and parties within the Condominium Project:

(i) Residential use - No Condominium Unit shall be used and occupied for other than single family residence purposes. Common Elements shall be used only for purposes consistent with a single family residential development. Each Co-Owner shall be responsible for maintaining his Condominium Unit and Limited Common Elements appurtenant thereto in safe and sanitary condition. Each Co-Owner shall be responsible for assuring the proper, safe and careful use and possession of General Common Elements by himself, members of his family, guests and invitees. Expense incurred by the Association for repairing any damage to Common Elements caused by the acts or negligence of a Co-Owner or by any persons for whom he is responsible, may be assessed against the Co-Owner by the Board of Directors and collected by the Association in the same manner as provided in preceding Article VI of these By-Laws with respect to assessments generally.

(ii) Prohibited activities - No unlawful, improper, immoral, hazardous or disruptive conduct or activities shall be permitted within the Condominium Premises, including Condominium Units and General and Limited Common Elements. No unreasonably noisy activities shall be permitted within the Condominium Premises. Potentially dangerous activities, such as use of firearms (including air rifles, pellet guns and B-B guns), bows and arrows, or similar weapons, projectiles or devices, are prohibited within the Condominium Premises. Use of the Condominium Premises, including any Condominium Unit or Common Elements, in any manner which may cause the Condominium Association's casualty insurance premiums to increase, shall be prohibited. The Board of Directors shall be responsible for enforcing the provisions herein and for resolving disputes among Co-Owners regarding allegations of prohibited activities within the Condominium Premises.

(iii) Pets - Household pets shall not be kept in a Condominium Unit or elsewhere within the Condominium Premises, except that the Co-Owner of a Condominium Unit will be entitled to keep one small pet which he owns at the time he purchases the Unit, provided that the pet is not dangerous and does not create a nuisance, and further provided that, when outside the confines of a Condominium Unit, such pet shall be leashed and attended by a responsible person. Each Co-Owner who brings a pet within the Condominium Premises shall be responsible for the clean-up, collection and proper disposition of wastes deposited by that pet. No vicious, rabid or diseased animal, or any animal which creates an unsanitary condition, emits an unpleasant odor, or which frequently barks or causes other noise or disruption, shall be permitted within the Condominium Premises. Animals shall not be permitted to be bred for commercial purposes within the Condominium Premises. The Board of Directors may enact regulations requiring pets to be registered with the Association and may levy an assessment upon Co-Owners who keep pets within the Condominium Premises to defray extra costs incurred by the Association due to the presence of pets within the Condominium Premises. The Board of Directors may also enact regulations which empower it to levy assessments against Co-Owners who maintain pets within the Condominium Premises in violation of these By-Laws or Association rules and regulations. Such assessments and fines shall be collectible and enforceable by the Association in the same manner as provided in preceding Article VIII of these By-Laws with respect to assessments generally. If the Board determines that such pet or animal is being kept or is present within the Premises in violation of these By-Laws or Association rules and regulations, it may direct the removal of that pet or animal from the Condominium Premises without reimbursement to its owner.

(iv) Vehicles - No unsightly or inoperable motor vehicle, mobile home, house trailer, recreational vehicle, all terrain vehicle, camping trailer, boat trailer, boat, motorcycle, snowmobile trailer, snowmobile, or truck, shall be parked within the Condominium Premises, except on a temporary basis for less than twenty-four hours. This provision shall not prevent parking of commercial vehicles within the Condominium Premises for short periods for ordinary, pick-up, delivery and service calls. A Co-Owner's passenger cars shall be parked within the Condominium Premises only in the garage or

driveway areas appurtenant to the Co-Owner's Unit or in parking spaces assigned to that Co-Owner. Each Co-Owner shall be responsible for assuring that his visitors park their vehicles in designated guest parking areas. The Board of Directors may enact regulations which empower it to levy punitive assessments against Co-Owners who cause any vehicle or trailer to be parked within the Condominium Premises in violation of these By-Laws or Association rules and regulations, and any such assessment or fine shall be collectible and enforceable by the Association in the same manner as provided in preceding Article VI of these By-Laws with respect to assessments generally. If a Co-Owner fails after reasonable written notice to remove an improperly parked vehicle or trailer for which he has responsibility, the Board of Directors may cause such vehicle or trailer to be removed from the Condominium Premises to another location and may levy a punitive assessment against the Co-Owner for removal and for storage costs thereby incurred.

(v) Advertising signs - No "for sale" sign or other sign or advertising device visible from the exterior of a Condominium Unit, shall be displayed within the Condominium Premises except upon written authorization of the Board of Directors. Notwithstanding the foregoing provisions of this subparagraph (v), the Developer during the construction and sales period for the initial phase and for each subsequent phase of development of the Condominium Project, shall be entitled to maintain on the Condominium Premises advertising signs for the promotion of sales of Condominium Units and to operate construction, business and sales offices and model units with associated parking and equipment storage areas on the Premises, provided that, at the end of such construction and sales activity, the Developer shall restore those areas of the Premises to their proper condition for residential use in accordance with the provisions of these By-Laws and other Condominium Documents.

(vi) Landscaping - No changes in landscaping or planting of trees, shrubs or exterior decoration shall be permitted within the Condominium Premises except upon written authorization of the Board of Directors.

(vii) Use of Common Elements - The following uses of Limited and General Common Elements shall be prohibited:

Storage of supplies, personal property, trash or refuse, except as provided in Association rules and regulations;

Drying or airing of clothing or other articles;

Any unsightly conditions.

Outdoor furniture, grills and similar articles shall be permitted within a Condominium Unit's Limited Common Elements during appropriate seasons, provided that, such furniture and other articles shall at all times be maintained in good repair and attractive condition.

(viii) Building alterations - No alterations in the exterior appearance of a Condominium Unit or structural modifications to the Unit (including interior walls through or in which there exist utility easements and structural support components) or changes in Common Elements, shall be permitted except upon written authorization of the Board of Directors.

7.2 Lease of a Condominium Unit. A Co-Owner of a Condominium Unit shall be entitled to lease his Unit to another person or party, in accordance with the following conditions:

Lease shall be for the Condominium Co-Owner's entire Condominium Unit;

Lease shall be for a time period not less than one year;

Terms of the lease shall be in the form of a written lease contract which obligates the tenant to abide by all provisions of these By-Laws and other Condominium Documents and Association rules and regulations governing the occupation and use of the Condominium Unit and General and Limited Common Elements.

A Co-Owner who desires to lease his Condominium Unit in accordance with the provisions herein, shall be required to submit to the Secretary or any other officer of the Association, pertinent information regarding the proposed lease, including name or names, ages and current addresses of each person who will reside in the Unit under such lease and a copy of the proposed written lease contract. The Board of Directors at its next regular meeting shall either approve or disapprove the proposed lease and within five days the Secretary shall mail written notice of the Board's decision to the Co-Owner. No tenant shall be permitted to occupy a Condominium Unit until issuance of such written notice of the Board's approval of the proposed lease. The Co-Owners of a leased Condominium Unit shall continue to be obligated and liable for compliance with all rules and restrictions governing the use of the Unit and Common Elements appurtenant thereto and payment of all regular, special and punitive assessments and charges pertaining to the Unit. If the

tenant of a Unit fails to comply with Association rules and regulations governing the Unit and appurtenant Common Elements, the Board of Director's may direct the Secretary or other Association officer to give written notice to the Unit's Co-Owner warning that unless the tenant's non-conforming conduct ceases, the Association may initiate summary proceedings or other judicial action to terminate the lease, to effect eviction of the tenant, and to obtain a judgment for damages and costs of suit. In the event that such judicial proceedings are undertaken by the Association, whether or not a judgment is obtained, the Board of Directors may levy an assessment against the Co-Owners for costs, including attorney fees, incurred by the Association with respect to those proceedings and to compensate the Association for costs of repair of damage to Common Elements or extra maintenance expense incurred by the Association as a result of the tenant's breach of Association rules and regulations, and any such assessment shall be collectible and enforceable by the Association in the same manner as provided in preceding Article VI of these By-Laws with respect to assessments generally. Any Co-Owner who leases his Condominium Unit shall be deemed irrevocably to have appointed the Association as his attorney in fact for the purpose of administering the provisions of this section 7.2 of these By-Laws, including the initiation of judicial proceedings in behalf of the Co-Owner as herein provided.

7.3 Rules and Regulations. The Board of Directors may from time to time enact rules and regulations which will govern the operation of the Association and restrict conduct and activities of Co-Owners and other persons within the Condominium Premises, provided that, any such rules and regulations shall be consistent with the provisions of these By-Laws and other Condominium Documents. Copies of such rules, regulations and amendments thereto shall be furnished to all Co-Owners.

VIII. MISCELLANEOUS PROVISIONS

8.1 Mortgagee's Interests. No provisions of these By-Laws or of other Condominium Documents shall be deemed to give a Condominium Co-Owner, or any other party, rights prior or superior to those of a mortgagee in that Co-Owner's Condominium Unit with respect to distribution of casualty insurance proceeds or condemnation awards. A Co-Owner shall give written notice to the Association's Secretary of the name and address of a lender or other party who possesses a mortgagee's interest in that Co-Owner's Condominium Unit and that information

shall be retained in the Association's records. Upon written request of a Co-Owner or mortgagee, the Association will provide such mortgagee with information regarding the Unit to which its mortgagee's interest pertains, including a report as to the status of regular and special assessment payments for the Unit, information concerning casualty insurance maintained by the Association on Condominium Units and General and Limited Common Elements, and notices of Annual and Special meetings of Co-Owners.

8.2 Association's Right of Access to Condominium Units. The Association, including its authorized agents, shall have the right of access to each Condominium Unit and Limited Elements appurtenant thereto during regular working hours upon reasonable advance notice to the Unit's Co-Owners, for the purpose of maintaining, repairing or installing components of the Common Elements within the Unit. In the event of emergency or necessity for immediate safeguard or repair of Common Elements within a Unit to prevent the risk of property damage or personal injury, the Association shall have the right of access to a Condominium Unit or Limited Common Elements appurtenant thereto without prior notice to the Co-Owner. To enable the Association to fulfill its responsibilities under the provisions of this paragraph 8.2, each Co-Owner shall be obligated to provide the Association with a key for access to that Co-Owner's Unit when the Co-Owner is absent, provided that, if a Co-Owner does not furnish the Association with such means of access, the Association may gain access to his Unit for the purposes stated herein in such manner as may be reasonable under the circumstances and neither the Association nor its officers or agents acting in its behalf, shall be liable to such Co-Owner for damage caused to locks, doors, windows or other part of the Unit or Limited Common Elements appurtenant thereto in gaining such access.

8.3 Condemnation. If all or any part of the Condominium Project, including any Condominium Unit or Common Elements therein, shall be condemned and taken by a governmental or other authority exercising powers of eminent domain, rights of Co-Owners shall be governed by provisions of Section 133 of the Michigan Condominium Act. In the event that such condemnation proceeding is initiated in regard to any portion of the Condominium Project, the Board of Directors through its Secretary or other designated agent, shall give written notice of such action to all Co-Owners and mortgagees known by the Association to have mortgage liens in particular Condominium Units. Any condemnation award received by the Association shall be held and administered by the Board of Directors in accordance with

provisions of Section 133 of the Act or as directed by judicial order. Each Co-Owner is deemed irrevocably to have appointed the Association as his attorney in fact to negotiate, decide upon and settle all claims, suits and actions regarding condemnation or the threat of condemnation of any part of the Condominium Project, including any Condominium Unit or Common Elements therein.

8.4 Standing to Enforce By-Law Provisions. Any person or party who possesses a significant interest in the Condominium Project, including the Developer (until final completion of all phases of the Project as provided in the Master Deed, as amended, and sale or conveyance of all of the Developer's interest in Condominium Units to individual purchasers and transferees), the Association, Co-Owners, and mortgagees who possess valid mortgage liens in particular Condominium Units or in Common Elements, shall have standing to enforce the provisions of these By-Laws and of other Condominium Documents to the extent that those provisions may reasonably be construed to affect that person's or party's interest in the Project. Judicial action to enforce the provisions of these By-Laws or of other Condominium Documents may include suit for damages, injunctive relief, foreclosure of lien for default in payment of assessments levied against a Condominium Unit, or any combination thereof. In any such judicial proceeding undertaken by the Association against a Co-Owner to enforce the provisions of these By-Laws or other Condominium Documents, the Association, if successful shall be entitled to recover from the Co-Owner actual legal costs and attorney fees, not limited to statutory fees, which it reasonably incurs with respect to such proceedings, but in no event shall any Co-Owner be entitled to recover such attorneys' fees against the Association. Notwithstanding the foregoing provisions of this paragraph 8.4, when reasonably necessary to abate a condition which violates the provisions of these By-Laws or other Condominium Documents, authorized agents of the Association at the direction of the Board of Directors shall be entitled to enter any portion of the Condominium Premises, including any Condominium Unit or Limited Common Element appurtenant thereto, to remove the violative condition, provided that, items of construction shall be altered or abolished only as permitted by judicial order or written consent of the parties affected. Neither the Association nor its officers or agents acting in its behalf, shall have any liability to a Co-Owner, or other person or party, as a consequence of the exercise of the Association's power of abatement and removal as provided herein. The failure of the Association or of any Co-Owner to enforce the provisions of these By-Laws and

of other Condominium Documents or to exercise powers conferred by the provisions of the Condominium Documents, shall not constitute a waiver of their rights to undertake enforcement action or to exercise those powers in the future.

8.5 Arbitration. Disputes between the Association and Co-Owners regarding the interpretation, application or enforcement of the provisions of these By-Laws or of other Condominium Documents, upon the written consent of the Association and Co-Owners involved, may be submitted to final and binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, as amended, and the resulting arbitration award shall be enforceable by Michigan Circuit Court judgment.

8.6 Amendment. Amendments to these By-Laws may be proposed by the Board of Directors or by written petition endorsed by Co-Owners, or their designated voting representatives, representing at least one-third of the total voting value of all Condominium Units as specified in paragraph 3.2 of Article III of the Master Deed, as amended. The Secretary shall include a copy of such a proposed amendment with the notice of the annual or special meeting of Co-Owners at which the amendment will be considered. Any such proposed amendment will become effective upon its being approved by affirmative vote of Co-Owners having at least two-thirds of total Co-Owners' votes, weighted in accordance with paragraph 3.2 of Article III of the Master Deed, as amended. No consent of mortgagees shall be required to amend these By-Laws unless the proposed amendment would materially alter or change the rights or interests of those mortgagees, in which case written approval of the amendment shall be required by mortgagees representing at least two-thirds of the Condominium Units to which such mortgagees' interests pertain, such votes of mortgagees to be weighted as regards the various Condominium Units to which their respective interests pertain in the same proportions as votes of Co-Owners of those Units as specified in paragraph 3.2 of Article III of the Master Deed, as amended. Notwithstanding the foregoing provisions of this paragraph 8.6, until the First Annual Meeting of Co-Owners convened pursuant to provisions of paragraph 2.4 of Article II herein, these ByLaws may be amended by the Developer without approval by any other persons or parties, provided that, such amendment by the Developer shall not materially prejudice or alter the rights of Co-Owners or mortgagees who possess interests in the Condominium Premises at that time.

8.7 Severability. If any term or provision of these By-Laws or of other Condominium Documents is deemed to be partially or wholly invalid or unenforceable for any reason, such holding shall not affect, alter or impair the application or enforcement of all of the other terms and provisions thereof.

CERTIFICATION

The undersigned Vice-President of Cortland Farms Condominium Owners' Association, a Michigan non-profit corporation, hereby certifies that these By-Laws were adopted as and for the By-Laws of the corporation, at a meeting of the corporation's incorporators and Directors held on the 21st day of February, 1991.

CORTLAND FARMS CONDOMINIUM

By: 

Michael J. Metzler, Vice-President

00000000

I, Leroy B. King, registered civil engineer of the State of Michigan,
herby certify:

That the subdivision plan known as Portland Farm Subdivision, by Lewis Davidson Subdivision Plan No. 17, 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 documents and iron markers will be located in the ground as required by rules promulgated under Section 102 of Act No. 56 of the Public Acts of 1918

That the accuracy of this survey is within the limits required by the rules promulgated under Section 103 of Act No. 31 of the Public Acts of 1918.

That the bearings, as shown, are noted on the survey plan as required by the rules promulgated under Section 103 of Act No. 31 of the Public Acts of 1918.

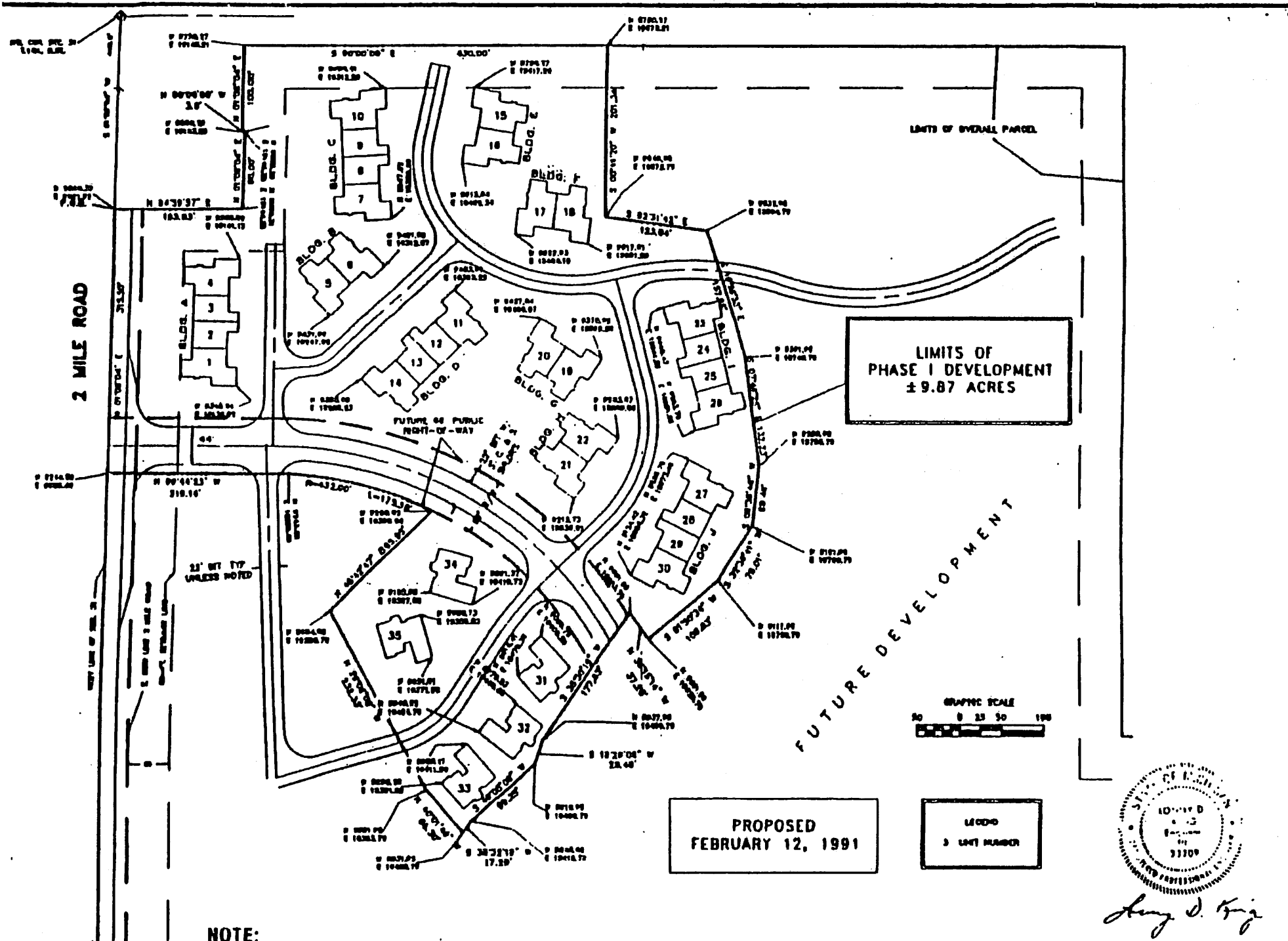
February 12, 1991

Larry D. Gray
 Registered Civil Engineer
 Registration No. 31104



PROPOSED FUTURE DEVELOPMENT

**PROPOSED
FEBRUARY 12, 1991**

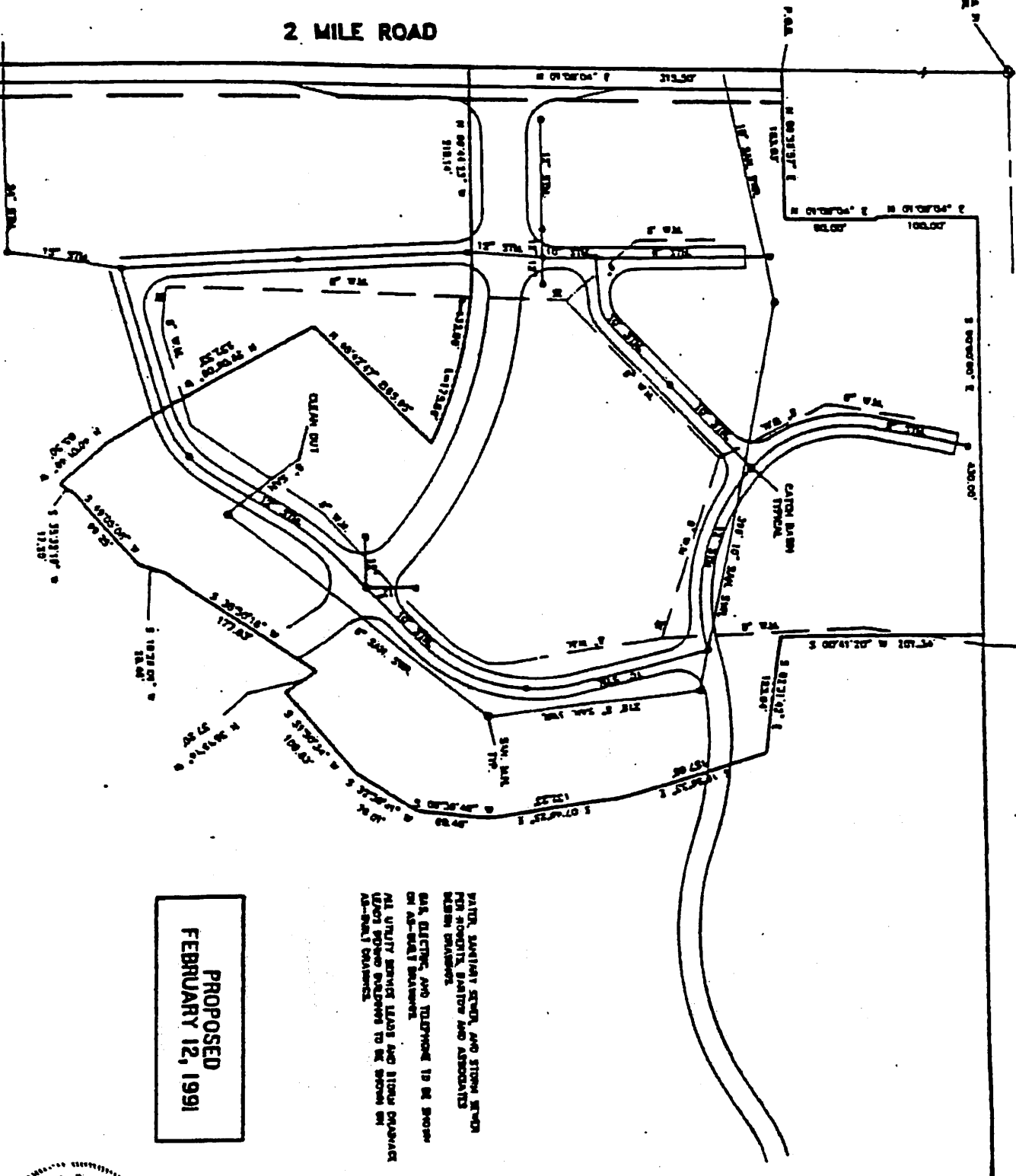


NOTE:
ALL BUILDINGS NEED NOT BE
BUILT EXCEPT FOR BUILDING "C"

CORTLAND FARMS

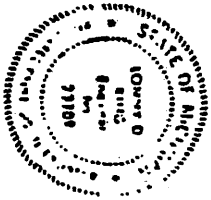
Roberts, Barlow & Associates, Inc.
101 N. Main Street

2 MILE ROAD



PROPOSED
FEBRUARY 12, 1991

WATER, SANITARY SEWER, AND STORM SEWER
FOR PROPERTY, SEWER AND ASSOCIATED
SEWER DRAINAGE
GAS, ELECTRIC, AND TELEPHONE TO BE SHOWN
ON AS-BUILT DRAWINGS
ALL UTILITY SERVICE LINES AND STORM DRAINAGE
LAYOUT SHOWN HEREIN TO BE SHOWN ON
AS-BUILT DRAWINGS



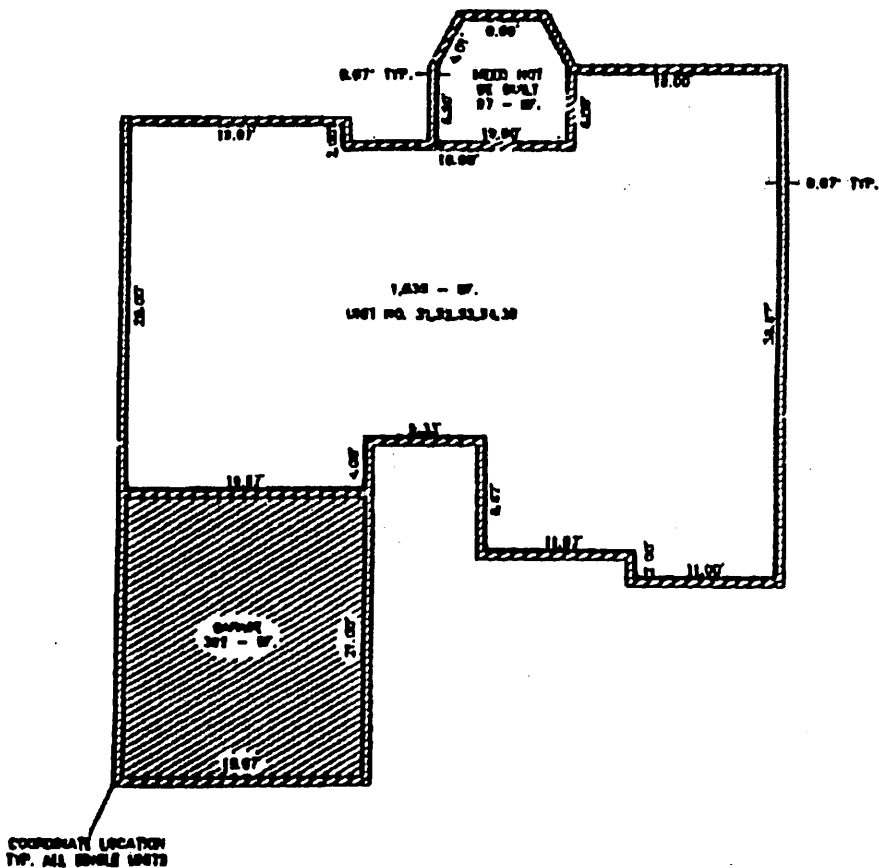
Jonas D. Bertaw

CORTLAND FARMS
CONDOMINIUM

Roberts, Bertaw & Associates, Inc.

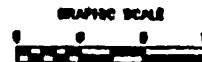
3001 11th Street, Suite 200
Farmington Hills, MI 48334-1100
Phone: (313) 297-7777

Let's keep



SINGLE UNIT FIRST FLOOR PLAN

NOTE:
1. ALL OWNERSHIP LINES ARE AS SHOWN TO EACH OTHER UNLESS OTHERWISE NOTED.
2. ALL DIMENSIONS ARE 0'-0"



PROPOSED
FEBRUARY 12, 1991



Robert B. Roberts

CORTLAND FARMS

Roberts, Bertow & Associates, Inc.

CORTLAND FARMS CONDOMINIUM

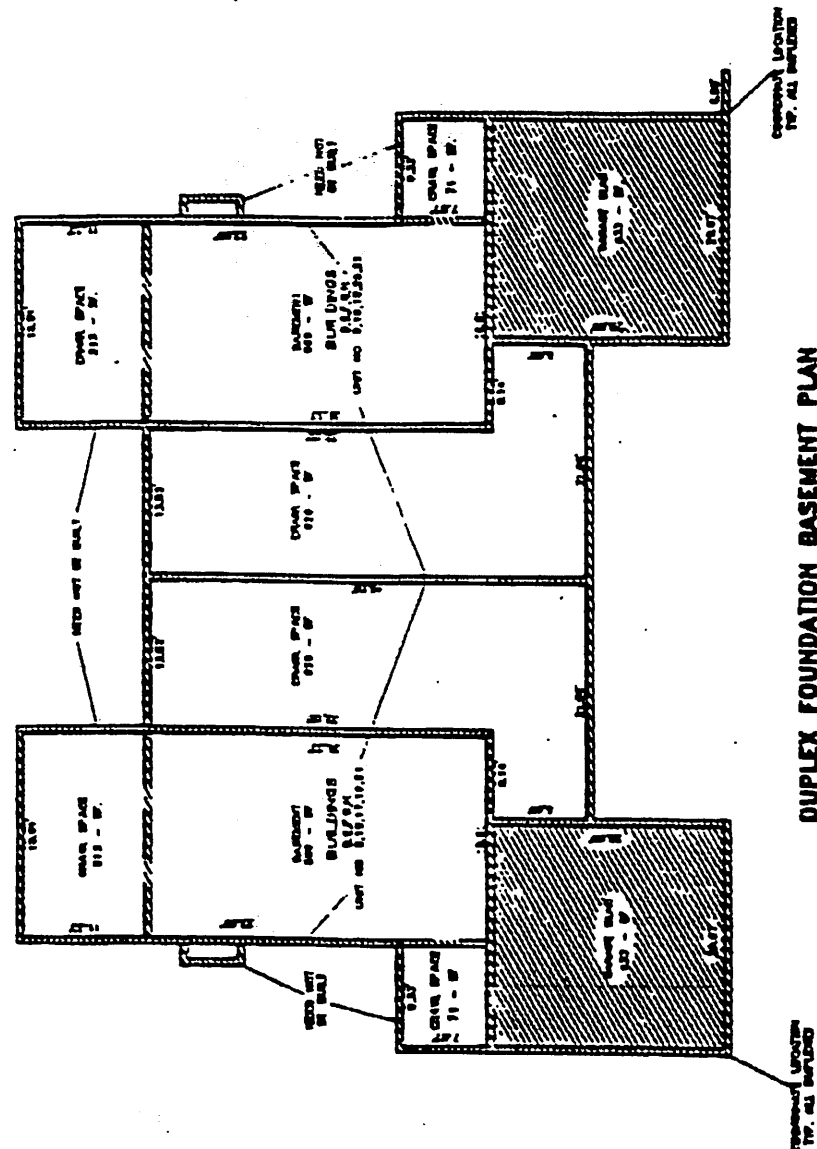
Roberts, Barlow & Associates, Inc.
101 N. GREENWAY
DALLAS, TEXAS 75207

Long & Long



PROPOSED
FEBRUARY 12, 1991

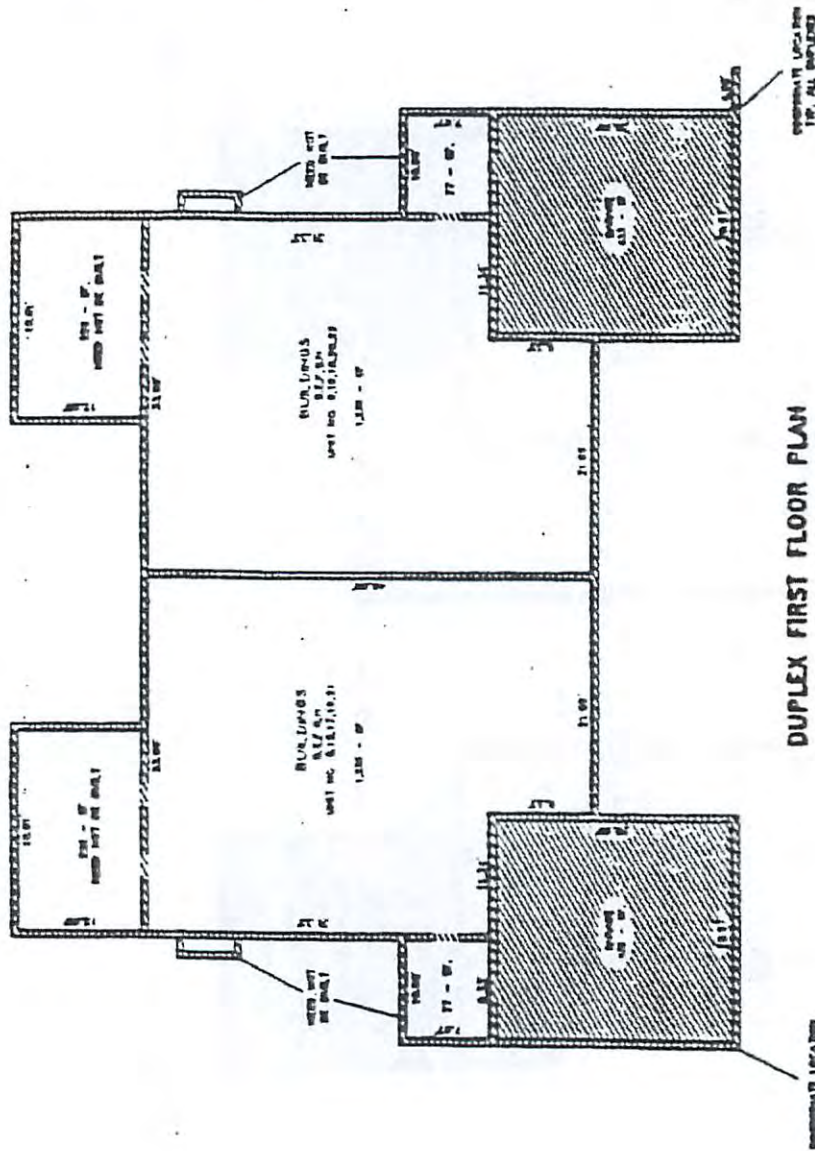
DUPLEX FOUNDATION BASEMENT PLAN



LEGEND

- UNITED COMMON ELEMENTS
- SEPARATE COMMON ELEMENTS
- LIMITS OF OWNERSHIP





DUPLEX FIRST FLOOR PLAN



1. ALL OVERLAP AREAS ARE TO BE IN ACCORDANCE WITH THE FOLLOWING NOTES:



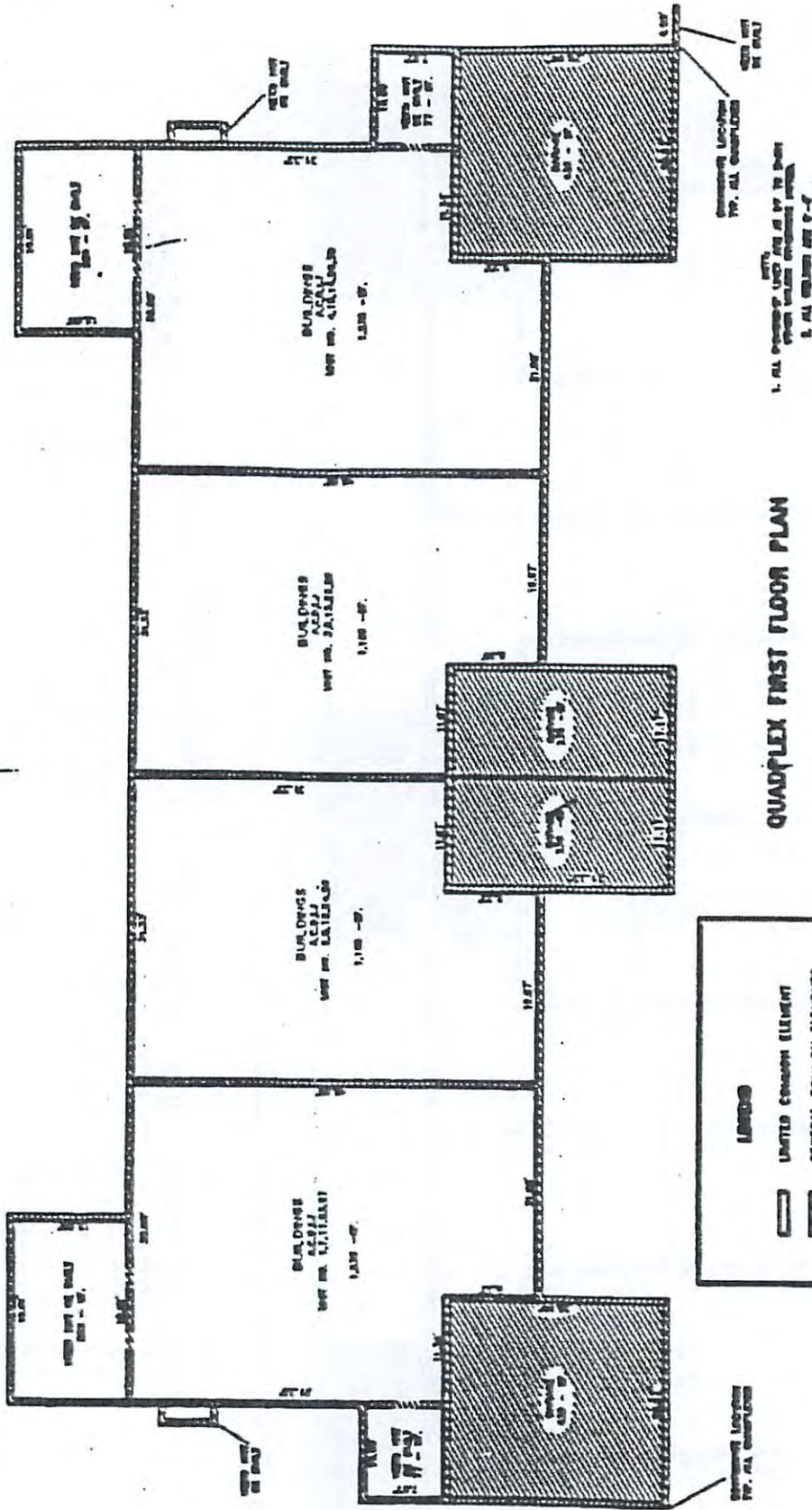
PROPOSED
FEBRUARY 12, 1991



Henry D. King

CORTLAND FARMS
CONDOMINIUM

Roberts, Bartow & Associates, Jr.



FIRST AMENDMENT TO THE MASTER DEED
FOR
CORTLAND FARMS CONDOMINIUM

THIS INSTRUMENT OF AMENDMENT to the Master Deed for

CORTLAND FARMS CONDOMINIUM, Bay County
Condominium Subdivision Plan No. 17, a residential
Condominium Project, situated in Monitor Township, Bay
County, Michigan, pursuant to provisions of the Michigan
Condominium Act, Public Acts of 1978, No. 59, as amended,

including Condominium By-Laws and Subdivision Plan attached as Exhibits A and B
thereto, dated February 21, 1991, and recorded February 21, 1991 in Liber 1165, Pages
01-52, Office of the Bay County Register of Deeds,

WITNESSES THAT, the Developer,

METZLER, INC., a Michigan corporation, having its
principal business office at 4859 Appletree Lane, Bay City,
Michigan 48706,

hereby amends the Master Deed pursuant to Article VI, paragraph 6.3, thereof, to effect
expansion of the Condominium Project for Cortland Farms Condominium, and to provide
for other revisions in the Master Deed and the revised Condominium Subdivision Plan
attached as Exhibit C hereto, in accordance with the following provisions:

1. Expansion of Condominium Premises. The Condominium Premises for
Cortland Farms Condominium is hereby expanded to include all of the following-
described real estate:

Land in Monitor Township, Bay County, Michigan, to wit:
All that part of Lots 3, 4 and 5 of "Subdivision of Section 31,
Town 14 North, Range 5 East and part of the Northwest 1/4
of Section 6, Town 13 North, Range 5 East, Bay County,
Michigan," recorded in Liber 3, Page 21 of Plats on file in
the Register of Deeds Office, Bay County, Michigan,
described as: Commencing at the Northwest corner of
Section 31, Township 14 North, Range 5 East, Monitor
Township, Bay County, Michigan; thence South 01°06'04"
West 440.0 feet along the West Section line to the Point of
Beginning; thence South 90°00'00" East 153.0 feet parallel
with the North Section line; thence North 01°06'04" East
90.0 feet; thence North 90°00'00" West 3.0 feet; thence
North 01°06'04" East 100.0 feet; thence South 90°00'00"
East 1052.0 feet; thence South 0°29'44" West 806.0 feet
parallel with the North-South 1/4 line; thence South

No. 45891
I hereby certify that I have examined the
records and files in my office and from such
examination it appears that the Taxes have
all been paid for the years preceding the
date of this instrument. 10.51.
This certificate does not apply to taxes
if any, now in process of collection by
township, city or village collecting officials.
J. W. Smith, Jr.
Recorder, Bay County, Michigan

11°07'01" West 312.61 feet; to the South Right of Way for Cortland Drive; thence South 89°17'52" West 145.86 feet along said Right of Way to a point on a tangent curve concave to the Northeast having a radius of 354.85 feet and a central angle of 58°51'54"; thence Northwesterly 364.57 feet along the arc of said curve and right of way for Cortland Drive, said arc having a chord bearing and distance of North 59°27'16" West 348.75 feet; thence continuing along said right of way North 30°55'04" West 96.08 feet; thence South 59°04'56" West 334.31 feet; thence North 62°42'25" West 414.66 feet to the West line of Section 31; thence North 01°06'04" East 646.62 feet along said Section line to the Point of Beginning, containing 26.72 acres, more or less and subject to easements, restrictions, agreements, reservations and rights of way of record, if any.

The tract of land described above includes all land within the first phase of the Cortland Farms Condominium Project as described on the first page of the Master Deed for Cortland Farms Condominium, Liber 1165, Page 01, Bay County Records, together with additional contiguous land within the second phase of the Cortland Farms Condominium Project as provided in this First Amendment to the Master Deed. The land added to the Condominium Project for the second phase of the Condominium Project pursuant to this First Amendment to the Master Deed is a portion of the land which comprises the permitted area of expansion of the Condominium Project as described in Article VI, paragraph 6.1 of the Master Deed.

2. Construction of Residential Condominium Units within the Expanded Condominium Project. On the real estate described in paragraph 1 of this First Amendment to the Master Deed, including both the first and second phases of the Condominium Project, Developer has constructed or plans hereafter to construct a total of eighty residential Condominium Units as depicted on the revised Subdivision Plan, including site plan and architectural diagrams, attached as Exhibit C hereto and incorporated by reference herein. Said Condominium Units in both the first and second phases of the Condominium Project, are designated on Exhibit C as Units numbered 1 through 80 inclusive.

3. Percentage Values Assigned to Condominium Units. Consistent with the provisions of Article III, paragraph 3.2 of the Master Deed, the percentage values assigned to each Condominium Unit of the Condominium Project as expanded by the

provisions of this First Amendment to the Master Deed, are hereby revised based on the square foot area of the standard floor plan of each Unit including attached garage structure, but excluding optional variations or additions thereto, as follows:

<u>Unit Number as Specified in Exhibit B</u>	<u>Percentage Value Assigned</u>
1	1.24%
2	1.04%
3	1.04%
4	1.24%
5	1.24%
6	1.24%
7	1.24%
8	1.04%
9	1.04%
10	1.24%
11	1.24%
12	1.04%
13	1.04%
14	1.24%
15	1.24%
16	1.24%
17	1.24%
18	1.24%
19	1.24%
20	1.24%
21	1.24%
22	1.24%
23	1.24%
24	1.24%
25	1.24%
26	1.24%
27	1.24%
28	1.24%
29	1.38%
30	1.38%
31	1.38%
32	1.38%
33	1.38%
34	1.38%
35	1.38%
36	1.24%
37	1.24%
38	1.24%
39	1.24%
40	1.24%

41	1.24%
42	1.24%
43	1.24%
44	1.24%
45	1.24%
46	1.24%
47	1.24%
48	1.24%
49	1.24%
50	1.24%
51	1.24%
52	1.24%
53	1.24%
54	1.24%
55	1.24%
56	1.24%
57	1.24%
58	1.24%
59	1.24%
60	1.24%
61	1.24%
62	1.24%
63	1.24%
64	1.24%
65	1.24%
66	1.24%
67	1.24%
68	1.24%
69	1.24%
70	1.24%
71	1.24%
72	1.24%
73	1.24%
74	1.38%
75	1.38%
76	1.38%
77	1.38%
78	1.38%
79	1.38%
80	1.38%
	...
	1.38%
	<u>.04%</u>
Discrepancy factor	
Total Percentage Value	100%

The percentage value assigned to each Unit shall be determinative of each Co-Owner's proportionate share of Association maintenance fees and assessments and of the numerical

weight of each Co-Owner's vote as a member of the Condominium Association. The total percentage value of all Condominium Units shall be 100, subject to a discrepancy factor not greater than .50%. As provided in following Article VI, if the Master Deed is amended to effect expansion of the Condominium Project by adding Condominium Units thereto, the percentage value herein assigned to each Unit shall be adjusted in proportion to the size of all Units within the entire Condominium Project in order to preserve the total value of 100 for the aggregate percentage value assigned to all Units included in the Project as thereby expanded. No percentage value is assigned to any Limited Common Element appurtenant to the Unit.

4. Physical Aspects of Added Condominium Units and Common Elements.

The size, quality of construction, and appearance of Condominium Units added to the Condominium Project pursuant to the second phase of the Condominium Project as provided in this First Amendment to the Master Deed, shall be substantially the same as those aspects of the Condominium Units in the first phase of the Condominium Project pursuant to the original Master Deed. Limited and General Common Elements and improvements added to the Condominium Project by virtue of its expansion as provided in this Amendment, shall be comparable in quality and appearance with the Limited and General Common Elements and improvements in the first phase of the Project under the original Master Deed. Easements of use and right of way, and all public and private utility easements within the Condominium Project, including the portions thereof included under the original Master Deed and those added to the Project pursuant to the provisions of this First Amendment to the Master Deed, shall be integral to the entire Condominium Project for the use and benefit of Co-Owners, the Developer, and other persons and parties having interests in the Project. Provisions of Condominium Documents, including Article V of the Master Deed, pertaining to easements within the Project, shall apply to all easements included in the real estate, Common Elements, and improvements added to the Project pursuant to this Amendment.

5. Ratification of Master Deed as Amended. Except as modified by this First Amendment, provisions of the original Master Deed for Cortland Farms Condominium are hereby ratified and reconfirmed.


SIGNED AND EXECUTED on February 5, 1993, by and in behalf of the Developer, Metzler, Inc., a Michigan corporation, upon the authority of its board of directors.

Witnessed:


Robert D. Sarow

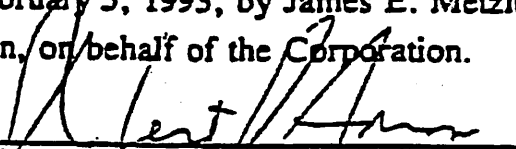
METZLER, INC., a
Michigan Corporation,

By: 
James E. Metzler, President

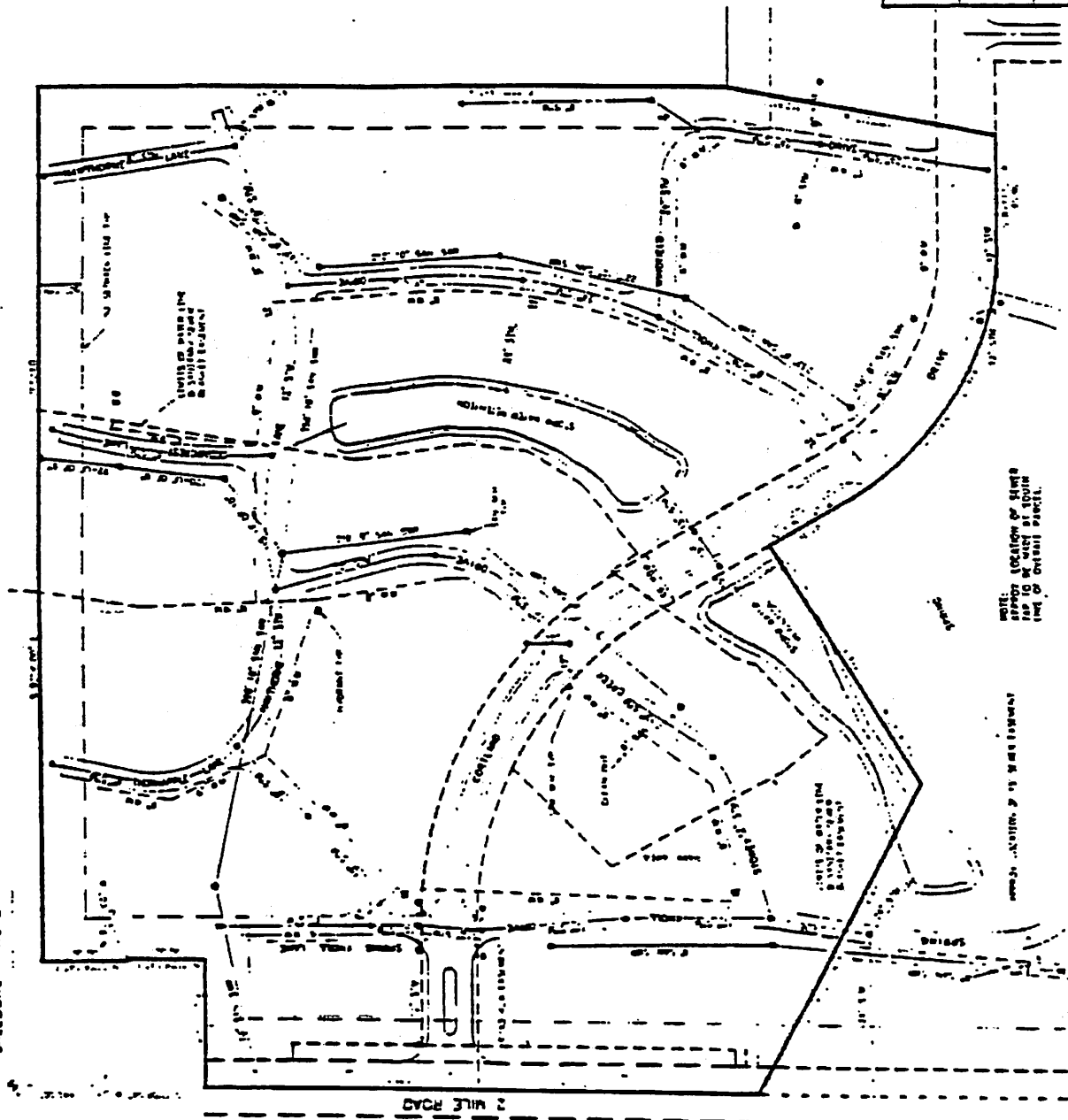

Marilyn M. Geno

STATE OF MICHIGAN)
) ss.
COUNTY OF BAY

Signed and acknowledged before me on February 5, 1993, by James E. Metzler, President of Metzler, Inc., a Michigan corporation, on behalf of the Corporation.


Robert D. Sarow, Notary Public
Bay County, Michigan
My Commission expires: 11/14/93

Drafted by:
Robert D. Sarow
Attorney at Law
LEARMAN, PETERS, SAROW & McQUILLAN
900 Center Avenue
Bay City, Michigan 48708
Telephone: (517) 892-0591



**PROPOSED
NOVEMBER 20, 1992**

THEY HAVE BEEN
IN THE AREA OF
THE BAY FOR
A LONG TIME.
THEY ARE NOT
WELL KNOWN
TO THE PUBLIC.



— 100 —

UTILITY PLAN

**CORTLAND FARMS
—A CONDOMINIUM COMMUNITY—
MONITOR TOWNSHIP, BAY COUNTY, MICHIGAN**

Barlow & King Engineers
 1000 W. 10th St., W. 10th St. W. 10th St.
 W. 10th St. W. 10th St. W. 10th St.

Barlow & King Engineers
 1701 E. Second Street, Suite 200
 Ann Arbor, Michigan 48106
 Tel: (313) 963-1100
 Fax: (313) 963-1101

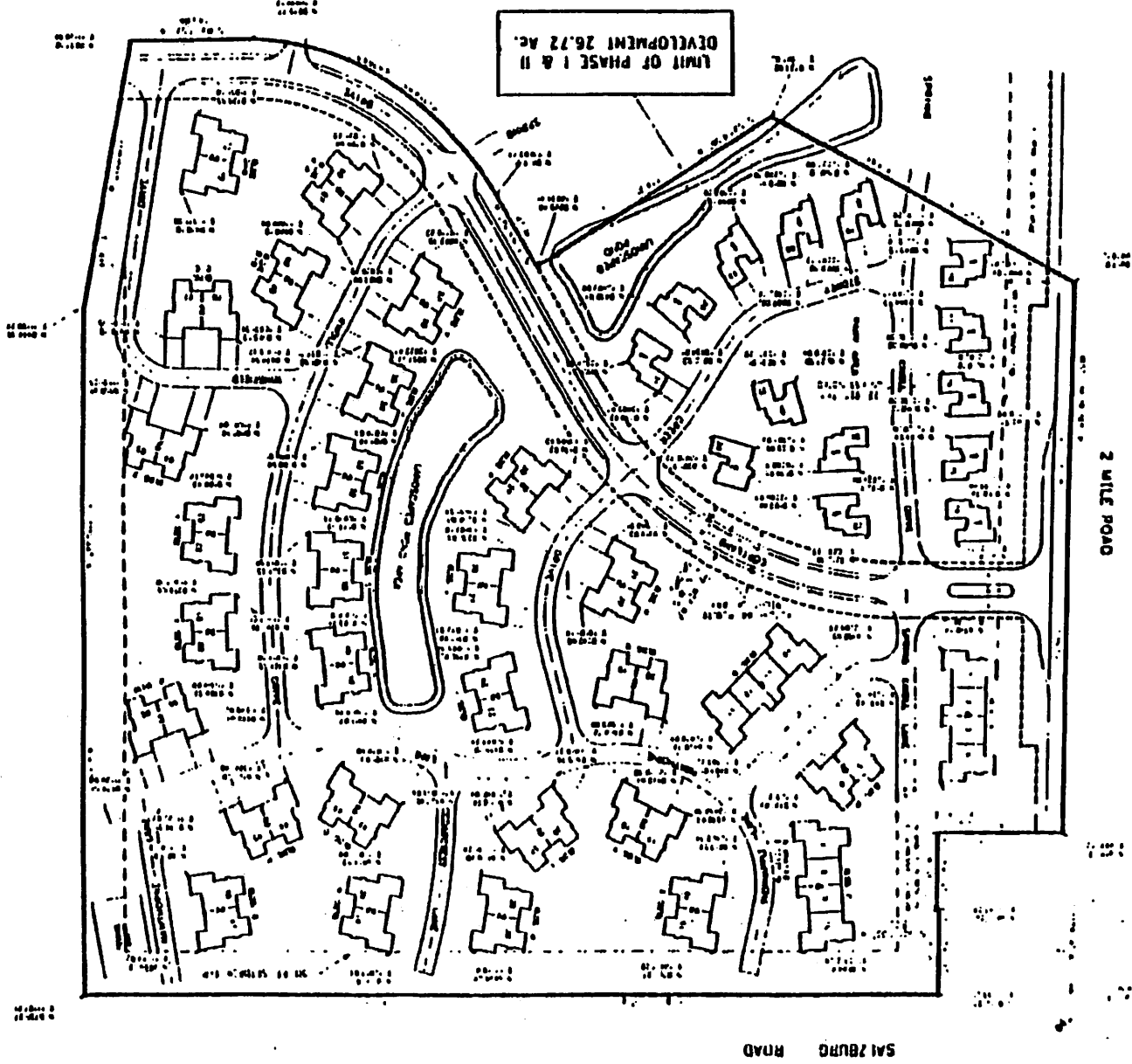
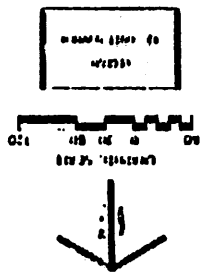
CORTLAND FARMS
 A CONDOMINIUM COMMUNITY
 MONITOR TOWNSHIP, WAY COUNTY, MICHIGAN

SITE PLAN



NOT: All areas shown within the limits of the development are subject to the terms and conditions of the plat and the zoning ordinance of the City of Ann Arbor. The City of Ann Arbor is not responsible for the accuracy of the information shown on this site plan.

PROPOSED
 NOVEMBER 20, 1992



AMENDMENT NO. 1
BAY COUNTY CONDOMINIUM
SUBDIVISION PLAN NO. 17

EXHIBIT "B" TO THE MASTER DEED

CORTLAND FARMS CONDOMINIUM
MONITOR TOWNSHIP, BAY COUNTY, MICHIGAN

LIBER 1251 PAGE 604



Aug 14/82

OVERALL DESCRIPTION

On that part of lots 1, 2 and 3 of "Subdivision of Section 31, Town 14 North, Range 5 East and part of the Northwest 1/4 of Section 6, Town 13 North, Range 5 East, Bay County, Michigan," recorded in Liber 3, Page 31 of Plats on the County Clerk's Office, Bay County, Michigan, described as:
"Commencing at the Northwest corner of the Northwest 1/4 of Section 31, Town 14 North, Range 5 East, Bay County, Michigan, Mon. 2 South 01°00'00" West 440.0 feet along the West Section line to the Point of Beginning; thence South 82°00'00" East 150.0 feet parallel with the North Section line, thence North 01°00'00" East 93.0 feet, thence North 82°00'00" West 3.0 feet, thence North 01°00'00" East 131.0 feet, thence South 82°00'00" East 103.0 feet, thence South 01°00'00" East 100.0 feet parallel with the North-South 1/4 West Section line 01°00'00" East 80.0 feet parallel with the North-South 1/4 West Section line 01°00'00" East 317.81 feet to the South Right of Way for Cortland Farms; thence South 82°00'00" East 100.0 feet parallel with the North-South 1/4 West Section line to the Point of Beginning, containing 48.5 acres, more or less, and subject to easements, restrictions, agreements, reservations and right of way of record, if any.

DEVELOPER
WEILLERS INC.
4859 APRILCREEK LANE
BAY CITY, MICHIGAN 48706

DESCRIPTION OF CONDOMINIUM
PHASE I & II PARCEL

On that part of lots 1, 2 and 3 of "Subdivision of Section 31, Town 14 North, Range 5 East and part of the Northwest 1/4 of Section 6, Town 13 North, Range 5 East, Bay County, Michigan," recorded in Liber 3, Page 31 of Plats on the County Clerk's Office, Bay County, Michigan, described as:
"Commencing at the Northwest corner of the Northwest 1/4 of Section 31, Town 14 North, Range 5 East, Bay County, Michigan, Mon. 2 South 01°00'00" West 440.0 feet along the West Section line to the Point of Beginning; thence South 82°00'00" East 150.0 feet parallel with the North Section line, thence North 01°00'00" East 93.0 feet, thence North 82°00'00" West 3.0 feet, thence North 01°00'00" East 131.0 feet, thence South 82°00'00" East 103.0 feet, thence South 01°00'00" East 100.0 feet parallel with the North-South 1/4 West Section line 01°00'00" East 80.0 feet parallel with the North-South 1/4 West Section line to the South Right of Way for Cortland Farms; thence South 82°00'00" East 100.0 feet parallel with the North-South 1/4 West Section line to the Point of Beginning, containing 48.5 acres, more or less, and subject to easements, restrictions, agreements, reservations and right of way of record, if any.

1. COVER SHEET
2. SURVEY PLAN
3. SITE PLAN
4. UTILITY PLAN
5. SINGLE UNIT FOUNDATION
6. BASEMENT PLAN
7. FLOOR PLAN
8. DUPLEX FOUNDATION
9. BASEMENT PLAN
10. DUPLEX FIRST FLOOR PLAN

NOTE:

ALL BUILDINGS NEED NOT BE
BUILT EXCEPT FOR BUILDINGS L & M

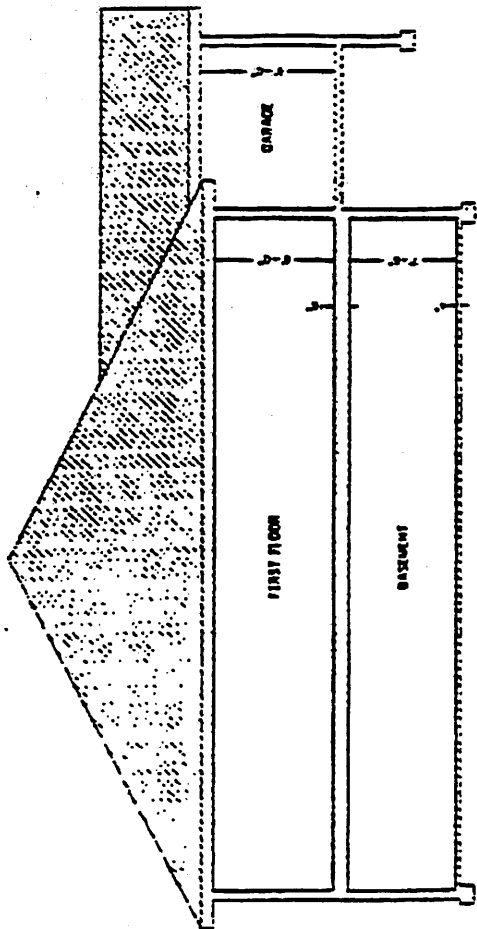
REGISTER OF DEEDS
CONDOMINIUM SUBDIVISION PLANS SHALL BE
NUMBERED CONSECUTIVELY WITH RECORDED
BY THE REGISTER OF DEEDS AND SHALL BE
DESIGNATED BAY COUNTY CONDOMINIUM
SUBDIVISION PLAN NUMBER 17

Barlow & King Engineers
7500 E. Midland Road
Bay City, Michigan 48706
(517)-684-8850
Fax (517)-684-8404

PROPOSED
NOVEMBER 20, 1982

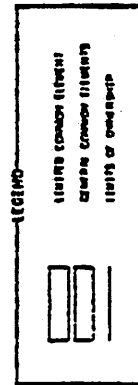
EXHIBIT C
10

First Amendment to Master Deed
for Cortland Farms Condominium

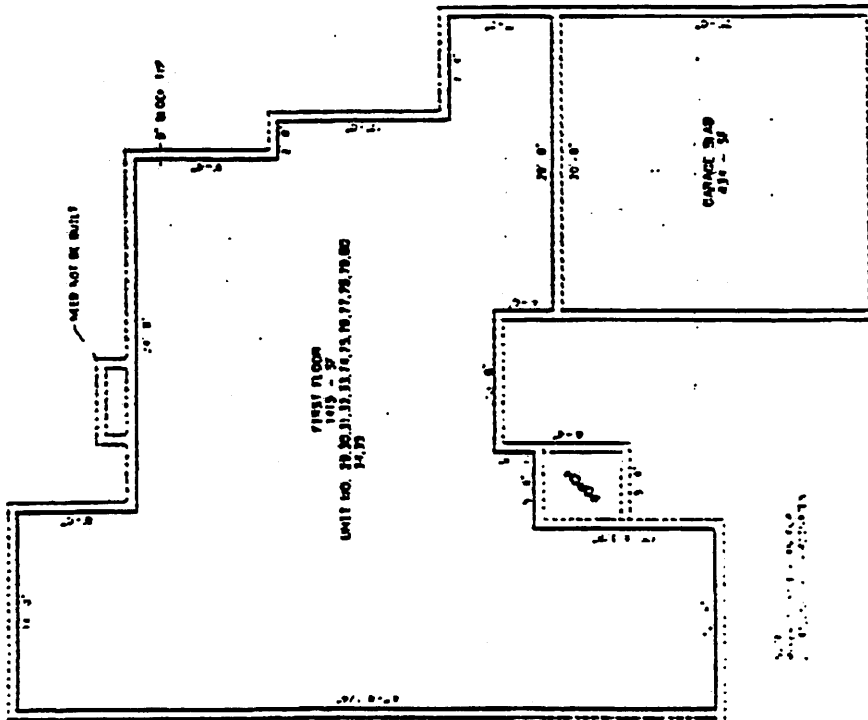


TYPICAL ALL BUILDINGS
W.H.F. 12' x 11' 0"

- NOTE:
1. ALL OWNERSHIP LINES ARE AT 8'0" TO EACH OTHER UNLESS OTHERWISE NOTED.
 2. ALL CEILING ARE 8'-0"



PROPOSED
NOVEMBER 20, 1992



SINGLE UNIT FIRST FLOOR PLAN

SINGLE UNIT FIRST FLOOR PLAN

CORTLAND FARMS
—A CONDOMINIUM COMMUNITY—
MONITOR TOWNSHIP, BAY COUNTY, MICHIGAN

Barlow & King Engineers
P.O. Box 1000, Bay Mills, MI 49706
Tel: (616) 834-1000
Fax: (616) 834-1001

1. The first part of the document is a list of names and their corresponding addresses. The names are listed in a column on the left, and the addresses are listed in a column on the right. The names are:

Barlow & King Engineers
 1001 Michigan Street, Detroit, Michigan 48226
 1001 Michigan Street, Detroit, Michigan 48226
 1001 Michigan Street, Detroit, Michigan 48226

CORTLAND FARMS
 A CONDOMINIUM COMMUNITY
 MONITOR TOWNSHIP, BAY COUNTY, MICHIGAN

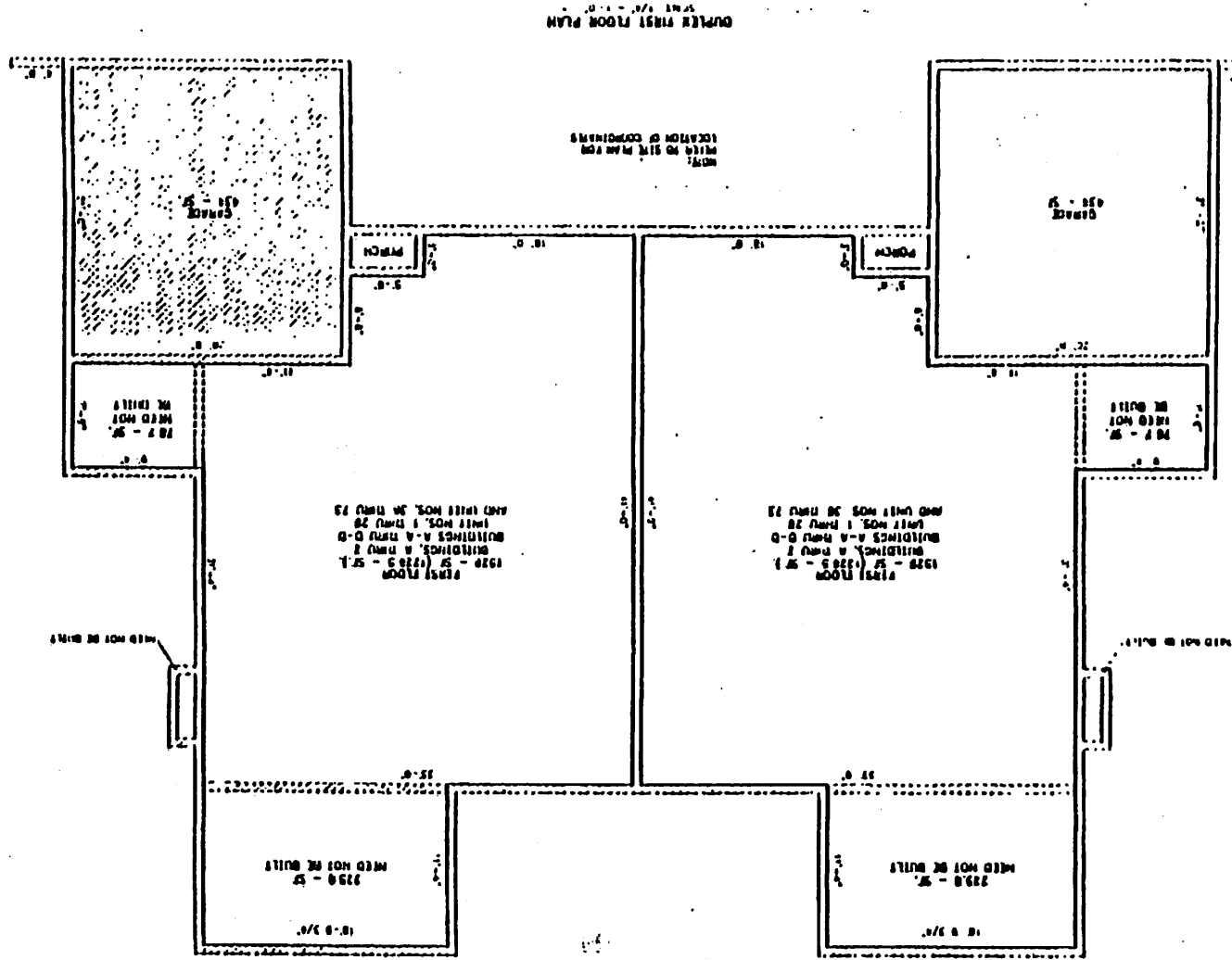
DUPLEX FIRST FLOOR PLAN



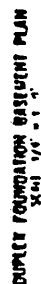
PROPOSED
 NOVEMBER 20, 1983

LEGEND
 LIVING COMMON ELEMENTS
 GENERAL COMMON ELEMENTS
 LIMITS OF CONDOMINIUM

NOTE:
 1. ALL DIMENSION LINES ARE AT 90° TO EACH OTHER UNLESS OTHERWISE NOTED.
 2. ALL CEILING ARE 8'-0"



DUPLEX FIRST FLOOR PLAN



SECOND AMENDMENT
TO THE
MASTER DEED
FOR
CORTLAND FARMS CONDOMINIUM

Nov 12 9 42 AM '96

Lucian P. Johnston
REGISTER OF DEEDS
BAY COUNTY, MICHIGAN

THIS INSTRUMENT OF AMENDMENT to the Master Deed for

CORTLAND FARMS CONDOMINIUM, Bay County
Condominium Subdivision Plan No. 17, a residential
Condominium Project, situated in Monitor Township, Bay
County, Michigan, pursuant to provisions of the Michigan
Condominium Act, Public Acts of 1978, No. 59, as amended,

including Condominium By-Laws and Subdivision Plan attached as Exhibits A and B thereto, dated February 21, 1991, and recorded February 21, 1991 in Liber 1165, Pages 01-52, Office of the Bay County Register of Deeds, as modified by the First Amendment to Master Deed, dated February 5, 1993, recorded February 5, 1993 in Liber 1251, Pages 598-611, Office of the Bay County Register of Deeds,

WITNESSES THAT, the Developer,

METZLER, INC., a Michigan corporation, having its
principal business office at 5615 Spring Knoll Drive, Bay
City, Michigan 48706,

hereby amends the Master Deed (as previously amended) pursuant to Article VI, paragraph 6.3, thereof, to effect expansion of the Condominium Project for Cortland Farms Condominium, and to provide for other revisions in the Master Deed and the revised Condominium Subdivision Plan attached as Exhibit E hereto, in accordance with the following provisions:

1. Expansion of Condominium Premises. The Condominium Premises for Cortland Farms Condominium is hereby expanded to include all of the following-described real estate:

Land in Monitor Township, Bay County, Michigan, to wit:
All that part of Lots 3, 4 and 5 of "Subdivision of Section 31,
Town 14 North, Range 5 East and part of the Northwest 1/4
of Section 6, Town 13 North, Range 5 East, Bay County,
Michigan," recorded in Liber 3, Page 21 of Plats on file in
the Register of Deeds Office, Bay County, Michigan,
described as: Commencing at the Northwest corner of
Section 31, Township 14 North, Range 5 East, Monitor
Township, Bay County, Michigan; thence South 01°06'04"
West 440.0 feet along the West Section line to the Point of
Beginning; thence South 90°00'00" East 153.00 feet parallel

TAX CERTIFICATE # 97916
DATE: 11-8-96
JEANETTE E. NEITZEL
BAY COUNTY TREASURER

Pl of 29-106-035-100-030-00
Pl of 29-106-035-100-030-02

with the North Section line; thence North 01°06'04" East 90.0 feet; thence North 90°00'00" West 3.0 feet; thence North 01°06'04" East 100.0 feet; thence South 90°00'00" East 1052.0 feet; thence South 0°29'44" West 806.00 feet parallel with the North-South 1/4 line; thence South 90°00'00" East 791.6 feet; thence South 0°29'40" West 762.79 feet along the North-South 1/4 line to the Southeast corner of Lot 3; thence North 89°38'41" West 607.67 feet along the boundary line between Lots 3 and 5; thence continuing along said boundary line North 01°06'04" East 445.74 feet; thence North 89°17'52" West 392.07 feet to a point on a tangent curve concave to the East having a radius of 354.85 feet and a central angle of 27°16'10"; thence 168.95 feet along the arc of said curve said arc having a chord bearing and distance of North 75°14'27" East 167.32 feet; thence South 59°43'35" West 476.52 feet; thence North 90°00'00" West 440.83 feet; along the South line of the North 13 acres of Lot 5; thence North 01°06'04" East 1122.35 feet along the West Section line to the Point of Beginning; containing 44.8 acres, more or less.

The tract of land described above includes all land within the first and second phases of the Cortland Farms Condominium Project as described on the first page of the Master Deed for Cortland Farms Condominium, recorded in Liber 1165, Page 01, Bay County Records, and the first and second pages of the First Amendment thereto recorded in Liber 1251, Pages 598-599, Bay County Records, together with additional contiguous land which is included in the third phase of the Cortland Farms Condominium Project as provided in this Second Amendment to the Master Deed. The land added to the Condominium Project for inclusion in the third phase of the Condominium Project pursuant to this Second Amendment to the Master Deed, is a portion of the land which comprises the permitted area of expansion of the Condominium Project as set forth in Article VI, paragraph 6.1 of the Master Deed.

2. Construction of Residential Condominium Units within the Expanded Condominium Project. On the real estate described in paragraph 1 of this Second Amendment to the Master Deed, including the first, second and third phases of the Condominium Project, Developer has constructed or plans hereafter to construct a total of 141 residential Condominium Units as depicted on the revised Subdivision Plan, including site plan and architectural diagrams, attached as Exhibit E hereto and incorporated by reference herein. Said Condominium Units in the first, second and third

phases of the Condominium Project, are designated as Units numbered 1 through 141 inclusive.

3. Percentage Values Assigned to Condominium Units. As heretofore approved by Condominium Co-Owners in the manner set forth in preceding Article VI of the Master Deed, paragraph 3.2 of the Master Deed (recorded in Liber 1251, Pages 598-611, Bay County Records), is revoked, and that revoked paragraph shall be replaced and superseded by the following provision:

3. Proportional Value of Common Elements Allocated to Co-Owners of Each Condominium Unit and Voting Percentage Assigned to Co-Owners. Pursuant to Section 37 of the Condominium Act, the Co-Owner(s) of each of the 141 Condominium Units included in the first, second and third phases of the Condominium Development, as set forth in the following Condominium Documents:

First Phase per Master Deed recorded in Liber 1165, Pages 01-52, Bay County Records,

Second Phase per First Amendment to Master Deed recorded in Liber 1251, Pages 598-611, Bay County Records,

Third Phase per this Second Amendment to Master Deed,

shall be deemed to hold (in condominium) an equal share of Common Elements in the Condominium Project. For purposes of voting as provided in provisions of various Condominium Documents, including paragraph 2.9 of Article II of the "Restated By-Laws of Cortland Farms Condominium and Cortland Farms Condominium Owners' Association" attached as Exhibit D to this Second Amendment to Master Deed, each of the 141 Condominium Units included in the first, second and third phases of the Condominium Development, will have equal weight.

4. Physical Aspects of Added Condominium Units and Common Elements. The size, quality of construction, and appearance of Condominium Units added to the Condominium Project pursuant to the third phase of the Condominium Project as provided in this Second Amendment to the Master Deed, shall be substantially the same as those aspects of the Condominium Units in the first and second phases of the Condominium Project pursuant to the original Master Deed, recorded in Liber 1165.

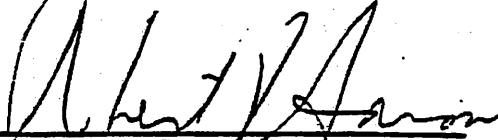
Pages 1-12, Bay County Records, and the First Amendment thereto recorded in Liber 1251, Pages 598-611, Bay County Records. Limited and General Common Elements and improvements added to the Condominium Project by virtue of its expansion as provided in this Second Amendment, shall be comparable in quality and appearance with the Limited and General Common Elements and improvements in the first and second phases of the Project under the original Master Deed and First Amendment thereto. Easements of use and right of way, and all public and private utility easements within the Condominium Project, including the portions thereof included under the original Master Deed and First Amendment thereto, and those added to the Project pursuant to the provisions of this Second Amendment to the Master Deed, shall be integral to the entire Condominium Project for the use and benefit of Co-Owners, the Developer, and other persons and parties having interests in the Project. Provisions of Condominium Documents, including Article V of the Master Deed, pertaining to easements within the Project, shall apply to all easements included in the real estate, Common Elements, and improvements added to the Project pursuant to this Second Amendment.

5. Restated Condominium By-Laws. As heretofore approved by Condominium Co-Owners in the manner set forth in By-Laws of Cortland Farms Condominium (Exhibit B to the Master Deed), recorded in Liber 1165, Pages 13-42, Bay County Records, the By-Laws of Cortland Farms Condominium and Cortland Farms Condominium Owners' Association have been amended to include all of the provisions of the Restated Condominium By-Laws attached as Exhibit D to this Second Amendment to Master Deed. All references to the By-Laws in prior Condominium documents, including the Master Deed, recorded in Liber 1165, Pages 1-12, Bay County Records, and the First Amendment thereto recorded in Liber 1251, Pages 598-611, Bay County Records, shall henceforth be deemed to refer to the Restated By-Laws attached as Exhibit D to this Second Amendment to Master Deed.

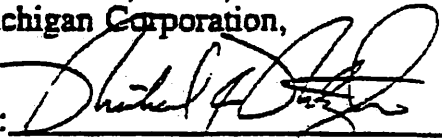
6. Ratification of Master Deed as Amended. Except as modified by the provisions of the First Amendment to Master Deed, recorded in Liber 1165, Pages 1-52, Bay County Records, and by the provisions of this Second Amendment to Master Deed, provisions of the original Master Deed, recorded in Liber 1165, Pages 1-12, Bay County Records, are hereby ratified and confirmed.

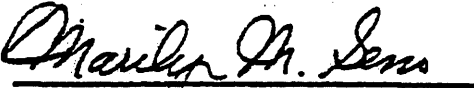
SIGNED AND EXECUTED on November 8, 1996, by and in behalf of the Developer, Metzler, Inc., a Michigan corporation, upon the authority of its board of directors.

Witnessed:


Robert D. Sarow

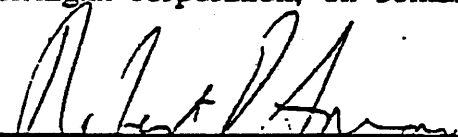
METZLER, INC., a
Michigan Corporation,

By: 
Michael J. Metzler, Vice-President


Marilyn M. Geno

STATE OF MICHIGAN)
COUNTY OF BAY) ss.

Signed and acknowledged before me on November 8, 1996, by Michael J. Metzler, Vice-President of Metzler, Inc., a Michigan corporation, on behalf of the Corporation.


Robert D. Sarow, Notary Public
Bay County, Michigan
My Commission expires: 5/18/98

Drafted by:
Robert D. Sarow
Attorney at Law
LEARMAN, PETERS, SAROW & McQUILLAN, P.L.C.
900 Center Avenue
Bay City, Michigan 48708
Telephone: (517) 892-0591

**RESTATEMENT OF THE BY-LAWS
OF
CORTLAND FARMS CONDOMINIUM
AND
CORTLAND FARMS CONDOMINIUM OWNERS' ASSOCIATION**

I. ADOPTION OF RESTATED BY-LAWS

1.1 Declaration. The provisions set forth in this document constitute the restated By-Laws of Cortland Farms Condominium, a residential Condominium Project located in Monitor Township, Bay County, Michigan, and are incorporated by reference into the Master Deed for said Condominium Project recorded in Liber 1165, Pages 1-52, Bay County Records, as amended. These restated By-Laws constitute both the By-Laws referred to in the Master Deed and those provided for under the Michigan Non-profit Corporation Act and by Section 3(8) of the Michigan Condominium Act. These restated By-Laws incorporate provisions of all prior amendments to the Cortland Farms Condominium By-Laws, approved by Cortland Farms Condominium Co-Owners in the manner provided in paragraph 8.6 of Article VIII of the By-Laws. These restated By-Laws totally supersede and replace prior Cortland Farms Condominium By-Laws, recorded in Liber 1165, Pages 13-42, Bay County Records, and all amendments thereto.

1.2 Application. All Co-Owners of Condominium Units within the Condominium Project described in the Master Deed, as amended, together with their heirs, representatives, guests, invitees, mortgagees and assigns and all other persons or parties who acquire an interest in a Condominium Unit or Common Elements appurtenant thereto, or who enter upon the Condominium Premises, shall be subject to and bound by the provisions of these By-Laws and other Condominium Documents.

1.3 Definitions. Words and phrases herein shall have the same definitions as set forth in the Master Deed and in the Michigan Condominium Act.

II. CO-OWNERS

2.1 Condominium Association Membership. Each Condominium Unit Co-Owner shall be a member of the Cortland Farms Condominium Owners' Association, a Michigan non-profit, non-stock corporation, and no other persons or parties shall be members. Additionally, the provisions set forth in this document constitute the By-Laws of Cortland Farms Condominium Owners' Association, a Michigan non-profit, non-stock corporation.

EXHIBIT D
to

Second Amendment to Master Deed
for Cortland Farms Condominium

2.2 Rights of Co-Owners. Each Co-Owner shall have the unrestricted, perpetual right of access to and possession of his Condominium Unit, subject to the terms, provisions, conditions and restrictions of these By-Laws and of other Condominium Documents. The Association cannot restrict the right of a Co-Owner to sell or transfer ownership of his Unit or restrict his right to mortgage his Unit; nor may the Association require that such mortgage be transacted through a specific lender or type of lending institution. The rights of Condominium Co-Owners provided in these By-Laws and in other Condominium Documents shall apply to current Co-Owners of Condominium Units and to future and successive Co-Owners thereof, but such rights shall terminate as regards a particular person or party when his status as a Co-Owner of a Condominium Unit has ceased.

2.3 Rights of Co-Owners' Mortgagees, Mortgage Insurers and Guarantors. Upon written request to the Association, a Co-Owner's mortgagee or mortgage insurer or guarantor, shall be entitled to receive from the Association timely written notice of matters affecting their interests in that Co-Owner's Unit, including notice of the following: condemnation or casualty loss that affects either a material portion of the Condominium Project or of the Unit which secures such mortgage; any delinquency for sixty or more days in the payment of assessments or other charges levied against that Unit; lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; any proposed action that requires the consent of mortgagees.

2.4 First Annual Meeting. The First Annual Meeting of Co-Owners of the Condominium Association was previously conducted. Therefore, in these restated By-Laws, there is no need to include any additional provisions regarding conduct of the First Annual Meeting of Co-Owners.

2.5 Annual Meetings. Annual Meetings of Association members shall be held during the month of August of each year following the calendar year of the First Annual Meeting at a specific time and place (on the Condominium Premises or other convenient location no more than five miles from the Condominium Premises) as determined by the Board of Directors. At least ten days advance written notice of each Annual Meeting shall be given by the Secretary to each Co-Owner. At each Annual Meeting, Co-Owners in accordance with the following provisions of these By-Laws, shall elect members of the Association's Board of Directors and may transact such other business of the Association as may properly come before them.

2.6 Special Meetings. At the direction of the Board of Directors or upon written petition, presented to the Secretary of the Association, signed by Co-Owners having one-third of total Condominium Association voting rights, the President shall promptly call a Special Meeting of Co-Owners. At least five days advance written notice of the specific time, place and purpose of such a Special Meeting shall be given by the Secretary to each Co-Owner. No business shall be transacted at a Special Meeting except as stated in the meeting notice.

2.7 Notices of Meetings. The Association Secretary, or other Association officer in the Secretary's absence, shall serve advance written notice of each Annual and Special Meeting of Co-Owners in conformity with the provisions of preceding paragraphs 2.5 and 2.6. Such notice shall be deemed to be given to a Co-Owner when it is mailed, postage prepaid, addressed to the Co-Owner (or his designated voting representative) at the address specified in the statement required to be submitted by each Co-Owner to the Association as provided in following paragraph 2.11 of this Article II. Such advance written notice of an Annual or Special Meeting of Co-owners shall not be required with respect to a Co-owner, or his designated representative, who furnishes the Association Secretary for filing in the Association records, a written waiver of notice.

2.8 Place of Meeting. Association meeting shall be held on the Condominium Premises or other convenient location not more than five miles from the Condominium Premises as determined by the Board of Directors.

2.9 Votes. Except as limited by other provisions of these By-Laws, each Co-Owner shall have one vote for each Condominium Unit owned by that Co-Owner and the value of each vote shall be equal as provided in paragraph 3.2 of Article III of the Master Deed, as modified by the Third Amendment thereto.

2.10 Eligibility to Vote. At Annual and Special Meetings of Co-owners, each Co-Owner or his representative, designated in accordance with provisions of following paragraph 2.11, shall be entitled to vote in person or by proxy, unless disqualified from voting pursuant to other provisions of these By-Laws. At Annual and Special Meetings of Co-Owners, the Developer shall be entitled to vote for each Unit which it owns at the time of the meeting.

2.11 Designation of Voting Representative. Each Co-Owner shall execute and submit to the Association Secretary, a written designation of himself or other representative who shall be entitled to cast that Co-owner's vote or votes at meetings of

Co-owners and to whom all notices and other communications from the Association shall be given. The Association's Board of Directors may require that such designation be set forth on a printed form furnished by the Association and that each designation be dated and signed by every Co-Owner of a particular Condominium Unit. At any time, in accordance with the provisions of this paragraph 2.11, a Co-Owner may revoke or change such designation of voting representative by submitting a new designation to the Association Secretary in the manner provided herein.

2.12 Proxies. With respect to a particular Co-Owners' meeting, a Co-Owner's designated voting representative may appoint a proxy to vote in that representative's behalf. Such appointment of a proxy shall be in written form, dated and signed by the Co-Owner's designated voting representative, and tendered to the Association's Secretary prior to or at the Co-Owners' meeting specified in the proxy. The Association's Board of Directors may require that the appointment of a proxy be set forth on a printed form furnished by the Association. Such appointment of a proxy to vote for a Co-owner's designated representative at a particular Co-Owners' meeting, shall be deemed to lapse upon final conclusion of the meeting or of any continued or adjourned session thereof.

2.13 Quorum. Except as otherwise expressly provided in Condominium Documents, the presence in person or by proxy (or by pre-cast written vote as hereinafter provided) of Co-Owners' designated voting representatives having one-third of total Condominium Association votes, shall constitute a quorum for holding a meeting of Co-owners. Notwithstanding the absence of a Co-Owner's voting representative or proxy at a meeting of Co-Owners, the written vote of such Co-owner's designated voting representative or proxy tendered to the Association Secretary prior to or at a Co-owners' meeting, shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

2.14 Meeting Procedure. A meeting of Co-owners shall be presided over by the most senior officer of the Association's Board of Directors present at the meeting, in the following order of priority: President, Vice-President, Secretary, Treasurer. Meetings shall be conducted in conformity with Roberts Rules of Order or other accepted parliamentary procedural form as determined in advance by the Board of Directors. Minutes of a meeting shall be prepared by the Association's Secretary or in absence of the Secretary by other person appointed by the presiding officer.

2.15 Majority Rule. Except as otherwise expressly provided in these By-Laws or in other Condominium Documents, elections and decisions at a Co-owners' meeting shall be determined by a simple majority of Co-Owners' votes, cast in person by the respective Co-Owners' voting representatives or by proxy or pre-cast written vote as provided in preceding paragraphs 2.11 and 2.12 of this Article II.

III. DIRECTORS

3.1 First Board of Directors. Members of the Association's First Board of Directors were previously elected and the First Board of Directors was convened and conducted business. Therefore, no additional provisions regarding the First Board of Directors need to be included in these Restated By-Laws.

3.2 Advisory Committee of Co-Owners. The Association is now governed by the permanent Board of Directors. Therefore, no additional provisions need to be included in these By-Laws regarding appointment of an Advisory Committee of Co-Owners pending election of Co-Owners as members of the Board of Directors.

3.3 Election of Directors. There shall be seven members of the Board of Directors. Until the Condominium Project is completed and all Condominium Units in the Project have been sold to Co-Owners, the Developer shall be entitled to appoint one Member to the Board of Directors. Members of the Board of Directors shall be elected at Annual Meetings or Special Meetings of Co-Owners convened in the manner specified in Article II, to fill expired or vacant positions. Each Director shall be a Co-Owner or part, joint, or entireties Co-Owner of a beneficial interest in a Condominium Unit. The Board of Directors' determination regarding any challenge or question as to an individual's status as a Co-Owner shall be conclusive.

3.4 Terms. Terms of Directors shall be for one, two or three years, in accordance with the following provisions:

When one Director is elected, the term of that Director shall be 3 years.

When two Directors are elected, the term of one shall be 3 years and the term of the other shall be 2 years.

When three Directors are elected, the term of one shall be 3 years, one shall be 2 years, and one shall be 1 year.

When four Directors are elected, the term of one shall be 3 years, two shall be 2 years, and one shall be 1 year.

When five Directors are elected, the terms of two shall be 3 years, two shall be 2 years, and one shall be 1 year.

When six Directors are elected, the terms of two shall be 3 years, two shall be 2 years, and two shall be 1 year.

When seven Directors are elected, the terms of two shall be 3 years, three shall be 2 years, and two shall be 1 year.

In accordance with the foregoing provisions of this paragraph 3.4, when more than one Director is elected at an Annual Meeting of Co-owners, the lengths of Directors' terms shall be determined by awarding the longest term to the person receiving the most votes and subsequent vacancies being filled by a descending order of votes received. (Example: the individual with the most votes gets the three-year term; the individual with the second highest number of votes fills the two-year term; the individual with the third highest number of votes fills the one-year term, if there were these three vacancies to fill.) Election of Directors shall occur at the Annual Meeting of Co-Owners or upon such Director's disqualification, resignation or removal, whichever first comes. As long as an individual continues to be qualified for election as a Director, there shall be a limitation of a maximum of six consecutive years which a person may serve as a Director.

3.5 Resignation. Prior to the end of his term, a Director may resign his position as Director by tendering written notice of his resignation to the Association Secretary or, if the Secretary is unavailable, to any other Association officer.

3.6 Removal. Upon vote of Directors at a duly convened meeting of the Board of Directors, a Director may be removed from his position for any of the following reasons which shall be stated in the Minutes of the Board of Directors meeting at which such removal action is taken: (i) the individual has ceased to be the Co-Owner of a beneficial interest in a Condominium Unit, (ii) the individual has materially failed to perform his function as Director in accordance with the provisions herein, (iii) due to physical or mental incapacity, the individual is unable to perform his functions as Director in accordance with the provisions herein. Also, a Director may be removed without cause stated, upon the vote of Co-Owners at a duly convened Annual or Special

Meeting of Co-Owners, provided that, the Director whose removal has been proposed at such a meeting of Co-Owners, shall be given the opportunity to be heard at the meeting.

3.7 Vacancies. The Developer may appoint persons to fill vacant positions on the Board of Directors with respect to Director positions which are allocated for appointment by the Developer during the construction and sale period of the Condominium Project as provided in preceding paragraph 3.1. All other vacant positions on the Board of Directors shall be filled by appointment by a majority of the remaining members of the Board of Directors (including Directors appointed by the Developer during the construction and sale period of the Condominium Project), even though the number of those remaining Directors may constitute less than a quorum. Persons appointed to fill vacant positions on the Board of Directors shall serve as Directors for the remainder of the terms of the vacant Director positions which they are filling.

3.8 Board of Directors Meetings. Regular meetings of the Board of Directors shall be held at least four times a year at such times and places as the Directors determine. Special meetings of the Board of Directors may be called upon the initiative of the President. The President, (or in event of his absence or unavailability, other officers of the Board in the following order of priority: Vice-President, Secretary, Treasurer) shall be required to call a special meeting of the Board of Directors upon the written request of two Directors. The Secretary, or other officer acting in place or in behalf of the Secretary, shall give each Director, personally, by mail or telephone call, at least eight days advance notice of the time and place of a regular meeting and at least three days advance notice of a special meeting of the Board of Directors. Before or at any regular or special meeting of the Board of Directors, any Director may waive his entitlement to receive advance notice of the meeting by giving such written waiver to the Secretary. A Director's attendance at a meeting of the Board of Directors shall be deemed to constitute his waiver of entitlement to receive advance notice of that meeting.

3.9 Quorum. The presence of a majority of the Directors at a regular or special meeting of the Board of Directors shall constitute a quorum for the transaction of business. If at any duly convened meeting of the Board of Directors, less than a quorum is present, a majority of Directors present may adjourn the meeting to another time, provided that, the Secretary, or other officer acting in place or in behalf of the Secretary, shall give each Director, personally, by mail or telephone call, at least twenty-four hours advance notice of the time and place of such an adjourned meeting. A Director shall not be entitled to give his proxy to another person to act or vote in his behalf at a Board of Directors meeting, provided, however, an absent Director's subsequent signed

concurrence in the minutes of a meeting shall constitute the presence of that Director at the meeting for purposes of constituting a quorum.

3.10 Meeting Procedure. A meeting of the Board of Directors shall be presided over by the most senior officer of the Board present at the meeting, in the following order of priority: President, Vice-President, Secretary, Treasurer. Board of Directors meetings shall be conducted in conformity with Roberts' Rules of Order or other parliamentary procedural form acceptable to a majority of the Directors. Minutes of each Board of Directors meeting shall be prepared by the Board's Secretary or in absence of the Secretary by another person appointed by the presiding officer.

3.11 Majority Rule. Except as otherwise provided in these By-Laws or other Condominium Documents, actions and decisions of the Board of Directors shall be determined by a simple majority of Directors present at a duly convened meeting of the Board.

3.12 Powers and Duties. The Board of Directors, as the governing board of the Condominium Association, shall have the following powers and duties:

(i) Elect Condominium Association officers as provided in following Article IV of these By-Laws.

(ii) Manage and administer the operation of the Condominium Association.

(iii) Administer and enforce the provisions of the Condominium Documents.

(iv) Levy and collect assessments from Co-Owners and administer the investment and expenditure of such funds for programs and purposes in behalf of the Condominium Association.

(v) Terminate or rescind any management or service contract between the Association and the Developer or any other person or party concluded prior to the time when non-developer Co-owners hold a majority of the positions on the Board of Directors as provided in paragraph 3.3 of Article III, regardless of whether or not such a contract contains specific provisions for such termination or rescission.

(vi) Contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Condominium Project.

(vii) Carry liability and casualty insurance and fidelity bonds for the Condominium Association and collect and allocate proceeds from such insurance.

(viii) Provide for the repair or rebuilding of Common Elements as required due to ordinary wear and tear or as a result of casualty damage or loss.

(ix) Grant permits, licenses and easements within the Condominium Premises for utilities, roads and other purposes deemed necessary or appropriate for the proper operation of the Condominium Project.

(x) Make rules and regulations consistent with the provisions of these By-Laws and other Condominium Documents, governing the use and possession of Condominium Units and Common Elements, as deemed appropriate for the benefit of Co-owners generally.

(xi) Establish committees and appoint members to such committees as deemed appropriate to assist the Board in performing its functions and to assure the proper administration of the Condominium Association, provided that, no authority or responsibility shall be delegated to a committee which by law or provisions of Condominium Documents may only be exercised or fulfilled by the Board of Directors.

(xii) Borrow money and mortgage, pledge or encumber Condominium Association assets as security for repayment of such loan and execute promissory notes, mortgages, security agreements, financing statements, and other debt and security instruments, which shall be binding upon the Condominium Association, as deemed necessary or appropriate by the Directors to assure or facilitate the proper administration of the Condominium Association, provided that, following the conduct of the First Annual Meeting of Co-Owners as provided in preceding paragraph 2.4 of Article II of these By-laws, any such loan transaction shall require advance approval of Co-Owners at a duly convened Annual or Special Meeting of Co-Owners.

IV. OFFICERS

4.1 Election of Officers. The officers of the Condominium Association shall be elected annually by the Board of Directors at the initial meeting of each new Board or at other intervals as may be required to fill vacancies in officer positions.

4.2 Officers. The officers of the Association shall be a President and Vice-President, both of whom shall be members of the Board of Directors, and a Secretary and a Treasurer, who need not be members of the Board of Directors. Additionally, the Board may elect assistants to those officers and may create other temporary or permanent

officer positions and elect persons to fill those positions as the Board deems to be appropriate to facilitate the conduct of Condominium Association business and affairs.

4.3 Officers' Duties. The President, Vice-President, Secretary and Treasurer of the Condominium Association shall be responsible for the administration of the Association's affairs as provided in Section 54 of the Michigan Condominium Act. As administrators of the Condominium Development, those Association officers shall be responsible for keeping Association books and records with a detailed account of expenditures, receipts and operating expenses pertaining to the Condominium Association and management of the Cortland Farms Condominium Development. In accordance with Section 54(2) of the Condominium Act, the administrators shall be subject to assessment for tangible personal property tax as persons in possession of tangible personal property owned by the Condominium Association or owned in common by Co-owners of Condominium Units. The duties of each officer are described below:

(i) **President** - The President shall be the chief executive officer of the Condominium Association, having the responsibilities and powers ordinarily conferred upon the chief executive officer of such type organization. The President shall preside at meetings of Co-Owners and of the Board of Directors.

(ii) **Vice-President** - The Vice-President shall perform the functions of the President in the event of the President's absence or inability to act and shall perform such other duties as may be conferred upon him by the Board of Directors.

(iii) **Secretary** - The Secretary shall be responsible for the maintenance and safekeeping of the Condominium Association's nonfinancial clerical records and correspondence and shall have charge of the corporate seal. The Secretary shall keep minutes of meetings of Co-Owners and the Board of Directors and shall perform such additional functions as provided in other provisions of these By-Laws or as may be conferred upon him by the Board of Directors.

(iv) **Treasurer** - The Treasurer shall be responsible for the maintenance and safekeeping of the Condominium Association's financial records. He shall be responsible for the collection, receipt, disbursement and expenditure of Association monies, for the deposit and investment of such monies in institutions and securities approved by the Board of Directors, and for maintenance of complete and accurate books of account and financial statements of all Association assets and liabilities in accordance with generally accepted accounting principles. The Treasurer shall

be responsible for the proper preparation and filing of Association tax returns and financial reports required by law.

(v) **Other Officers** - Any other officer elected by the Board of Directors to a position created by the Board pursuant to the provisions of foregoing paragraph 4.2, shall have such powers and responsibilities as the Board confers upon that officer, consistent with the provisions of these By-Laws and other Condominium Documents.

4.4 **Removal of Officers.** Any officer may be removed with or without cause by the Board of Directors at a regular or special meeting, provided that, no such removal action may be taken unless the matter shall have been included in the notice of such meeting. The officer who is proposed to be removed shall be given an opportunity to be heard at such meeting of the Board.

V. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Every Director and officer of the Condominium Association shall be indemnified by the Association against all expenses and liabilities, including legal expenses and attorney fees, reasonably incurred 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, except in cases in which the Director or officer is adjudged guilty of wilful misconduct or gross negligence in the performance of his duties. Indemnification payment to a Director or officer in accordance with these provisions, shall require Board of Directors approval, provided that, any Director who will receive such payment shall be required to abstain from the Board's decision on the matter. The Secretary shall give Co-Owners at least ten days advance written notice before any indemnification approved by the Board of Directors is disbursed to or for the benefit of a Director or officer. The provisions herein for indemnification of a Director or officer shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled. The Board of Directors is authorized to carry liability insurance covering acts of Directors and officers of the Condominium Association with terms and limits as the Board deems appropriate.

VI. ADMINISTRATION AND OPERATION OF THE ASSOCIATION

6.1 **Assessments.** All expenses incurred in the administration and operation of the Condominium Association in accordance with the provisions of these By-Laws and

other Condominium Documents and the Michigan Condominium Act, shall be levied by the Association against the Condominium Units and the Co-Owners thereof pursuant to the following provisions:

(i) **Budget** - In advance of each fiscal year of the Condominium Association, the Board of Directors shall prepare and approve an annual budget which projects expenses expected to be incurred in the forthcoming year for the proper administration and operation of the Association and the upkeep and maintenance of the Condominium Project, including a reasonable allowance for contingencies and an adequate contribution (not less than ten per cent of total expenses, including contingency allowance, projected in the budget) to an Association capital reserve fund for costs of future maintenance, repair, improvement and replacement of Common Elements. As provided in Section 54(2) of the Michigan Condominium Act, tangible personal property tax assessed against tangible personal property owned by the Association or owned in common by Co-Owners of Condominium Units, shall be treated as an administrative expense of the Association. Upon completion and approval of an annual budget by the Board of Directors, copies shall be furnished to each Co-Owner.

(ii) **Determination and apportionment of assessments** - Upon approval of an annual budget, the Board of Directors shall determine the total amount of assessment income which will need to be received by the Association to fund the budget during the forthcoming fiscal year. The Directors shall then apportion and levy that total amount among the Condominium Units as determined by the Board of Directors, provided that, the allocation of those assessments among Condominium Units shall fairly represent the proportionate value of each Unit relative to the aggregate value of all Condominium Units in all phases of the Condominium Development which are completed at that time. The Secretary shall then promptly furnish Co-Owners written notice of the amount of such total annual assessment and the portions thereof levied against each Unit. Such notice shall inform Co-Owners that the annual assessment levied against a Unit may be fully paid in advance or may be paid without interest in equal monthly or quarterly installments on or before the first day of each month or first day of each calendar quarter during the fiscal year, provided that, at the Board of Directors' discretion monthly or quarterly installments applicable to a particular Unit may be rounded to the nearest even dollar amount.

(iii) Mid-year adjustment of assessments - In the event that in the course of the Association's fiscal year, the Board of Directors determines that the total assessment amount approved by the Board pursuant to the process specified in preceding paragraph 6.1(ii) is significantly more than or less than the amount of assessment income required to satisfy Association obligations and liabilities during the balance of the fiscal year, the Board may increase or decrease the amount of assessments required to be paid by Co-Owners for that fiscal year. Any such increase or decrease in assessment shall be apportioned among Condominium Units in the manner specified in preceding paragraph 6.1(ii). The Secretary shall promptly furnish written notice of such adjustment in assessment to each Co-owner. In the event the Board pursuant to the provisions herein, decreases the assessment previously levied, the decreased portion of such assessment already paid to the Association by a Co-Owner, shall at the Co-Owner's option be refunded to the Co-Owner or credited toward satisfaction of future assessments levied against that Co-Owner's Condominium Unit.

(iv) Special Assessments - In addition to assessments levied by the Board of Directors pursuant to provisions of preceding paragraph 6.1(iii), the Board may from time to time levy special assessments which shall be apportioned among Condominium Units in the manner specified in preceding paragraph 6.1(ii) with respect to regular assessments. Such special assessments may be levied for the purpose of obtaining funds to pay for obligations or needs which the Board deems necessary or desirable for the benefit of Co-Owners, including, but not limited to, the following: repair, replacement or improvements of Common Elements; additions to Common Elements; purchase of a Condominium Unit; retention of legal counsel and payment of costs incurred in judicial or other legal proceedings or matters involving the Association. The Board of Directors may permit such special assessment to be paid by Co-Owners in equal monthly installments without interest for a specified number of months. The Secretary shall give all Co-Owners written notice of such a special assessment at least thirty days prior to the date the assessment, or the first monthly installment thereof, is payable. The notice shall state the purpose of the special assessment, the total amount of the assessment and the proportion allocated to each Condominium Unit.

(v) Power to levy assessments limited to Board of Directors - The power to levy assessments pursuant to the provisions herein shall be exercised only by the Board of Directors for the benefit of the Association and its Co-Owners and shall

not be exercisable by any creditors of the Association or creditors of any Co-Owners.

(vi) Interest and late payment charge for Co-Owner's default in paying assessment - The payment of a regular or special assessment shall be in default if such assessment or any part thereof, is not paid to the Association in full on or before the due date for such payment. Each assessment payment in default for ten or more days shall bear interest from the initial due date thereof until it has been paid, at a per annum rate of interest not to exceed ten (10%) per cent per annum as determined from time to time by the Board of Directors. In addition to the assessment of interest for such default in payment of an assessment, the Board of Directors may enact a late payment charge not to exceed ten (10%) per cent per month of the amount of any assessment payment which has not been paid within ten days of the due date thereof.

(vii) Enforcement and collection of assessments - Each Co-Owner, whether one or more persons, shall be personally, jointly and severally liable for payment of all assessments (plus interest and late payment charges thereon and costs of collection) which become due and payable at the time such Co-Owner possesses an ownership interest in the Unit or is vendee under an executory land contract for purchase of the Unit, provided that, upon initiation of forfeiture or foreclosure proceedings by the vendor under a land contract for sale of a Unit, the vendor shall become jointly and severally personally liable with the vendee for all arrearage in assessments levied against that Unit (plus interest and late payment charges thereon and costs of collection) together with assessments which subsequently become due and payable with respect to that Unit until the amount of arrearage is fully paid and the status and identity of the Co-Owner who will thereafter be personally liable for assessments levied against the Unit, have been firmly established. The Association upon the determination of the Board of Directors, may enforce collection of delinquent installments (plus interest and late payment charges thereon and costs of collection) by a suit for money judgment or by foreclosure of the statutory lien which secures payment of assessments. Each Co-Owner and every other person or party who possesses an interest in the Condominium Project, shall be deemed to have granted the Association the unqualified right to commence legal proceedings as herein provided to enforce and collect past due assessments (plus interest and late payment charges thereon and costs of collection) by suit for money judgment or by foreclosure (by judicial

action or by advertisement) of the lien securing payment of assessments. 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 purpose of establishing the alternative procedures to be followed in such lien foreclosure actions and the rights and obligations of the parties to those actions. Further, each Co-Owner and every other person who possesses an interest in the Condominium Project, shall be deemed to have authorized and empowered the Association to bid upon and to purchase a Unit at foreclosure sale or to receive, hold and distribute proceeds of such sale in accordance with the priorities established by law. Expenses incurred by the Association in collecting unpaid assessments (plus intⁿEⁿRest and late payment charges thereon and costs of collection), including actual attorneys' fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-Owner in default and shall be secured by a lien on his Unit until payment of the full amount owed to the Association for such assessments, interest, charges and costs.

(viii) Developer's liability for payment of assessments - The Developer of the Condominium Project shall not be liable at any time for payment of monthly assessments or for expenses of any kind with respect to unbuilt or uncompleted Condominium Units. With respect to unsold and unoccupied completed Units owned by the Developer, the Developer shall pay a proportionate share of the Association's expenses of operation of the Project based upon the ratio between the total number of completed Units in the Project at that time and the number of unsold and unoccupied completed Units then owned by the Developer. The Developer shall be liable at all times for payment of assessments on each occupied Unit which it owns. With respect to all completed Units owned by the Developer, the Developer shall be liable for utility and maintenance costs the same as any other Co-Owner.

(ix) Mortgagee's exemption from liability for assessment - The mortgagee of a Condominium Unit who acquires title of the Unit as a result of mortgage foreclosure, or Co-Owner's deed in lieu of foreclosure, shall not be liable for unpaid assessments levied prior to the foreclosure sale or execution and delivery of the Co-Owner's deed in lieu of foreclosure. However, such mortgagee and its transferees and assigns, shall be liable for assessments on the Unit levied after the

date of foreclosure sale or execution and delivery of the Co-Owner's deed in lieu of foreclosure.

6.2 Property Taxes and Special Assessments. All real property taxes and special assessments imposed by any public taxing authority upon Condominium Association real estate, including individual Condominium Units, shall be allocated among Co-Owners in accordance with the provisions of Section 131 of the Michigan Condominium Act. Personal property tax assessed against tangible personal property of the Condominium Association shall be paid and accounted for as administration expenses of the Condominium Association.

6.3 Construction Liens. Mechanics' or construction liens shall apply to Condominium Association real estate, including individual Condominium Units, in accordance with the provisions of Section 132 of the Michigan Condominium Act.

6.4 Insurance. The Condominium Association shall carry casualty and liability insurance, and workmen's compensation insurance if applicable, in accordance with the following provisions:

(i) **Casualty and extended Coverage -** The Association shall maintain insurance policies which insure all Common Elements of the Condominium Project (including Condominium Unit structures, fixtures and appurtenances for which the Association has maintenance responsibility) against fire and other perils covered by a standard extended coverage endorsement with limits equal to the current insurable replacement value, excluding excavation and foundation costs, as determined annually by the Board of Directors in consultation with representatives of the Association's insurance carrier. The maximum deductible amount for such casualty insurance policy maintained by the Association, shall be the lesser of \$5,000.00 or 1 % of the policy limits. Such casualty insurance policy shall contain the following provisions: any insurance trust agreement entered into by the Association or by a Co-owner will be recognized by the insurer; insurer's waiver of right of subrogation against Co-Owners; Association's entitlement to receive insurance proceeds will not be prejudiced by acts or omissions of Co-Owners or other persons who are not directly subject to the Association's control; the policy coverage is primary regardless of duplicative insurance coverage maintained by a Co-Owner with respect to is Condominium Unit, appurtenances and contents; the Association, any insurance trustee of the Association, and each mortgagee having a recorded first mortgage lien in a Condominium Unit or in Common Elements,

shall be provided by the insurer with at least ten days advance written notice of cancellation or substantial change in the Association's casualty insurance coverage. Information in the Association's records regarding such casualty insurance coverage shall be available to all Co-Owners upon request during regular business hours. Each Co-Owner shall be responsible at his own expense for obtaining such additional insurance coverage as he determines to be necessary or desirable to provide adequate insurance coverage for his Condominium Unit, including additions, improvements and fixtures thereto, which may not be covered by insurance obtained by the Association, and for personal property within his Unit or Common Elements appurtenant thereto. Also, each Co-Owner shall be responsible for obtaining such insurance as he desires to have for alternative living expenses resulting from casualty damage which renders his Unit uninhabitable and the Association shall have no responsibility for obtaining such insurance for the benefit of individual Co-Owners.

(ii) **Liability Insurance** - The Condominium Association shall maintain a general comprehensive liability insurance policy covering all common areas, public ways and any other areas under the Association's supervision and control. Such liability insurance policy should have limits not less than \$1,000,000.00 for bodily injury and property damage for any single occurrence. In addition to protection of the Association with respect to liability arising from conduct or negligence within the Condominium Premises, such liability insurance policy shall protect the Association against liability related to employment contracts to which the Association is a party. Such liability insurance policy shall contain the following provisions: the insurer may not deny a claim on grounds that the damage, injury or loss resulted from the acts or negligence of the Association or of any Co-Owner; the Association, any insurance trustee of the Association, and each mortgagee having a recorded first mortgage lien in a Condominium Unit or in Common Elements, shall be provided by the insurer with at least ten days advance written notice of cancellation or substantial change in the Association's liability insurance coverage. Information in the Association's records regarding such liability insurance coverage shall be available to all Co-Owners upon request during regular business hours. Each Co-Owner shall be responsible at his own expense for obtaining liability insurance to provide protection against liability claims asserted against him personally for occurrences within his Condominium Unit or Common Elements appurtenant to his Unit and the Association shall have

no responsibility for obtaining such liability coverage for the benefit of individual Co-Owners.

(iii) **Fidelity Bonds** - The Association shall obtain fidelity bonds for all persons who handle or have responsibility for Association funds, regardless of whether they are compensated by the Association for their services, provided, however, that an independent management agency which handles Association funds shall be responsible for obtaining fidelity bonds for its personnel, having provisions and coverage at least as extensive as fidelity bonds which the Association is required to obtain for its personnel, with the Association designated as an additional obligee or insured beneficiary. Each such fidelity bond required to be obtained by the Association or any management agency which it retains, shall have limits equal to the maximum funds which will be held or administered by the Association or its management agency during the terms of the bonds or the total sum of three months' assessments levied against all Condominium Units in the Project, whichever is greater. Such fidelity bonds shall provide that the Association, any insurance trustee of the Association, and each mortgagee (or servicer of a Federal National Mortgage Association mortgage) having a recorded first mortgage lien in a Condominium Unit or in Common Elements, shall be provided by the fidelity bond insurer with at least ten days advance written notice of cancellation or substantial change in the insurance coverage provided under such fidelity bonds.

(iv) **Casualty and liability insurance policy and fidelity bond premiums** - All premiums on casualty and liability insurance policies and fidelity bonds obtained by the Condominium Association pursuant to the foregoing provisions of this section 6.4, shall be expenses of administration of the Association.

(v) **Casualty and liability insurance and fidelity bond proceeds** - Proceeds of all casualty and liability insurance policies and fidelity bonds owned by the Association shall be received by the Association and distributed to the Association or to Co-Owners and their mortgagees, as their respective interests may appear, subject to the provisions in following paragraph 6.4(vi) whereby insurance policy proceeds received by the Association as a result of casualty damage or loss requiring repair or reconstruction shall be applied directly to pay for the costs of each repair or reconstruction.

(vi) **Application of casualty insurance proceeds to pay for costs of repair and reconstruction** - Casualty insurance proceeds received by the Condominium

Association as reimbursement for damage or destruction of a Condominium Unit or other part of the Condominium Premises shall be applied and expended by the Association to repair or replace such damaged or destroyed portion of the Premises in accordance with the provisions of following section 6.5.

(vii) Authority of Association to settle insurance claims - Each Co-Owner is deemed irrevocably to have appointed the Association as his attorney in fact to negotiate, decide and determine all agreements with respect to obtaining and maintaining casualty, liability and workmen's compensation insurance coverage and fidelity bonds for the Association in accordance with the foregoing provisions of this Section 6.4, to settle claims of the Association for benefits under such insurance, to receive and distribute insurance policy proceeds, and to execute receipts, releases and waivers in consideration for such proceeds.

6.5 Repair of Premises Damage. The Condominium Association and individual Co-Owners of Condominium Units shall have responsibilities for repair or replacement of any part of the Condominium Premises or of a Condominium Unit in accordance with the following provisions:

(i) Responsibility of Association - The Association is obligated to effect prompt repair or replacement of any part of Common Elements of the Condominium Project which has sustained casualty damage or destruction. In fulfillment of its obligation in this regard, the Association shall be responsible for repair or replacement of such damaged or destroyed property to restore it to a condition as close as practicable to that which existed prior to the casualty. If insurance proceeds received by the Association are insufficient to pay for the full costs of such repair or replacement of damaged or destroyed property, other Association funds, including funds obtained by special assessment against Condominium Co-Owners for that purpose, shall be expended to pay those costs. Notwithstanding the foregoing provisions of this sub-paragraph (i), the Association may forego repair or replacement of a damaged or destroyed portion of the Condominium Premises or may restore such damaged or destroyed property in a manner different than existed prior to such damage or destruction, provided that, such non-repair, non-replacement or modification is approved by the Board of Directors and by express written consent of Co-Owners having a majority of votes as provided in Section 3.2 of Article III of the Master Deed, as amended, including the express written consent of each Co-Owner whose Condominium Unit or any Limited or Common Element appurtenant thereto, will be physically

affected by the proposed inaction or modification. The Association will also be responsible for repair of casualty damage to the following fixtures in the interior of each Condominium Unit: floor coverings, including wall-to-wall carpeting (but excluding throw-rugs and other types of floor covering which are not attached to the structure); kitchen appliances; built-in kitchen and bath cabinets; interior walls; and ceiling and wall light fixtures.

(ii) **Responsibility of Co-owners** - A Co-Owner shall be responsible, and the Association shall not be responsible, for prompt repair or replacement of casualty damage or destruction of any part of that Co-Owner's Condominium Unit for which the Association does not have general maintenance and repair responsibility. Except for certain fixtures which are the responsibility of the Association as provided in preceding sub-paragraph (ii), a Co-Owner shall be deemed responsible for repair or replacement of damage or destruction within the interior of his Unit, including, but not limited to, wall coverings, draperies, window shades, furniture, other home furnishings, tools and equipment, whether or not attached to the structure of the Unit. Such repair or replacement by a Co-Owner, shall conform to provisions of Condominium Documents and shall comply with applicable laws and ordinances.

6.6 **Distribution of Annual Financial Statements to Co-Owners.** No later than the date of each Annual Meeting of Co-Owners as specified in Section 2.5 of Article II of these By-laws, the Secretary of the Association (or other officer designated by the Board of Directors) shall deliver or mail to each Co-Owner, a financial statement for the preceding calendar year, or other fiscal year, of the Association. As provided in Section 54(5), such annual financial statement shall set forth pertinent financial information pertaining to the Association, including information specifically requested by Co-Owners.

VII. RESTRICTIONS

7.1 **Restrictions on Use of Condominium Premises.** The following rules and restrictions shall govern the use and occupancy of the Condominium Premises, Common Elements and individual Condominium Units, by Co-Owners and all other persons and parties within the Condominium Project:

(i) **Residential use** - No Condominium Unit shall be used and occupied for other than single family residence purposes. Common Elements shall be used only for purposes consistent with a single family residential development. Each Co-Owner shall be responsible for

maintaining his Condominium Unit and Limited Common Elements appurtenant thereto in safe and sanitary condition. Each Co-Owner shall be responsible for assuring the proper, safe and careful use and possession of General Common Elements by himself, members of his family, guests and invitees. Expense incurred by the Association for repairing any damage to Common Elements caused by the acts or negligence of a Co-Owner or by any persons for whom he is responsible, may be assessed against the Co-Owner by the Board of Directors and collected by the Association in the same manner as provided in preceding Article VI of these By-Laws with respect to assessments generally.

(ii) Prohibited activities - No unlawful, improper, immoral, hazardous or disruptive conduct or activities shall be permitted within the Condominium Premises including Condominium Units and General and Limited Common Elements. No unreasonable noisy activities shall be permitted within the Condominium Premises. Potentially dangerous activities, such as use of firearms (including air rifles, pellet guns and B-B guns), bows and arrows, or similar weapons, projectiles or devices, are prohibited within the Condominium Premises. Use of the Condominium Premises, including any Condominium Unit or Common Elements, in any manner which may cause the Condominium Association's casualty insurance premiums to increase, shall be prohibited. The Board of Directors shall be responsible for enforcing the provisions herein and for resolving disputes among Co-Owners regarding allegations of prohibited activities within the Condominium Premises.

(iii) Pets - Household pets shall not be kept in a Condominium Unit or elsewhere within the Condominium Premises, except that the Co-Owner of a Condominium Unit will be entitled to keep one small pet which he owns at the time he purchases the Unit, provided that the pet is not dangerous and does not create a nuisance, and further provided that, when outside the confines of a Condominium Unit, such pet shall be leashed and attended by a responsible person. Each Co-Owner who brings a pet within the Condominium Premises shall be responsible for the clean-up, collection and proper disposition of wastes deposited by that pet. No vicious, rabid or diseased animal, or any animal which creates an unsanitary condition, emits an unpleasant odor, or which frequently barks or causes other noise

or disruption, shall be permitted within the Condominium Premises. Animals shall not be permitted to be bred for commercial purposes within the Condominium Premises. The Board of Directors may enact regulations requiring pets to be registered with the Association and may levy an assessment upon Co-Owners who keep pets within the Condominium Premises to defray extra costs incurred by the Association due to the presence of pets within the Condominium Premises. The board of Directors may also enact regulations which empower it to levy assessments against Co-Owners who maintain pets within the Condominium Premises, in violation of these By-Laws or Association rules and regulations. Such assessments and fines shall be collectible and enforceable by the association in the same manner as provided in preceding Article VI of these By-Laws with respect to assessments generally. If the Board determines that such pet or animal is being kept or is present within the Premises in violation of these By-Laws or Association rules and regulations, it may direct the removal of that pet or animal from the Condominium Premises without reimbursement to its owner.

(iv) Vehicles - No unsightly or inoperable motor vehicle, mobile home, house trailer, recreational vehicle, all terrain vehicle, camping trailer, boat trailer, boat, motorcycle, snowmobile trailer, snowmobile, or truck, shall be parked within the Condominium Premises, except on a temporary basis for less than twenty-four hours. This provision shall not prevent parking of commercial vehicles within the Condominium Premises for short periods for ordinary, pick-up, delivery and service calls. A Co-Owner's passenger cars shall be parked within the Condominium Premises only in the garage or driveway areas appurtenant to the Co-Owner's Unit or in parking spaces assigned to that Co-Owner. Each Co-Owner shall be responsible for assuring that his visitors park their vehicles in designated guest parking areas. The Board of Directors may enact regulations which empower it to levy punitive assessments against Co-Owners who cause any vehicle or trailer to be parked within the Condominium Premises in violation of these By-Laws or Association rules and regulations, and any such assessment or fine shall be collectible and enforceable by the Association in the same manner as provided in preceding Article VI of these By-Laws with respect to assessments generally. If a Co-Owner fails

after reasonable written notice to remove an improperly parked vehicle or trailer for which he has responsibility, the Board of Directors may cause such vehicle or trailer to be removed from the Condominium Premises to another location and may levy a punitive assessment against the Co-Owner for removal and for storage costs thereby incurred.

(v) Advertising signs - No "for sale" sign or other sign or advertising device visible from the exterior of a Condominium Unit, shall be displayed within the Condominium Premises except upon written authorization of the Board of Directors. Notwithstanding the foregoing provisions of this subparagraph (v), the Developer during the construction and sales period for the initial phase and for each subsequent phase of development of the Condominium Project, shall be entitled to maintain on the Condominium Premises advertising signs for the promotion of sales of Condominium Units and to operate construction, business and sales offices and model units with associated parking and equipment storage areas on the Premises, provided that, at the end of such construction and sales activity, the Developer shall restore those areas of the Premises to their proper condition for residential use in accordance with the provisions of these By-Laws and other Condominium Documents.

(vi) Landscaping - No changes in landscaping or planting of trees, shrubs or exterior decoration shall be permitted within the Condominium Premises except upon written authorization of the Board of Directors.

(vii) Use of Common Elements - The following uses of Limited and General Common Elements shall be prohibited:

Storage of supplies, personal property, trash or refuse, except as provided in Association rules and regulations;

Drying or airing of clothing or other articles;

Any unsightly conditions.

Outdoor furniture, grills and similar articles shall be permitted within Condominium Unit's Limited Common Elements during appropriate seasons, provided that, such furniture and other articles shall at all times be maintained in good repair and attractive condition.

(viii) Building alterations - No alterations in the exterior appearance of a Condominium Unit or structural modifications to the Unit (including

interior walls through or in which there exist utility easements and structural support components) or changes in Common Elements, shall be permitted except upon written authorization of the Board of Directors.

7.2 Lease of a Condominium Unit. A Co-Owner of a Condominium Unit shall be entitled to lease his Unit to another person or party, in accordance with the following conditions:

Lease shall be for the Condominium Co-Owner's entire Condominium Unit;

Lease shall be for a time period not less than one year;

Terms of the lease shall be in the form of a written lease contract which obligates the tenant to abide by all provisions of these By-Laws, other Condominium Documents and Association rules and regulations governing the occupation and use of the Condominium Unit and General and Limited Common Elements.

A Co-Owner who desires to lease his Condominium Unit in accordance with the provisions herein, shall be required to submit to the Secretary or any other officer of the Association, pertinent information regarding the proposed lease, including name or names, ages and current addresses of each person who will reside in the Unit under such lease and a copy of the proposed written lease contract. The Board of Directors at its next regular meeting shall either approve or disapprove the proposed lease and within five days the Secretary shall mail written notice of the Board's decision to the Co-Owner. No tenant shall be permitted to occupy a Condominium Unit until issuance of such written notice of the Board's approval of the proposed lease. The Co-Owners of a leased Condominium Unit shall continue to be obligated and liable for compliance with all rules and restrictions governing the use of the Unit and Common Elements appurtenant thereto and payment of all regular, special and punitive assessments and charges pertaining to the Unit. If the tenant of a Unit fails to comply with Association rules and regulations covering the Unit and appurtenant Common Elements, the Board of Director's may direct the Secretary or other Association officer to give written notice to the Unit's Co-Owner warning that unless the tenant's non-conforming conduct ceases, the Association may initiate summary proceedings or other judicial action to terminate the lease, to effect eviction of the tenant, and to obtain a judgment for damages and actual costs of suit, including reasonable attorney fees. In the event that such judicial proceedings are undertaken by the Association, whether or not a judgment is obtained, the Board of Directors may levy an assessment against the Co-Owners for costs, including reasonable

attorney fees, incurred by the Association with respect to those proceedings and to compensate the Association for costs of repair of damage to Common Elements or extra maintenance expense incurred by the Association as a result of the tenant's breach of Association rules and regulations, and any such assessment shall be collectible and enforceable by the Association in the same manner as provided in preceding Article VI of these By-Laws with respect to assessments generally. Any Co-Owner who leases his Condominium Unit shall be deemed irrevocably to have appointed the Association as his attorney in fact for the purpose of administering the provisions of this Section 7.2 of these By-Laws, including the initiation of judicial proceedings in behalf of the Co-Owner as herein provided.

7.3 Rules and Regulations. The Board of Directors may from time to time enact rules and regulations which will govern the operation of the Association and restrict conduct and activities of Co-Owners and other persons within the Condominium Premises, provided that, any such rules and regulations shall be consistent with the provisions of these By-Laws and other Condominium Documents. Copies of such rules, regulations and amendments thereto shall be furnished to all Co-Owners.

VIII. MISCELLANEOUS PROVISIONS

8.1 Mortgagee's Interests. No provisions of these By-Laws or of other Condominium Documents shall be deemed to give a Condominium Co-Owner, or any other party, rights prior or superior to those of a mortgagee in that Co-Owner's Condominium Unit with respect to distribution of casualty insurance proceeds or condemnation awards. A Co-Owner shall give written notice to the Association's Secretary of the name and address of a lender or other party who possesses a mortgagee's interest in that Co-Owner's Condominium Unit and that information shall be retained in the Association's records. Upon written request of a Co-Owner or mortgagee, the Association will provide such mortgagee with information regarding the Unit to which its mortgagee's interest pertains, including a report as to the status of regular and special assessment payments for the Unit, information concerning casualty insurance maintained by the Association on Condominium Units and General and Limited Common Elements, and notices of Annual and Special meetings of Co-Owners.

8.2 Association's Right of Access to Condominium Units. Upon reasonable advance notice to a Condominium Unit's Co-Owner, the Association, including its authorized agents, shall have the right of access to each Condominium Unit and Limited Elements appurtenant thereto during regular working hours for the purpose of

maintaining, repairing or installing components of the Common Elements within the Unit. In the event of emergency or necessity for immediate safeguard or repair of Common Elements within a Unit to prevent risk of property damage or personal injury, the Association shall have the right of access to a Condominium Unit and Common Elements appurtenant thereto without prior notice to the Co-Owner. To enable the Association to fulfill its responsibilities under the provisions of this paragraph 8.2, each Co-Owner shall be obligated to provide the Association with a key for access to that Co-Owner's Unit when the Co-Owner is absent, provided that, if a Co-Owner does not furnish the Association such means of access, the Association may gain access to his Unit for the purposes stated herein in such manner as may be reasonable under the circumstances and neither the Association nor its officers or agents acting in its behalf, shall be liable to such Co-Owner for damage caused to locks, doors, windows or other part of the Unit or Common Elements appurtenant thereto in gaining such access.

8.3 Condemnation. If all or any part of the Condominium Project, including any Condominium Unit or General and Limited Common Elements appurtenant thereto, shall be condemned and taken by a governmental or other authority exercising powers of eminent domain, rights of Co-Owners shall be governed by provisions of Section 133 of the Michigan Condominium Act. In the event that such condemnation proceeding is initiated in regard to any portion of the Condominium Project, the Board of Directors through its Secretary or other designated agent, shall give written notice of such action to all Co-Owners and mortgagees known by the Association to have mortgage liens in particular Condominium Units. Any condemnation award received by the Association shall be held and administered by the Board of Directors in accordance with provisions of Section 133 of the Act or as directed by judicial order. Each Co-Owner is deemed irrevocably to have appointed the Association as his attorney in fact to negotiate, decide upon and settle all claims, suits and actions regarding condemnation or the threat of condemnation of any part of the Condominium Project, including any Condominium Unit or Limited and General Common Elements appurtenant thereto.

8.4 Standing to Enforce By-Law Provisions. Any person or party who possesses a significant interest in the Condominium Project, including the Developer (until final completion of all phases of the Project as provided in the Master Deed, as amended, and sale or conveyance of all of the Developer's interest in Condominium Units to individual purchasers and transferees), the Association, Co-Owners, and mortgagees who possess valid mortgage liens in particular Condominium Units or in Limited or General Common Elements, shall have standing to enforce the provisions of these By-Laws and of other

Condominium Documents to the extent that those provisions may reasonably be construed to affect that person's or party's interest in the Project. Judicial action to enforce the provisions of these By-Laws or of other Condominium Documents may include suit for damages, injunctive relief, foreclosure of lien for default in payment of assessments levied against a Condominium Unit, or any combination thereof. In any such judicial proceeding undertaken by the Association against a Co-Owner to enforce the provisions of these By-Laws or other Condominium Documents, the Association, if successful shall be entitled to recover from the Co-Owner actual legal costs and reasonable attorney fees (not limited to statutory fees) which the Association reasonably incurs with respect to such proceedings, but in no event shall any Co-Owner be entitled to recover such attorneys' fees against the Association. Notwithstanding the foregoing provisions of this paragraph 8.4, when reasonably necessary to abate a condition which violates the provisions of these By-Laws or other Condominium Documents, authorized agents of the Association at the direction of the Board of Directors shall be entitled to enter any portion of the Condominium Premises, including any Condominium Unit or Limited Common Element appurtenant thereto, to remove the violative condition, provided that, items affixed to a Condominium Unit shall be altered or abolished only as permitted by judicial order or written consent of the parties affected. Neither the Association nor its officers or agents acting in its behalf, shall have any liability to a Co-Owner, or other person or party, as a consequence of the exercise of the Association's power of abatement and removal as provided herein. The failure of the Association or of any Co-Owner to enforce the provisions of these By-Laws and of other Condominium Documents or to exercise powers conferred by the provisions of the Condominium Documents, shall not constitute a waiver of their rights to undertake enforcement action or to exercise those powers in the future.

8.5 Arbitration. Disputes between the Association and Co-Owners regarding the interpretation, application or enforcement of the provisions of these By-Laws or of other Condominium Documents, upon the written consent of the Association and Co-Owners involved, may be submitted to final and binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, as amended, and the resulting arbitration award shall be enforceable by Michigan Circuit Court judgment.

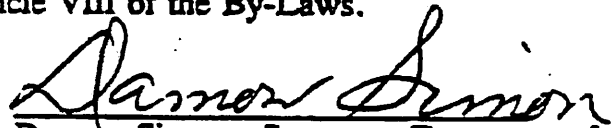
8.6 Amendment. Amendments to these By-Laws may be proposed by the Board of Directors or by written petition endorsed by Co-Owners, or their designated voting

representatives, representing at least one-third of the total voting value of all Condominium Units. The Secretary shall include a copy of such a proposed amendment with the notice of the annual or special meeting of Co-Owners at which the amendment will be considered. Any such proposed amendment will become effective upon its being approved by affirmative vote of Co-Owners having at least two-thirds of total Co-Owners' votes. No consent of mortgagees shall be required to amend these By-Laws unless the proposed amendment would materially alter or change the right or interests of those mortgagees in which case written approval of the amendment shall be required by mortgagees representing at least two-thirds of the Condominium Units to which such mortgagees' interests pertain. Notwithstanding the foregoing provisions of this paragraph 8.6, until the First Annual Meeting of Co-Owners convened pursuant to provisions of paragraph 2.4 of Article II herein, these By-Laws may be amended by the Developer without approval by any other persons or parties, provided that, such amendment by the Developer shall not materially prejudice or alter the rights of Co-Owners or mortgagees who possess interests in the Condominium Premises at that time.

8.7 Severability. If any term or provision of these By-Laws or of other Condominium Documents is deemed to be partially or wholly invalid or unenforceable for any reason, such holding shall not affect, alter or impair the application or enforcement of all of the other terms and provisions thereof.

CERTIFICATION

The undersigned Secretary of Cortland Farms Condominium Owners' Association, certifies that provisions of the foregoing restated Condominium Association's By-Laws have been approved and adopted by Association members in accordance with procedures for amendment set forth in Section 8.6 of Article VIII of the By-Laws.


Damon Simon, Secretary-Treasurer of
Cortland Farms Condominium Owners'
Association

Signed on November 8, 1996

SALZBURG ROAD

LIMITS OF PHASE I & II
DEVELOPEMENT (TYP.) -

**PROPOSED
SEPTEMBER 1, 1996**

LOCATION MAP
NO SCALE

SURVEYOR'S CERTIFICATE

That the sub-division plan known as Amendment No. 1, Gary County
assesses the subdivision plan No. 17, as shown on the attached plat, and
represents a survey on the ground made under my direction, that there are
existing encroachments upon the lands and property herein described.
That the survey of the lands herein described was made in accordance with
the plan as required by rules promulgated under section 122 of Act No. 22 of
Public Acts of 1978.

That the survey of this survey is attested the being required by the
rules promulgated under section 122 of Act No. 22 of the Public Acts of 1978.

That the bearings, as shown, are noted on the survey plan as required by
the rules promulgated under section 122 of Act No. 22 of the Public Acts of
1978.

Enter

22010400

Larry D. King
Registered Civil Engineer
Registration No. 23308
Davis & King Engineers, Inc.

BOYCH MARK
P.H. SPINE @ S STONEY CREEK DRIVE
AND DOWNLAND DRIVE ELEV. = 507.00

NOTE:
ALL ELEVATIONS ARE BASED
UPON U.S.C.S. DATUM.

SURVEY PLAN

CORTLAND FARMS
A CONDOMINIUM COMMUNITY
MONITOR TOWNSHIP, BAY COUNTY, MICHIG.

Barlow & King Engineers
2310 E. Midland Road, Troy City, Michigan 48068
Tel (313) 694-0937
Fax (313) 694-8404

11810.14.32 PAGE 110

10



NOTE: ALL AREAS SHOWN WITHIN THE LIMITS OF THE CORTLAND FARMS ARE ZONED COMMERCIAL (C-1) AND ARE NOT DESIGNATED AS LIMITED COMMERCIAL (C-1) AREAS SHOWN ON SHEETS 5, 6, 7 AND 8.

CONSENT
22 JULY 1988

PROPOSED
SEPTEMBER 1, 1988

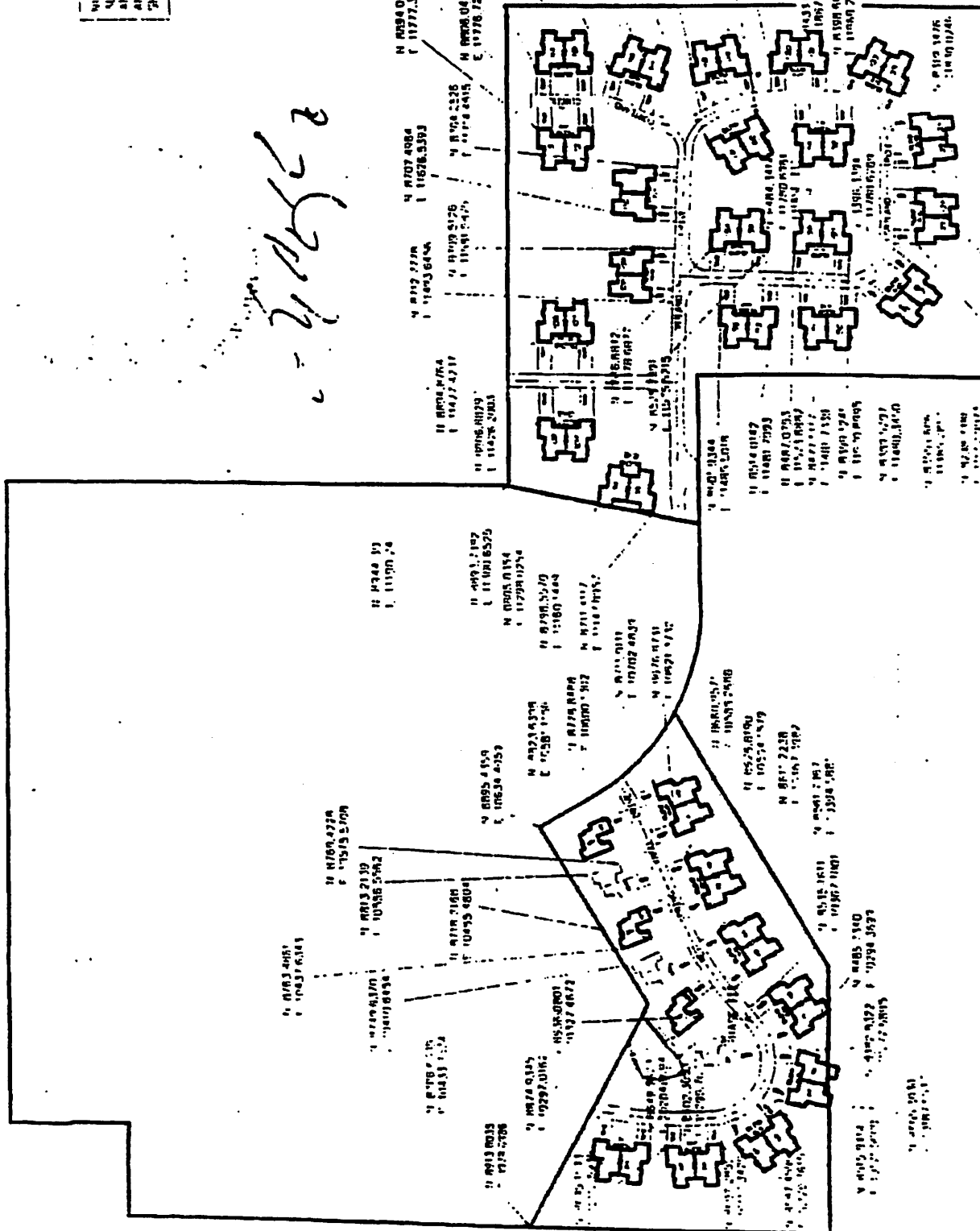
LIMITS OF PHASE III
PHASE III "A" = 9.98 AC.
PHASE III "B" = 12.1 AC.

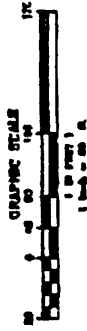
SITE PLAN

CORTLAND FARMS
A CONDOMINIUM COMMUNITY
MCNIOT TOWNSHIP, DAY COUNTY, MN

Barlow & King Engineers

1111 1/2 Main Street, Suite 100, Duluth, MN 55812
Tel: (612) 254-8850





LEGEND

FINAL LOCATION & SIZE OF WATER, SANITARY SEWER, AND STORM SEWER AS PROPOSED WILL BE SHOWN ON AS-BUILT DRAWINGS.

GAS, ELECTRIC, AND TELEPHONE TO BE SHOWN ON AS-BUILT DRAWINGS.

ALL UTILITY SERVICE LEADS AND STORM DRAINAGE LEADS BEHIND BUILDINGS TO BE SHOWN ON AS-BUILT DRAWINGS.

LEGEND
42 UNIT NUMBER

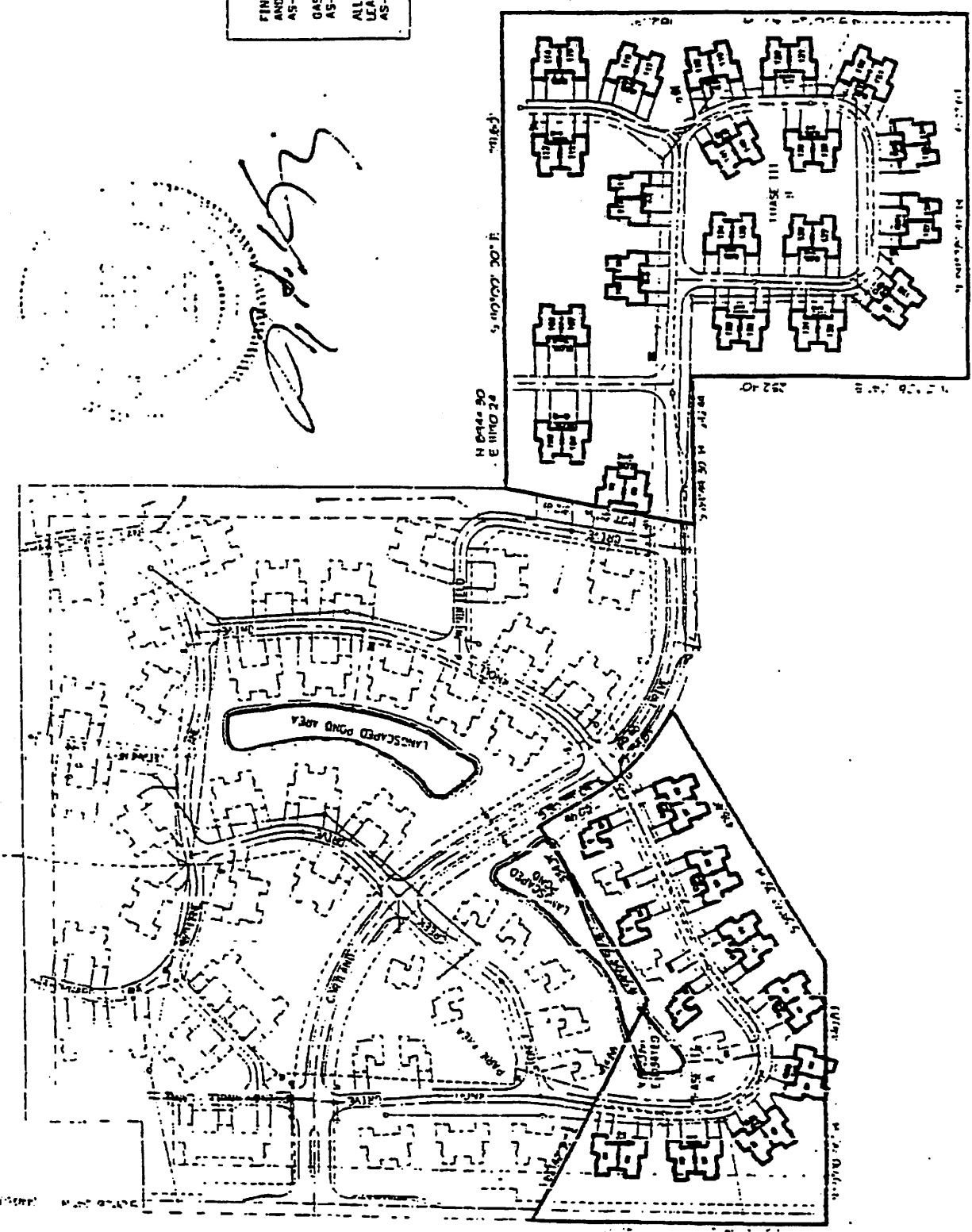
PROPOSED
SEPTEMBER 1, 1998

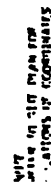
EXISTING
PROPOSED WATERMAIN
PROPOSED SANITARY SEWER
PROPOSED STORM SEWER

UTILITY PLAN

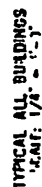
CORTLAND FARMS
A CONDOMINIUM COMMUNITY
MONITOR TOWNSHIP, BAY COUNTY, MICHIGAN

Barlow & King Engineers
1100 E. Grand Street, Suite 100, Muskegon, MI 49441
616-795-0000
FAX 616-795-0001



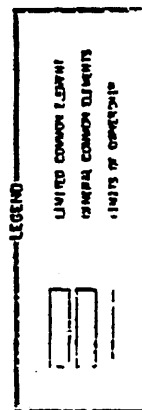


SINGLE UNIT FOUNDATION BASEMENT PLAN

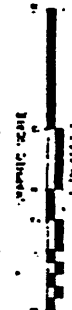


11:11

1. ALL OVERSHPIP LINES ARE AT 30°
TO EACH OTHER UNLESS OTHERWISE NOTED.
2. ALL CEILINGS ARE 7'-0"



SEPTEMBER 1, 1998



SINGLE UNIT FOUNDATION P

CORTLAND FARMS

**--- A CONDOMINIUM COMMUNITY
MONITOR TOWNSHIP, BAY COUNTY, MICH**

Barlow & King Engineers

01234567891011121314151617181920212223242526272829303132333435363738394041424344454647484950515253545556575859606162636465666768697071727374757677787980818283848586878889909192939495969798991001011021031041051061071081091101111121131141151161171181191201211221231241251261271281291301311321331341351361371381391401411421431441451461471481491501511521531541551561571581591601611621631641651661671681691701711721731741751761771781791801811821831841851861871881891901911921931941951961971981992002012022032042052062072082092102112122132142152162172182192202212222232242252262272282292302312322332342352362372382392402412422432442452462472482492502512522532542552562572582592602612622632642652662672682692702712722732742752762772782792802812822832842852862872882892902912922932942952962972982993003013023033043053063073083093103113123133143153163173183193203213223233243253263273283293303313323333343353363373383393403413423433443453463473483493503513523533543553563573583593603613623633643653663673683693703713723733743753763773783793803813823833843853863873883893903913923933943953963973983994004014024034044054064074084094104114124134144154164174184194204214224234244254264274284294304314324334344354364374384394404414424434444454464474484494504514524534544554564574584594604614624634644654664674684694704714724734744754764774784794804814824834844854864874884894904914924934944954964974984995005015025035045055065075085095105115125135145155165175185195205215225235245255265275285295305315325335345355365375385395405415425435445455465475485495505515525535545555565575585595605615625635645655665675685695705715725735745755765775785795805815825835845855865875885895905915925935945955965975985996006016026036046056066076086096106116126136146156166176186196206216226236246256266276286296306316326336346356366376386396406416426436446456466476486496506516526536546556566576586596606616626636646656666676686696706716726736746756766776786796806816826836846856866876886896906916926936946956966976986997007017027037047057067077087097107117127137147157167177187197207217227237247257267277287297307317327337347357367377387397407417427437447457467477487497507517527537547557567577587597607617627637647657667677687697707717727737747757767777787797807817827837847857867877887897907917927937947957967977987998008018028038048058068078088098108118128138148158168178188198208218228238248258268278288298308318328338348358368378388398408418428438448458468478488498508518528538548558568578588598608618628638648658668678688698708718728738748758768778788798808818828838848858868878888898908918928938948958968978988999009019029039049059069079089099109119129139149159169179189199209219229239249259269279289299309319329339349359369379389399409419429439449459469479489499509519529539549559569579589599609619629639649659669679689699709719729739749759769779789799809819829839849859869879889899909919929939949959969979989991000100110021003100410051006100710081009101010111012101310141015101610171018101910201021102210231024102510261027102810291030103110321033103410351036103710381039104010411042104310441045104610471048104910501051105210531054105510561057105810591060106110621063106410651066106710681069107010711072107310741075107610771078107910801081108210831084108510861087108810891090109110921093109410951096109710981099110011011102110311041105110611071108110911101111111211131114111511161117111811191120112111221123112411251126112711281129113011311132113311341135113611371138113911401141114211431144114511461147114811491150115111521153115411551156115711581159116011611162116311641165116611671168116911701171117211731174117511761177117811791180118111821183118411851186118711881189119011911192119311941195119611971198119912001201120212031204120512061207120812091210121112121213121412151216121712181219122012211222122312241225122612271228122912301231123212331234123512361237123812391240124112421243124412451246124712481249125012511252125312541255125612571258125912601261126212631264126512661267126812691270127112721273127412751276127712781279128012811282128312841285128612871288128912901291129212931294129512961297129812991

SINGLE UNIT FIRST FLOOR PL/

Page 10 of 10

1. THE STATE OF TEXAS
 2. COUNTY OF DALLAS
 3. IN SENATE
 4. January 1, 1901
 5. REPORT
 6. OF THE
 7. COMMISSIONERS OF THE LAND OFFICE
 8. FOR THE YEAR 1900
 9. AND
 10. THE
 11. LAND OFFICE
 12. FOR THE YEAR 1900
 13. AND
 14. THE
 15. LAND OFFICE
 16. FOR THE YEAR 1900
 17. AND
 18. THE
 19. LAND OFFICE
 20. FOR THE YEAR 1900
 21. AND
 22. THE
 23. LAND OFFICE
 24. FOR THE YEAR 1900
 25. AND
 26. THE
 27. LAND OFFICE
 28. FOR THE YEAR 1900
 29. AND
 30. THE
 31. LAND OFFICE
 32. FOR THE YEAR 1900
 33. AND
 34. THE
 35. LAND OFFICE
 36. FOR THE YEAR 1900
 37. AND
 38. THE
 39. LAND OFFICE
 40. FOR THE YEAR 1900
 41. AND
 42. THE
 43. LAND OFFICE
 44. FOR THE YEAR 1900
 45. AND
 46. THE
 47. LAND OFFICE
 48. FOR THE YEAR 1900
 49. AND
 50. THE
 51. LAND OFFICE
 52. FOR THE YEAR 1900
 53. AND
 54. THE
 55. LAND OFFICE
 56. FOR THE YEAR 1900
 57. AND
 58. THE
 59. LAND OFFICE
 60. FOR THE YEAR 1900
 61. AND
 62. THE
 63. LAND OFFICE
 64. FOR THE YEAR 1900
 65. AND
 66. THE
 67. LAND OFFICE
 68. FOR THE YEAR 1900
 69. AND
 70. THE
 71. LAND OFFICE
 72. FOR THE YEAR 1900
 73. AND
 74. THE
 75. LAND OFFICE
 76. FOR THE YEAR 1900
 77. AND
 78. THE
 79. LAND OFFICE
 80. FOR THE YEAR 1900
 81. AND
 82. THE
 83. LAND OFFICE
 84. FOR THE YEAR 1900
 85. AND
 86. THE
 87. LAND OFFICE
 88. FOR THE YEAR 1900
 89. AND
 90. THE
 91. LAND OFFICE
 92. FOR THE YEAR 1900
 93. AND
 94. THE
 95. LAND OFFICE
 96. FOR THE YEAR 1900
 97. AND
 98. THE
 99. LAND OFFICE
 100. FOR THE YEAR 1900
 101. AND
 102. THE
 103. LAND OFFICE
 104. FOR THE YEAR 1900
 105. AND
 106. THE
 107. LAND OFFICE
 108. FOR THE YEAR 1900
 109. AND
 110. THE
 111. LAND OFFICE
 112. FOR THE YEAR 1900
 113. AND
 114. THE
 115. LAND OFFICE
 116. FOR THE YEAR 1900
 117. AND
 118. THE
 119. LAND OFFICE
 120. FOR THE YEAR 1900
 121. AND
 122. THE
 123. LAND OFFICE
 124. FOR THE YEAR 1900
 125. AND
 126. THE
 127. LAND OFFICE
 128. FOR THE YEAR 1900
 129. AND
 130. THE
 131. LAND OFFICE
 132. FOR THE YEAR 1900
 133. AND
 134. THE
 135. LAND OFFICE
 136. FOR THE YEAR 1900
 137. AND
 138. THE
 139. LAND OFFICE
 140. FOR THE YEAR 1900
 141. AND
 142. THE
 143. LAND OFFICE
 144. FOR THE YEAR 1900
 145. AND
 146. THE
 147. LAND OFFICE
 148. FOR THE YEAR 1900
 149. AND
 150. THE
 151. LAND OFFICE
 152. FOR THE YEAR 1900
 153. AND
 154. THE
 155. LAND OFFICE
 156. FOR THE YEAR 1900
 157. AND
 158. THE
 159. LAND OFFICE
 160. FOR THE YEAR 1900
 161. AND
 162. THE
 163. LAND OFFICE
 164. FOR THE YEAR 1900
 165. AND
 166. THE
 167. LAND OFFICE
 168. FOR THE YEAR 1900
 169. AND
 170. THE
 171. LAND OFFICE
 172. FOR THE YEAR 1900
 173. AND
 174. THE
 175. LAND OFFICE
 176. FOR THE YEAR 1900
 177. AND
 178. THE
 179. LAND OFFICE
 180. FOR THE YEAR 1900
 181. AND
 182. THE
 183. LAND OFFICE
 184. FOR THE YEAR 1900
 185. AND
 186. THE
 187. LAND OFFICE
 188. FOR THE YEAR 1900
 189. AND
 190. THE
 191. LAND OFFICE
 192. FOR THE YEAR 1900
 193. AND
 194. THE
 195. LAND OFFICE
 196. FOR THE YEAR 1900
 197. AND
 198. THE
 199. LAND OFFICE
 200. FOR THE YEAR 1900
 201. AND
 202. THE
 203. LAND OFFICE
 204. FOR THE YEAR 1900
 205. AND
 206. THE
 207. LAND OFFICE
 208. FOR THE YEAR 1900
 209. AND
 210. THE
 211. LAND OFFICE
 212. FOR THE YEAR 1900
 213. AND
 214. THE
 215. LAND OFFICE
 216. FOR THE YEAR 1900
 217. AND
 218. THE
 219. LAND OFFICE
 220. FOR THE YEAR 1900
 221. AND
 222. THE
 223. LAND OFFICE
 224. FOR THE YEAR 1900
 225. AND
 226. THE
 227. LAND OFFICE
 228. FOR THE YEAR 1900
 229. AND
 230.

NOTE:
ALL INFORMATION IS AT GP
TO FACTOR UNIT'S OTHERWISE WORD.
ALL OFFICES ARE H-O

Typical All Conditions
Date: 1/4 - 9

745121

WOC 14 1541 :

DATA:

5. DATE _____

1.2. 1994. 1.2. 1994. 1.2. 1994.
6. 1. 1994. 1.2. 1994. 1.2. 1994.
1.2. 1994. 1.2. 1994. 1.2. 1994.

FOI 201-110-00166-10
S (H) 11M.
S. - S10.
DOC 11 15012

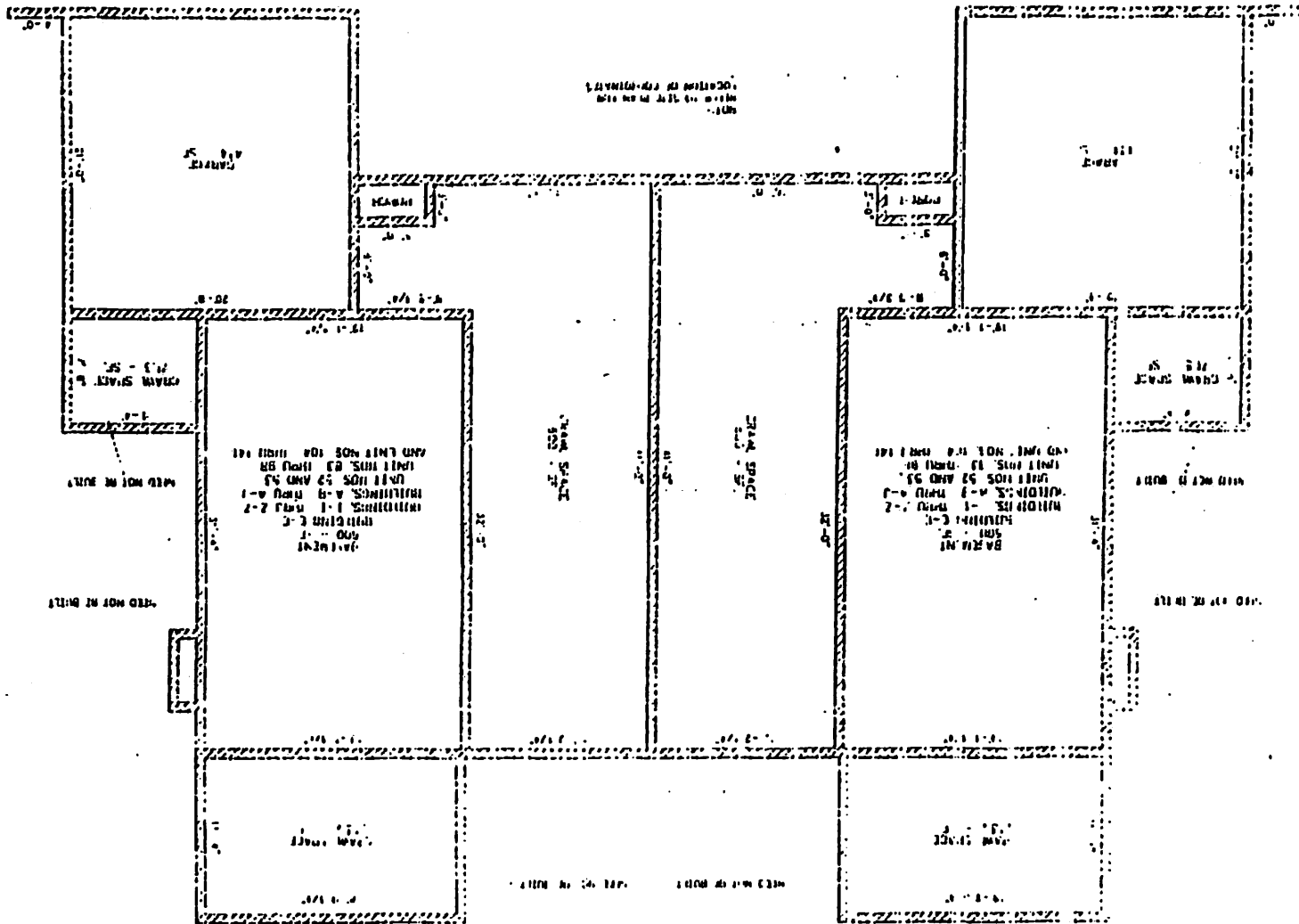
1974 11 10. 22-4

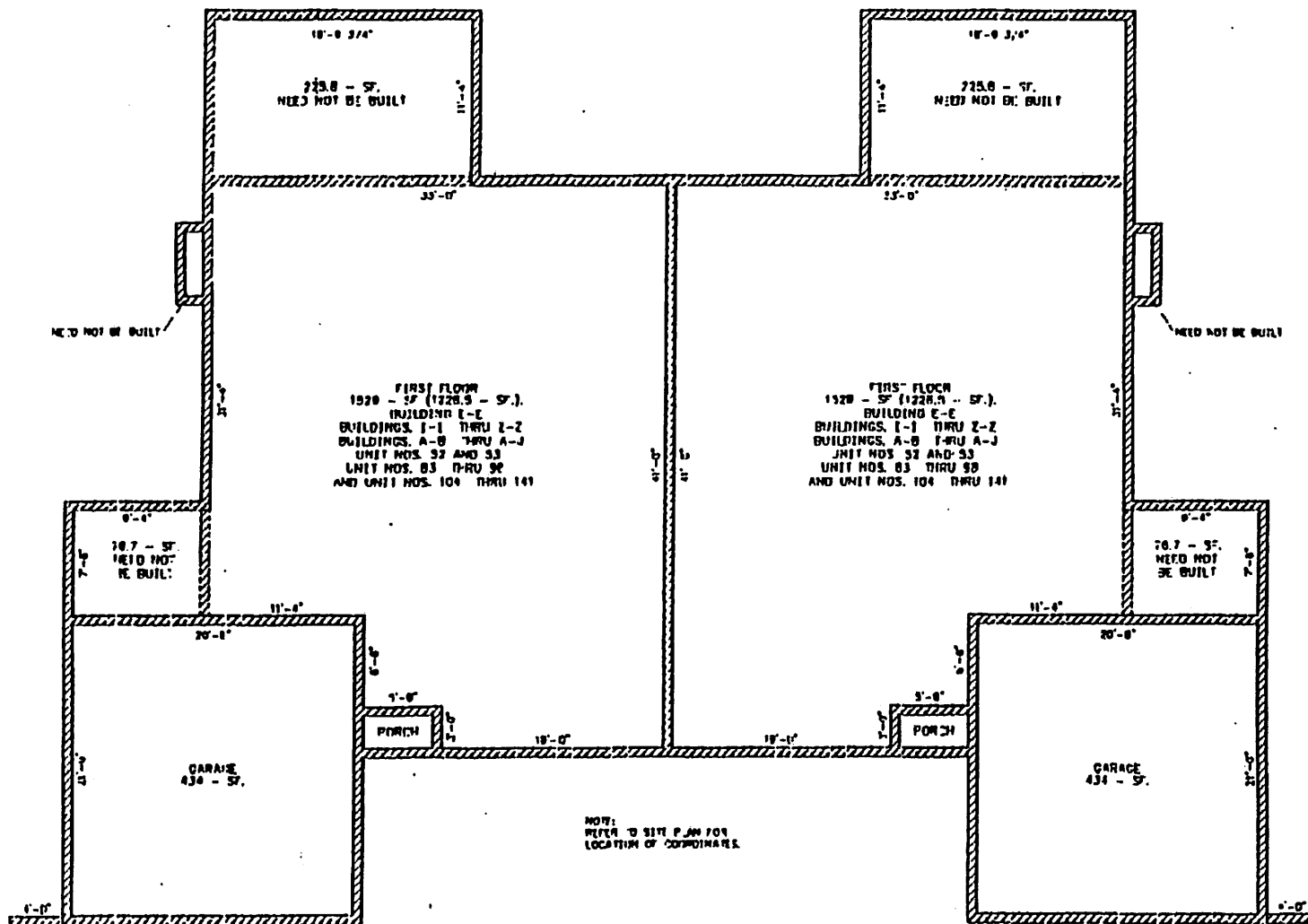
AT-6-7a

1. ALL MEMBERSHIP LISTS ARE AT 100
2. ALL MEMBERSHIP LISTS ARE AT 100

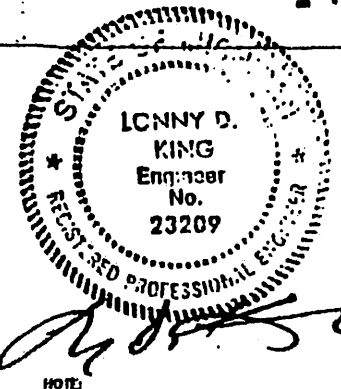
Barlow & King Engineers
 1000 Broadway, New York 17, New York
 Tel. (NY) 4-9444
 Telex 210 444

משרד המשפטים
התביעה הכללית

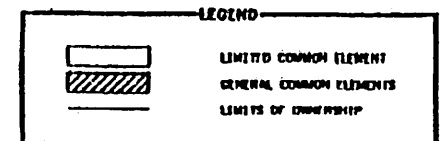




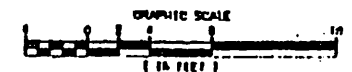
DUPLEX FIRST FLOOR PLAN
SCALE: 1/4" = 1'-0"



- NOTE:
1. ALL OWNERSHIP LINES ARE AT 30" TO EACH OTHER UNLESS OTHERWISE NOTED.
 2. ALL CEILINGS ARE 8'-0"



PROPOSED
SEPTEMBER 1, 1996



LIBR 14-32 PART 02C

DUPLEX FIRST FLOOR PLAN

CORTLAND FARMS
A CONDOMINIUM COMMUNITY
MONITOR TOWNSHIP, BAY COUNTY, MICHIGAN

Barlow & King Engineers
2540 E. Midland Road, Bay City, Michigan 49720
or (517) 894-4910
fax (517) 894-4910

RECORDED

DEC 11 3 59 PM '97

Barbara A. Johnson
REGISTER OF DEEDS
BAY COUNTY, MICHIGAN

**AMENDMENT
TO
RESTATEMENT OF THE BY-LAWS OF
CORTLAND FARMS CONDOMINIUM AND
CORTLAND FARMS CONDOMINIUM OWNERS' ASSOCIATION**

THIS INSTRUMENT WITNESSES that the following instrument:

Restatement of the By-Laws of Cortland Farms
Condominium and Cortland Farms Condominium Owners'
Association, dated November 8, 1996, recorded in Liber
1432, Pages 582-614, Bay County Records,

is hereby amended as follows:

One. Sub-paragraph 7.1 (iii) of Article VII of the Restatement of the By-Laws of Cortland Farms Condominium and Cortland Farms Condominium Owners' Association is hereby revoked and shall be replaced and superseded by the following:

(iii) Pets - The Co-Owner of a Condominium Unit will be entitled to have one small outdoor pet, provided that the pet is not dangerous and does not create a nuisance, and further provided that, when outside the confines of a Condominium Unit, such pet shall be leashed and attended by a responsible person. In the event of the pet's death, it may be replaced by the Co-Owner, if desired, with an animal that meets the qualifications outlined in this By-Law. In addition, a written request must be made to the Board of Directors for final approval or disapproval which will be based on any complaints regarding the original pet. A small pet is defined as 18 inches shoulder height. An outdoor pet (a cat or dog that goes outside) is defined as one that needs to go outside the confines of a Condominium Unit for

exercise and to deposit body wastes. Indoor pets are allowed within a Condominium Unit, since they are not a nuisance to other Co-Owners. Each Co-Owner who has an outdoor pet within the Condominium Premises shall be responsible for the immediate clean-up, collection, and proper disposition of wastes deposited by that pet. No vicious, rabid or diseased animal, or any animal which creates an unsanitary condition, emits an unpleasant odor, or which frequently barks or causes other noise or disruption, shall be permitted within the Condominium Premises. Animals shall not be permitted to be bred for commercial purposes within the Condominium Premises. The Board of Directors may enact regulations requiring pets to be registered with the Association and may levy an assessment upon Co-Owners who maintain pets within the Condominium Premises, in violation of these By-Laws or Association rules and regulations. Such assessments and fines shall be collectible and enforceable by the Association in the same manner as provided in preceding Article VI of the By-Laws or Association rules and regulations, it may direct the removal of that pet or animal from the Condominium Premises without reimbursement to its owner.

Two. Except as modified by the provisions of this Amendment, all terms and provisions of the Restatement of By-Laws recorded in Liber 1432, Pages 582-614, Bay County Records, shall remain in full force and effect.

CERTIFICATION

The undersigned President and Secretary of Cortland Farms Condominium Owners' Association certify that the foregoing Amendment to Restatement of the By-Laws of Cortland Farms Condominium and Cortland Farms Condominium Association, was approved by affirmative vote of two-thirds of Co-Owners of the Cortland Farms

Condominium Association at a duly convened meeting of members of the Association on August 19, 1997.

Signed on December 9, 1997, by Wayne Groom, President, and Damon A. Simon, Secretary, of Cortland Farms Condominium Association, a Michigan non-profit, non-stock corporation.

Witnessed:

Jean R. Stevens
Jean R. Stevens

Judy K. Hayes
Judy K. Hayes

Cortland Farms Condominium Association,
a Michigan non-profit, non-stock corporation

By: Wayne M. Groom
Wayne Groom, President

By: Damon A. Simon
Damon A. Simon, Secretary

STATE OF MICHIGAN)
) ss:
COUNTY OF BAY)

Subscribed and acknowledged before me on December 9, 1997, by Wayne Groom, as President, and Damon A. Simon, as Secretary, of Cortland Farms Condominium Association, a Michigan non-profit, non-stock corporation.

Sheryl A. Metzler
Sheryl A. Metzler
Notary Public, Bay County, Michigan
My commission expires: 10-11-01

Prepared By:

Robert D. Sarow
Learman, Peters, Sarow & McQuillan, P.L.C.
Attorneys at Law
900 Center Avenue
Bay City, MI 48708
(517) 892-0591

Pt of 09-100-038-100-030-00

TAX CERTIFICATE 13676
DATE 3/27/98
JEANETTE E. NEITZEL
BAY COUNTY TREASURER

1517 PAGE 643

RECORDED
MAR 31 4 23 PM '98
Karin G. Ashburn
REGISTER OF DEEDS
BAY COUNTY, MICHIGAN

THIRD AMENDMENT
TO THE
MASTER DEED
FOR
CORTLAND FARMS CONDOMINIUM

THIS INSTRUMENT OF AMENDMENT of the Master Deed for

CORTLAND FARMS CONDOMINIUM, Bay County
Condominium Subdivision Plan No. 17, a residential
Condominium Project, situated in Monitor Township, Bay
County, Michigan, pursuant to provisions of the Michigan
Condominium Act, Public Acts of 1978, No. 59, as
amended,

including Condominium By-Laws and Subdivision Plan attached as Exhibits A and B
thereto, dated February 21, 1991, and recorded February 21, 1991 in Liber 1165,
Pages 01-52, Office of the Bay County Register of Deeds, as modified by the following
instruments: First Amendment to Master Deed, dated February 5, 1993, recorded
February 5, 1993 in Liber 1251, Pages 598-611, Office of the Bay County Register of
Deeds, and Second Amendment to Master Deed, dated November 8, 1996, recorded
November 12, 1996 in Liber 1432, Pages 582-622, Office of the Bay County Register
of Deeds, WITNESSES THAT,

METZLER, INC., a Michigan corporation, having its
principal office at 5615 Spring Knoll Drive, Bay City,
Michigan 48706,

as Developer of Cortland Farms Condominium, hereby amends the Master Deed (as
previously amended) pursuant to Article VI, paragraph 6.3, thereof, to effect expansion
of the Condominium Project for Cortland Farms Condominium, in accordance with the
following provisions:

1. Expansion of Condominium Premises. The Condominium Premises for Cortland Farms Condominium is hereby expanded to include all of the following-described real estate:

All that part of the Northwest 1/4 of Section 31, Town 14 North, Range 5 East, more particularly described as follows:

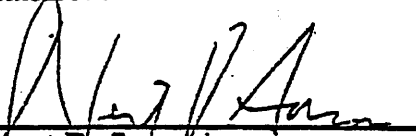

Commencing at the Northwest corner of said Section 31; thence South 01°06'04" West 1562.35 feet along the West line of said Section 31; thence South 90°00'00" East 164.95 feet parallel with the North Section line to the Point of Beginning; thence continuing South 90°00'00" East 269.41 feet; thence South 28°27'59" West 12.87 feet; thence South 53°27'02" West 52.08 feet; thence South 66°32'13" West 21.84 feet; thence South 80°22'25" West 86.20 feet; thence North 81°16'27" West 27.67 feet; thence North 77°18'36" West 91.10 feet; thence North 00°00'00" East 39.66 feet to the Point of Beginning, containing 0.30 acres more or less.

A survey of the above-described parcel is attached as Exhibit F to this Third Amendment to Master Deed. Said parcel is hereby added to the Condominium Premises to correct a discrepancy in the description of land included in the second phase of the Cortland Farms Condominium Development pursuant to the Second Amendment to Master Deed, including Amendment No. 2 to the Condominium Subdivision Plan attached as Exhibit E thereto, recorded in Liber 1432, Pages 582-622, Office of the Bay County Register of Deeds.

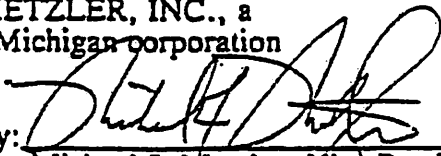
2. Ratification of Master Deed as Amended. Except as modified by the provisions of this Third Amendment to the Master Deed, all provisions of the Master Deed for Cortland Farms Condominium, recorded in Liber 1165, Pages 1-52, Bay County Records, as previously amended by the above-cited First and Second Amendments thereto, are hereby ratified and confirmed.

SIGNED AND EXECUTED on March 27, 1998, by and in behalf of the Development, Metzler, Inc., a Michigan corporation, upon the authority of its board of directors.

Witnessed:

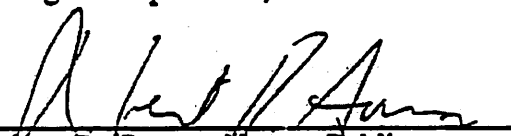

Robert D. Sarow

Marilyn M. Geno

METZLER, INC., a
Michigan corporation

By: 
Michael J. Metzler, Vice-President

STATE OF MICHIGAN)
COUNTY OF BAY) ss.

Signed and acknowledged before me on March 27, 1998, by Michael J. Metzler, Vice-President of Metzler, Inc., a Michigan corporation, on behalf of the Corporation.


Robert D. Sarow, Notary Public
Bay County, Michigan
My Commission expires: 5/18/98

Drafted by:
Robert D. Sarow
Attorney at Law
Learman, Peters, Sarow & McQuillan, P.L.C.
900 Center Avenue
Bay City, Michigan 48708
Telephone: (517) 892-0591

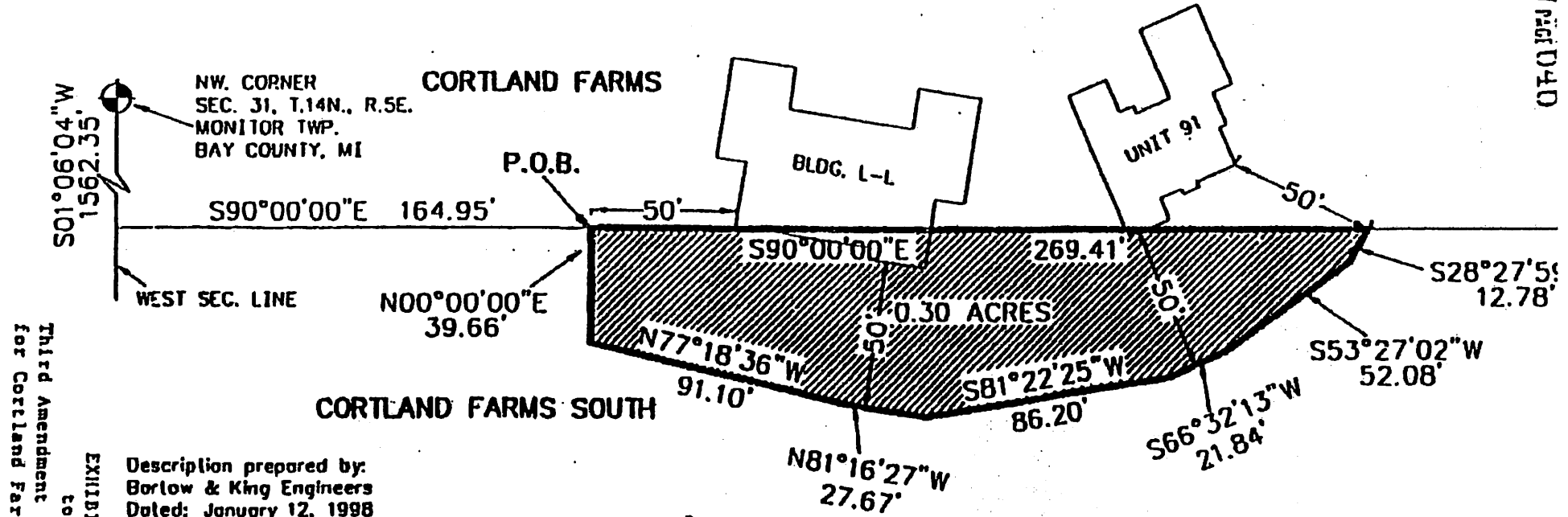
PORTION OF CORTLAND FARMS SOUTH DEEDED TO CORTLAND FARMS

All that part of the Northwest 1/4 of Section 31, T.14N., R.5E. Monitor Township, Bay County, Michigan more particularly described as follows:

Commencing at the Northwest corner of said section; thence South 01 degrees 06 minutes 04 seconds West 1562.35 feet along the West Line of said section 31; thence South 90 degrees 00 minutes 00 seconds East 164.95 feet parallel with the North Section-Line to the POINT OF BEGINNING; thence continuing South 90 degrees 00 minutes 00 seconds East 269.41 feet; thence South 28 degrees 27 minutes 59 seconds West 12.87 feet; thence South 53 degrees 27 minutes 02 seconds West 52.08 feet; thence South 66 degrees 32 minutes 13 seconds West 21.84 feet; thence South 80 degrees 22 minutes 25 seconds West 86.20 feet; thence North 81 degrees 16 minutes 27 seconds West 27.67 feet; thence North 77 degrees 18 minutes 36 seconds West 91.10 feet; thence North 00 degrees 00 minutes 00 seconds East 39.66 feet to the POINT OF BEGINNING, containing 0.30 acres more or less and subject to easements, restrictions, reservations, rights of way, leases and agreements of record if any.



Scale: 1" = 50'



Third Amendment to Master Deed
for Cortland Farms Condominium

15:13.1 / 15:13.1

Description prepared by:
Barlow & King Engineers
Dated: January 12, 1998
Job No.: 980102
Revised: January 15, 1998

Barlow & King Engineers
2500 E. Midland Road, Bay City, Michigan 48706
Tel. (517) 684-8850
Fax (517) 684-8404

Pt of 09-100-038-100-030-00

TAX CERTIFICATE 3676
DATE 3/27/98
JEANETTE E. NEITZEL
BAY COUNTY TREASURER

1517 PAGE 643

RECEIVED
REGISTER OF DEEDS
BAY COUNTY, MICHIGAN

MAR 31 4 25 PM '98

RECORDED

THIRD AMENDMENT
TO THE
MASTER DEED
FOR
CORTLAND FARMS CONDOMINIUM

THIS INSTRUMENT OF AMENDMENT of the Master Deed for

CORTLAND FARMS CONDOMINIUM, Bay County
Condominium Subdivision Plan No. 17, a residential
Condominium Project, situated in Monitor Township, Bay
County, Michigan, pursuant to provisions of the Michigan
Condominium Act, Public Acts of 1978, No. 59, as
amended,

including Condominium By-Laws and Subdivision Plan attached as Exhibits A and B
thereto, dated February 21, 1991, and recorded February 21, 1991 in Liber 1165,
Pages 01-52, Office of the Bay County Register of Deeds, as modified by the following
instruments: First Amendment to Master Deed, dated February 5, 1993, recorded
February 5, 1993 in Liber 1251, Pages 598-611, Office of the Bay County Register of
Deeds, and Second Amendment to Master Deed, dated November 8, 1996, recorded
November 12, 1996 in Liber 1432, Pages 582-622, Office of the Bay County Register
of Deeds, WITNESSES THAT,

METZLER, INC., a Michigan corporation, having its
principal office at 5615 Spring Knoll Drive, Bay City,
Michigan 48706,

as Developer of Cortland Farms Condominium, hereby amends the Master Deed (as
previously amended) pursuant to Article VI, paragraph 6.3, thereof, to effect expansion
of the Condominium Project for Cortland Farms Condominium, in accordance with the
following provisions:

1. Expansion of Condominium Premises. The Condominium Premises for Cortland Farms Condominium is hereby expanded to include all of the following-described real estate:

All that part of the Northwest 1/4 of Section 31, Town 14 North, Range 5 East, more particularly described as follows:

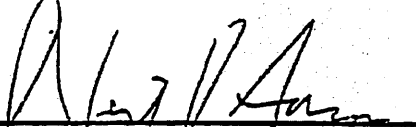
Commencing at the Northwest corner of said Section 31; thence South 01°06'04" West 1562.35 feet along the West line of said Section 31; thence South 90°00'00" East 164.95 feet parallel with the North Section line to the Point of Beginning; thence continuing South 90°00'00" East 269.41 feet; thence South 28°27'59" West 12.87 feet; thence South 53°27'02" West 52.08 feet; thence South 66°32'13" West 21.84 feet; thence South 80°22'25" West 86.20 feet; thence North 81°16'27" West 27.67 feet; thence North 77°18'36" West 91.10 feet; thence North 00°00'00" East 39.66 feet to the Point of Beginning, containing 0.30 acres more or less.

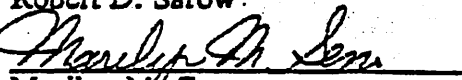
A survey of the above-described parcel is attached as Exhibit F to this Third Amendment to Master Deed. Said parcel is hereby added to the Condominium Premises to correct a discrepancy in the description of land included in the second phase of the Cortland Farms Condominium Development pursuant to the Second Amendment to Master Deed, including Amendment No. 2 to the Condominium Subdivision Plan attached as Exhibit E thereto, recorded in Liber 1432, Pages 582-622, Office of the Bay County Register of Deeds.

2. Ratification of Master Deed as Amended. Except as modified by the provisions of this Third Amendment to the Master Deed, all provisions of the Master Deed for Cortland Farms Condominium, recorded in Liber 1165, Pages 1-52, Bay County Records, as previously amended by the above-cited First and Second Amendments thereto, are hereby ratified and confirmed.

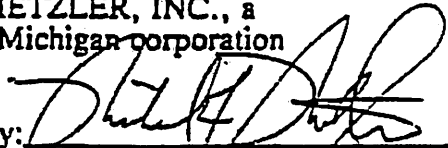
SIGNED AND EXECUTED on March 27, 1998, by and in behalf of the Development, Metzler, Inc., a Michigan corporation, upon the authority of its board of directors.

Witnessed:


Robert D. Sarow

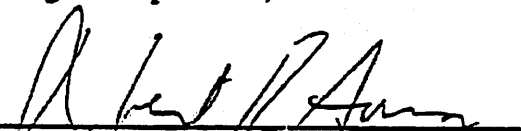

Marilyn M. Geno

METZLER, INC., a
Michigan corporation

By: 
Michael J. Metzler, Vice-President

STATE OF MICHIGAN)
COUNTY OF BAY) ss.

Signed and acknowledged before me on March 27, 1998, by Michael J. Metzler, Vice-President of Metzler, Inc., a Michigan corporation, on behalf of the Corporation.

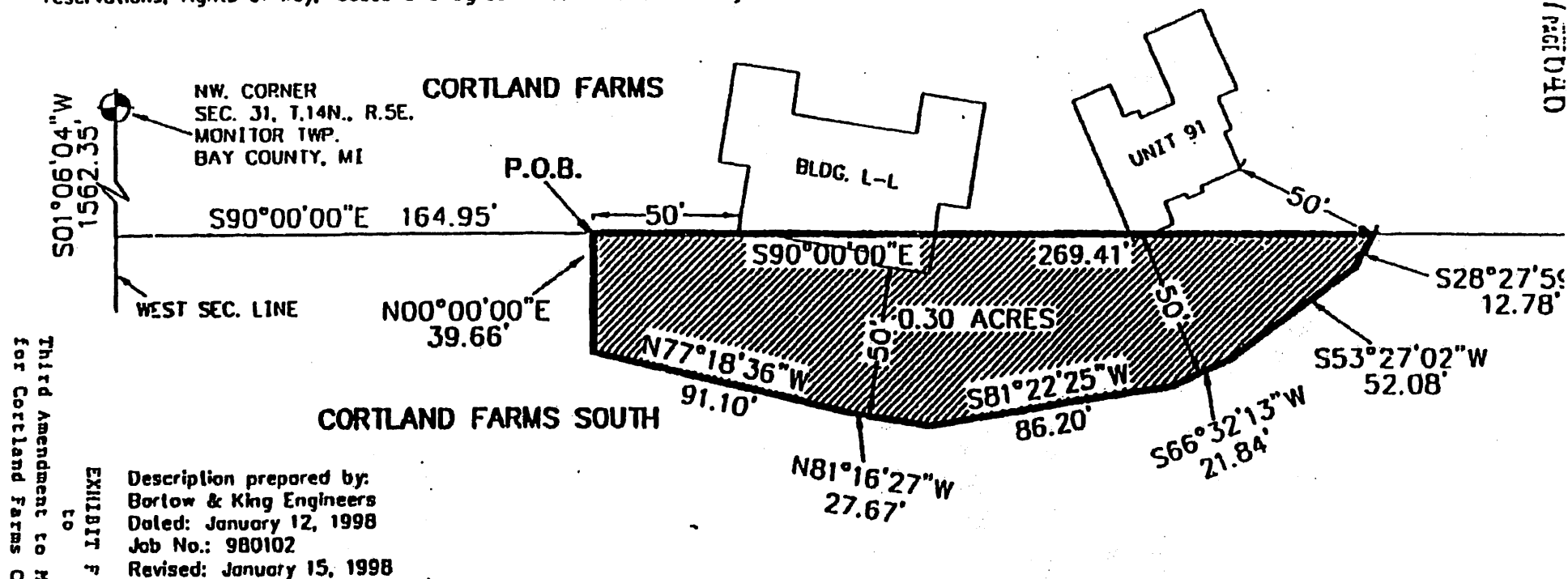

Robert D. Sarow, Notary Public
Bay County, Michigan
My Commission expires: 5/18/98

Drafted by:
Robert D. Sarow
Attorney at Law
Learman, Peters, Sarow & McQuillan, P.L.C.
900 Center Avenue
Bay City, Michigan 48708
Telephone: (517) 892-0591

PORTION OF CORTLAND FARMS SOUTH DEEDED TO CORTLAND FARMS

All that part of the Northwest 1/4 of Section 31, T.14N., R.5E. Monitor Township, Bay County, Michigan more particularly described as follows:

Commencing at the Northwest corner of said section; thence South 01 degrees 06 minutes 04 seconds West 1562.35 feet along the West Line of said section 31; thence South 90 degrees 00 minutes 00 seconds East 164.95 feet parallel with the North Section-Line to the POINT OF BEGINNING; thence continuing South 90 degrees 00 minutes 00 seconds East 269.41 feet; thence South 28 degrees 27 minutes 59 seconds West 12.87 feet; thence South 53 degrees 27 minutes 02 seconds West 52.08 feet; thence South 66 degrees 32 minutes 13 seconds West 21.84 feet; thence South 80 degrees 22 minutes 25 seconds West 86.20 feet; thence North 81 degrees 16 minutes 27 seconds West 27.67 feet; thence North 77 degrees 18 minutes 36 seconds West 91.10 feet; thence North 00 degrees 00 minutes 00 seconds East 39.66 feet to the POINT OF BEGINNING, containing 0.30 acres more or less and subject to easements, restrictions, reservations, rights of way, leases and agreements of record if any.



Third Amendment to Master Deed
for Cortland Farms Condominium

EXHIBIT F
to

Description prepared by:
Barlow & King Engineers
Dated: January 12, 1998
Job No.: 980102
Revised: January 15, 1998

Barlow & King Engineers
2500 E. Midland Road, Bay City, Michigan 48706
Tel. (517) 684-8830
Fax (517) 684-8404

101 / 101040

RECORDED

2000 OCT 18 P 3:04

Walter T. P. P. P.
REGISTER OF DEEDS
BAY COUNTY, MICHIGAN

**SECOND AMENDMENT
TO
RESTATEMENT OF THE BY-LAWS OF
CORTLAND FARMS CONDOMINIUM AND
CORTLAND FARMS CONDOMINIUM OWNERS' ASSOCIATION**

THIS INSTRUMENT WITNESSES that the following documents:

Restatement of the By-Laws of Cortland Farms Condominium and Cortland Farms Condominium Owners' Association, dated November 8, 1996, recorded in Liber 1432, Pages 587-614, Bay County Records,

Amendment to Restatement of By-Laws of Cortland Farms Condominium and Cortland Farms Condominium Owners' Association, dated December 9, 1997, recorded in Liber 1494, Pages 547-549, Bay County Records,

are hereby further revised and amended as follows:

One. Provisions of paragraph 6.5 of Article VI, including sub-paragraphs (i) and (ii) thereunder, of the Restatement of the By-laws of Cortland Farms Condominium and Cortland Farms Condominium Owners' Association are hereby totally revoked and those revoked provisions shall be replaced and superseded by the following provisions.

6.5 Repair of Premises Damage. The Condominium Association and individual Co-Owners of Condominium Units shall have responsibilities for repair or replacement of any part of the Condominium Premises or of a Condominium Unit in accordance with the following provisions:

(i) Responsibility of Association - The Association is obligated to effect prompt repair or replacement of any part of Common Elements of the Condominium Project which has sustained casualty damage or destruction. In

fulfillment of its obligation in this regard, the Association shall be responsible for repair or replacement of such damaged or destroyed property to restore it to a condition as close as practicable to that which existed prior to the casualty. If insurance proceeds received by the Association are insufficient to pay for the full costs of such repair or replacement of damaged or destroyed property, other Association funds, including funds obtained by special assessment against Condominium Co-Owners for that purpose, shall be expended to pay those costs. Notwithstanding the foregoing provisions of this subparagraph (i), the Association may forego repair or replacement of a damaged or destroyed portion of the Condominium Premises or may restore such damaged or destroyed property in a manner different than existed prior to such damage or destruction, provided that, such non-repair, non-replacement or modification is approved by the Board of Directors and by express written consent of Co-Owners having a majority of votes as provided in Section 3.2 of Article III of the Master Deed, as amended, including the express written consent of each Co-Owner whose Condominium Unit or any Limited or Common Element appurtenant thereto, will be physically affected by the proposed inaction or modification. The Association will also be responsible for repair of casualty damage to the following fixtures in the interior of each Condominium Unit: floor coverings, including wall-to-wall carpeting; wall light fixtures; built-in kitchen and bath cabinets; and kitchen appliances. For purposes of this Sub-Paragraph 6.5(i) "casualty damage" means damage caused by acts of God, vandalism, fire and other casualty not caused by acts or negligence of the Unit's Co-Owner or the Co-Owner's family members, guests, invitees or licensees. Repair of

damage to such fixtures caused by acts of negligence of the Unit's Co-Owner or the Co-Owner's family members, guests, invitees or licensees, shall be the responsibility of the Co-Owner.

(ii) Responsibility of Co-owners - A Co-Owner shall be responsible, and the Association shall not be responsible, for prompt repair or replacement of casualty damage or destruction of any part of that Co-Owner's Condominium Unit for which the Association does not have general maintenance and repair responsibility. Except for certain fixtures which are the responsibility of the Association as provided in preceding sub-paragraph (ii), a Co-Owner shall be deemed responsible for repair or replacement of damage or destruction within the interior of his Unit, including, but not limited to, wall coverings, draperies, window shades, furniture, other home furnishings, tools and equipment, whether or not attached to the structure of the Unit. Such repair or replacement by a Co-Owner, shall conform to provisions of Condominium Documents and shall comply with applicable laws and ordinances.

Two. Except as modified by the provisions of this Amendment, all terms and provisions of the Restatement of By-Laws recorded in Liber 1432, Pages 587-614, Bay County Records, as modified by the Amendment thereto, recorded in Liber 1494, Pages 547-549, Bay County Records, shall remain in full force and effect.

CERTIFICATION

The undersigned President and Secretary of Cortland Farms Condominium Owners' Association certify that the foregoing Second Amendment to Restatement of the By-Laws of Cortland Farms Condominium and Cortland Farms Condominium Association, was approved by affirmative vote of two-thirds of Co-Owners of the Cortland Farms Condominium Association at a duly convened meeting of members of the Association on October 6, 2000.

Signed on October 6, 2000, by Marvin O. Ramseyer, President, and Janet Pickering, Secretary, of Cortland Farms Condominium Association, a Michigan non-profit, non-stock corporation.

Witnessed:

Cortland Farms Condominium Association,
a Michigan non-profit, non-stock corporation

J.E. Metzler
J.E. Metzler
Robert D. Sarow
Robert D. Sarow

By: Marvin O. Ramseyer
Marvin O. Ramseyer, President
By: Janet Pickering
Janet Pickering, Secretary

STATE OF MICHIGAN

COUNTY OF BAY

)
) ss:
)

Subscribed and acknowledged before me on October 6, 2000, by Marvin O. Ramseyer, as President, and Janet Pickering, as Secretary, of Cortland Farms Condominium Association, a Michigan non-profit, non-stock corporation.

Sheryl A. Metzler

Notary Public, Bay County, Michigan
My commission expires:

SHERYL A. METZLER

Notary Public, Bay County, MI

My Commission Expires Oct. 11, 2001

Prepared by:
Robert D. Sarow
Learman, Peters, Sarow & McQuillan, P.L.C.
Attorneys at Law
900 Center Avenue
Bay City, MI 48708
(517) 892-0591

THE CORTLAND FARMS CONDOMINIUM ASSOCIATION

April 2, 2004

Dear Cortland Farm Association Unit Owner,

Enclosed are the recently approved changes to our By-laws. Please save this amendment by placing it with your copy of the By-laws.


Jim Easterly

Cortland Farms Association Secretary

**THIRD AMENDMENT TO RESTATEMENT OF THE BY-LAWS
OF CORTLAND FARMS CONDOMINIUM AND CORTLAND FARMS
CONDOMINIUM OWNER'S ASSOCIATION**

INDEX

Section 6:4(i)	(Insurance)	Pages 1-3	(029-031)
Section 3:4	(Terms of Directors)	Pages 3-4	(031-032)
Section 6:5	(Repair of Casualty Damage)	Pages 4-6	(032-034)

RECORDED

COPY

2004 MAR 24 P 4 26

Barbara Toney Clark
 REGISTER OF DEEDS
 BAY COUNTY, MICHIGAN

**THIRD AMENDMENT
 TO
 RESTATEMENT OF THE BY-LAWS OF
 CORTLAND FARMS CONDOMINIUM AND
 CORTLAND FARMS CONDOMINIUM OWNERS' ASSOCIATION**

THIS INSTRUMENT WITNESSES that the following documents:

Restatement of the By-Laws of Cortland Farms Condominium and Cortland Farms Condominium Owners' Association, dated November 8, 1996, recorded in Liber 1432, Pages 587-614, Bay County Records, as amended on December 9, 1997, such amendment being recorded in Liber 1494, Pages 547-549, Bay County Records, and further amended on October 6, 2000, such amendment being recorded in Liber 1712, Page 690, Bay County Records,

are hereby further revised and amended as follows:

One. The provisions of Paragraph 6.4(i) of Article Six of the Restatement of the By-Laws of Cortland Farms Condominium and Cortland Farms Condominium Owners' Association are totally revoked and replaced and superceded by the following provisions:

(i) Casualty and Extended Coverage. For purposes of this Section, the terms "General Common Elements," "Limited Common Elements," and "Condominium Unit" shall include all structural additions, alterations and improvements made to the Unit at the time of construction or later with the written authorization of the Association's Board of Directors. The Association is appointed as attorney in fact for each Co-owner to procure and maintain insurance policies which shall insure:

(a) All Common Elements of the
 Condominium Project (including
 Condominium Unit structures as built and

Limited Common Elements attached, fixtures and appurtenances;

- (b) The interior unit walls, the pipes, wires, conduits and ducts contained therein, exclusive of decoration other than standard paint;
- (c) All building items, including fixtures, trim, upgrades, and equipment within a unit which were furnished with the unit by the developer; and all building improvements, additions, or alterations a co-owner makes in accordance with the Condominium documents.

against fire and other perils covered by the standard extended coverage endorsement with limits equal to the current insurable replacement value as determined annually by the Board of Directors in consultation with representatives of the Association's insurance carrier, provided such coverages for unit additions and improvements and/or items (b) and (c) are available at a cost which the Board of Directors, in its sole discretion, shall deem reasonable. If the cost for insuring such additions, upgrades and fixtures by way of additional premium becomes substantial or unreasonable, or if the coverage is not available, the Board of Directors reserves the right to assess to each Unit in an equitable manner a pro rata portion of such added premium or the Board may transfer the responsibility and costs for insuring such additions to the unit co-owners upon thirty (30) days advance written notice to each Co-Owner and their mortgagees of record.

In case of such transfer, each Unit Co-Owner shall within 10 days of receiving such notice from the Association, file with the Association's Board Secretary a proof of insurance for current replacement value as determined above naming the Association as an additional insured. Upon failing to deliver such certificate, the Association may obtain such insurance as agent for the Unit Co-owner(s) and assess such Co-owner(s) the cost thereof.

The maximum deductible amount for such casualty insurance policy maintained by the Association shall be the

lessor of \$5,000.00 or 1% of the policy limits. Such casualty insurance policy shall contain the following provisions: any insurance trust agreement entered into by the Association or by a Co-owner will be recognized by the insurer; insurer's waiver of right of subrogation against Co-Owners; Association's entitlement to receive insurance proceeds will not be prejudiced by acts or omissions of Co-Owners or other persons who are not directly subject to the Association's control; the policy coverage is primary regardless of duplicative insurance coverage maintained by a Co-Owner with respect to his Condominium Unit, appurtenances and contents; the Association, any insurance trustee of the Association, and each mortgagee having a recorded first mortgage lien in a Condominium Unit or in Common Elements, shall be provided by the insurer with at least thirty (30) days advance written notice of cancellation or substantial change in the Association's casualty insurance coverage. Information in the Association's records regarding such casualty insurance coverage shall be available to all Co-Owners upon request during regular business hours. While the Association maintains insurance for additions and upgrades pursuant to Section 6.4(i), each Co-Owner shall be responsible at his own expense for obtaining such additional insurance coverage as he determines to be necessary or desirable to provide adequate insurance coverage for his Condominium Unit, and for unit wall coverings and personal property within his Unit or Common Elements appurtenant thereto. Also, each Co-Owner shall be responsible for obtaining such insurance as he desires to have for alternative living expenses resulting from casualty damage which renders his Unit uninhabitable and the Association shall have no responsibility for obtaining such insurance for the benefit of individual Co-Owners.

Two. Provisions of paragraph 3.4 of Article III, of the Restatement of the By-laws of Cortland Farms Condominium and Cortland Farms Condominium Owners' Association are hereby totally revoked and superseded by the following.

3.4 Terms. At the 2004 annual meeting of Co-Owners of the Association, one of the three directors to be elected shall be elected for a two year term. The term of all other Directors to be elected to the Board at such meeting and the term of every Director elected at all subsequent meetings of Co-owners shall be for three full years or until their successors are elected.

Three. Provisions of paragraph 6.5, including sub-paragraphs (i) and (ii) thereunder, of Article VI of the Restatement of the By-laws of Cortland Farms Condominium and Cortland Farms Condominium Owners' Association are hereby totally revoked and those revoked provisions shall be replaced and superseded by the following provisions.

6.5 Repair/Replacement of Casualty Damage(s).

(i) Responsibility of Association. In the event of a casualty loss, the Association shall act on behalf of Co-Owners in the making and settling of claims of loss. To the extent of the insurance maintained by the Association as provided in 6.4(i), the Association shall be obligated to effect prompt repair or replacement of any part of the following property damaged by fire or other casualty:

- (a) Common elements;
- (b) Fixtures in the interior of each Condominium Unit, including floor coverings, light fixtures, built-in cabinets, and built-in kitchen appliances;
- (c) Additions, upgrades, alterations and improvements made to the Condominium Unit in accordance with the written authorization of the Association's Board of Directors;

In fulfillment of its obligation in this regard, the Association shall be responsible to restore such damaged or destroyed property to a condition as close as practicable to that which existed prior to the casualty. If insurance proceeds received by the Association are insufficient to pay for the full costs of

such repair or replacement of damaged or destroyed property, other Association funds, including funds obtained by special assessment against Condominium Co-Owners for that purpose, shall be expended to pay those costs. Notwithstanding the foregoing provisions of this subparagraph (i), the Association may forego repair or replacement of a damaged or destroyed portion of the Condominium Premises or may restore such damaged or destroyed property in a manner different than existed prior to such damage or destruction, provided that, such non-repair, non-replacement or modification is approved by the Board of Directors and by express written consent of Co-Owners as provided in Section 3.2 of Article III of the Master Deed, as amended, including the express written consent of each Co-Owner whose Condominium Unit or any Limited or Common Element appurtenant thereto, will be physically affected by the proposed inaction or modification.

(ii) Responsibility of Co-Owners. Except as hereafter provided, a Co-Owner shall be deemed responsible for the cost of repair or replacement of the following property damaged or destroyed by fire or other casualty:

- (a) items described in sub-paragraphs (b) and (c) of the preceding Section 6.5(i), if the Association has transferred to such Co-Owner the obligation to insure such items against casualty loss;
- (b) wall coverings (not including standard paint), draperies, window shades, furniture, other home furnishings, tools and equipment, whether or not attached to the structure of the Unit;

provided, however, that in the case of casualty damage caused by acts of negligence by the Co-Owner, their family members, guests, invitees, or licensees to any part of the premises for which the Association has responsibility for casualty damage, the Co-Owner will be responsible for the Association's insurance deductible if such repair costs is greater than the deductible. If the repair or replacement

costs is less than or equal to the Association's deductible, the Co-owner shall be responsible for the repair costs of the casualty damage.

(iii) All such repair or replacement shall conform to provisions of Condominium Documents and shall comply with applicable laws and ordinances.

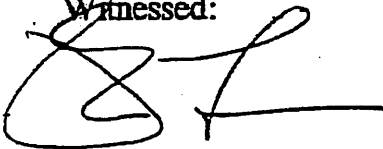
Except as modified by the provisions of this Amendment, all terms and provisions of the Restatement of By-Laws recorded in Liber 1432, Pages 587-614, Bay County Records, as modified by the First Amendment thereto, recorded in Liber 1494, Pages 547-549, Bay County Records, and Second Amendment thereto, recorded in Liber 1712, Page 690, Bay County Records, shall remain in full force and effect.

CERTIFICATION

The undersigned President and Secretary of Cortland Farms Condominium Owners' Association certify that the foregoing Third Amendment to Restatement of the By-Laws of Cortland Farms Condominium and Cortland Farms Condominium Association, was approved by affirmative vote of two-thirds of Co-Owners of the Cortland Farms Condominium Association at a duly convened meeting of Co-owners of the Association on March 23, 2004.

Signed on March 23, 2004, by Jury Carpenter, President, and Jim Easterly, Secretary, of Cortland Farms Condominium Association, a Michigan non-profit, non-stock corporation.

Witnessed:



Richard C. Learman

Cortland Farms Condominium Association,
a Michigan non-profit, non-stock corporation

By: 

Its: President



Beverly Jo Bristow

By: 

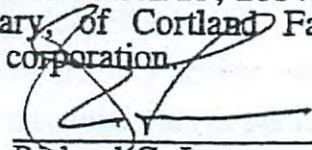
Its: Secretary

STATE OF MICHIGAN

COUNTY OF BAY

)
) ss:
)

Subscribed and acknowledged before me on March 23, 2004, by Jury Carpenter, as President, and Jim Easterly, as Secretary, of Cortland Farms Condominium Association, a Michigan non-profit, non-stock corporation.


Richard C. Learman
Notary Public, Bay County, Michigan
My commission expires: 6/8/07

Drafted by:
Richard C. Learman
LEARMAN, PETERS, SAROW
& McQUILLAN, P.L.C.
Attorneys at Law
900 Center Avenue
Bay City, MI 48708-6198
Telephone: (989) 892-0591



09/19/2008 9:28:50 AM
RECORDED
VICTORIA L ROUPE
REGISTER OF DEEDS, BAY COUNTY MICHIGAN
RECEIPT# 10696, STATION 1
\$26.00 AMEND TO MASTER DEED



LIBER 2634 PAGE 335

**FOURTH AMENDMENT
TO
RESTATEMENT OF THE BY-LAWS OF
CORTLAND FARMS CONDOMINIUM AND
CORTLAND FARMS CONDOMINIUM OWNERS' ASSOCIATION**

THIS FOURTH AMENDMENT TO RESTATEMENT OF THE BY-LAWS ("Fourth Amendment") OF CORTLAND FARMS CONDOMINIUM AND CORTLAND FARMS CONDOMINIUM OWNERS' ASSOCIATION ("Fourth Amendment") is made by CORTLAND FARMS CONDOMINIUM OWNERS' ASSOCIATION, a Michigan non-profit corporation, of 5628 W. Springknoll Drive, Bay City, Michigan 48706, and pursuant to the provisions of the Michigan Condominium Act (being Act 59 of the Public Acts of 1978, as amended) (the "Act").

RECITALS

A. The Restatement of the By-Laws of Cortland Farms Condominium and Cortland Farms Condominium Owners' Association, dated November 8, 1996, is recorded in Liber 1432, Pages 587-614, Bay County Records ("Restatement of By-Laws"); Restatement of the by-laws begins on page 587

B. The First Amendment to Restatement of the By-Laws of Cortland Farms Condominium and Cortland Farms Condominium Owners' Association, dated December 9, 1997, is recorded in Liber 1494, Pages 547-549, Bay County Records ("First Amendment");

C. The Second Amendment to Restatement of the By-Laws of Cortland Farms Condominium and Cortland Farms Condominium Owners' Association, dated October 6, 2000, is recorded in Liber 1712, Page 690-693, Bay County Records ("Second Amendment"); and

d. The Third Amendment to Restatement of the By-Laws of Cortland Farms Condominium and Cortland Farms Condominium Owners' Association, dated March 23, 2004, is recorded in Liber 2188, Page 29-35, Bay County Records ("Third Amendment");

NOW, THEREFORE, the Restatement of By-Laws is hereby further amended as follows:

1. Terms used in this Fourth Amendment, when capitalized, shall have the meaning given to them in the Restatement of By-Laws. In the event of a conflict between the provisions in the Restatement of By-Laws (as amended by the First, Second and Third Amendments) and this Fourth Amendment, the provisions of this Fourth Amendment will be controlling. Except as



modified (either expressly or by inference) by this Fourth Amendment, all other provisions of the Restatement of By-Laws (as amended) shall remain the same.

2. Paragraph 7.2 of Article VII of the Restatement of the By-Laws is hereby revised in its entirety as follows:

7.2 Lease of a Condominium Unit. The Board of Directors will consider the lease of a Condominium Unit when requested by a Co-Owner in accordance with the following conditions and any rules/regulations enacted by the Board:

The lease shall be for the Condominium Co-Owner's entire Condominium Unit;

The lease shall be for a time period of not less than one (1) year;

The terms of the lease shall be in the form of a written lease contract which requires that the tenant abide by all provisions of these By-Laws, all other Condominium Documents, and the Association rules and regulations governing the occupation and use of the Condominium Unit and General and Limited Common Elements;

The Condominium Unit to be leased has been owner-occupied for at least one (1) year, meaning that the Co-Owner has been physically present as a resident in the Unit for at least one (1) year; except that the Personal Representative of the estate of a deceased Co-Owner, or a Co-Owner who acquires a Condominium Unit as part of the estate of a deceased Co-Owner, may request that the Board of Directors waive the occupancy requirement;

A Co-Owner shall not be permitted to have more than one (1) lease agreement in effect at any given time, regardless of the number of Units owned by the Co-Owner.

A Co-Owner who desires to lease his or her Condominium Unit in accordance with the provisions herein, shall be required to submit to the Secretary or President of the Association, pertinent information regarding the proposed lease, including name or names, ages and current addresses of each person who will reside in the Unit under the terms of the lease together with a copy of the proposed written lease contract. Within 30 days, the Board of Directors at a board meeting shall either approve or disapprove the proposed lease and within five (5) business days the Secretary will provide written notice of the Board's decision to the Co-Owner. As used in this Section, "business days" shall mean Monday through Friday, excluding any legal holiday. No tenant shall be permitted to occupy a Condominium Unit until issuance of such written notice of the Board's approval of the proposed lease. The Co-Owners of a leased Condominium Unit shall continue to be obligated and liable for compliance with all rules and restrictions governing the use of the Unit and Common Elements appurtenant thereto and payment of all regular, special and punitive assessments and charges pertaining to the Unit. If the tenant of a Unit fails to comply with Association rules and regulations governing the Unit and appurtenant Common Elements, the Board of Directors may direct the Secretary or other Association officer to give written notice to the Unit's Co-Owner warning that unless the tenant's non-conforming conduct ceases, the Association may initiate summary proceedings or other judicial action to terminate the lease, to effect eviction of the tenant, and to obtain a judgment for damages and costs of suit. In the event that such judicial proceedings are undertaken by the Association, whether or not a judgment is obtained, the Board of Directors may levy an assessment against the Co-



Owners for all costs, including actual attorney fees, incurred by the Association with respect to those proceedings and to compensate the Association for costs of repair of damage to Common Elements or extra maintenance expenses incurred by the Association as a result of the tenant's breach of Association rules and regulations, and any such assessment shall be collectible and enforceable by the Association in the same manner as provided in preceding Article VI of these By-Laws with respect to assessments generally. Any Co-Owner who leases his or her Condominium Unit shall be deemed irrevocably to have appointed the Association as his or her attorney in fact for the purpose of administering the provisions of this Section 7.2 of these By-Laws, including the initiation of judicial proceedings in behalf of the Co-Owners as herein provided.

3. The Restatement of By-Laws is further amended to add Article IX entitled Remedies for Default and shall be incorporated herewith as follows:

IX. REMEDIES FOR DEFAULT

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

9.1 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 fines) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by a Co-owner or Co-owners.

9.2 Recovery of Costs. In any action or proceeding arising because of an alleged default by any Co-owner, the Association or the Co-owner bringing the action, if successful in the proceeding, shall be awarded as additional damages all costs of the proceeding (not limited to statutory fees), but in no event shall any Co-owner be entitled to recover attorneys' fees against the Association. "Costs of the proceeding" as used in this Section shall include, without limitation, attorney fees (not limited to statutory fees) and expenses, filing fees, copying charges, facsimile charges, postage, long distance telephone charges, expert witness fees, costs of reproducing depositions or court proceedings, court reporters attendance fees and expenses, process servers charges, charges relating to foreclosures, and generally, all other expenses of any kind or nature related to disputes and any proceeding resulting therefrom. The intent of this provision is to provide a means by which the Association and/or a Co-owner bringing an action to enforce the Condominium Documents (except an action against the Association) will be reimbursed in full for all expenses in any way related to the action or proceedings.

9.3 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, or into any Unit area and the improvements thereon, where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents. The Association shall have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein.

9.4 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 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 and written notice thereof given to all Co-owners in the same manner as prescribed in Article II, Section 2.7 of these Bylaws. Thereafter, fines may be assessed only upon written notice to the offending Co-owner(s), 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 shall constitute a lien upon all Units owned by the Co-owner and may be collected in the same manner as provided in Article VI of these Bylaws.

9.5 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.

9.6 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.

9.7 Enforcement of Provisions of Condominium Documents. A Co-owner may maintain an action against the Association and its officers and the Board 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. In an action between two or more Co-owners in which the Association is not a party, the substantially prevailing party shall be awarded the "costs of the proceeding" as defined in Section 2 above against the other Co-owner(s). If the Association is the substantially prevailing party in any such action, then it shall be awarded "costs of the proceeding" against the non-prevailing Co-owner(s). In no event shall a Co-owner be awarded the "costs of the proceeding" against the Association or the Board or against any officer or director of the Board. The "costs of the proceeding" incurred by the Association or the Board, or for which the Association is required to indemnify a person against, shall be expenses of administration.

CERTIFICATION

The undersigned President and Secretary of Cortland Farms Condominium Owners' Association certify that the foregoing Fourth Amendment to Restatement of the By-Laws was approved by the affirmative vote of two-thirds of Co-Owners of the Cortland Farms Condominium Owners' Association at a duly convened meeting of Co-Owners of the Association on August 19, 2008.



IN WITNESS WHEREOF, this Fourth Amendment to Restatement of the By-Laws has been executed by the parties on the 19th day of September, 2008.

Cortland Farms Condominium Association,
a Michigan non-profit corporation

By: William R. Hebert
William R. Hebert
Its: President

By: Leeds B. Bird
Leeds B. Bird
Its: Secretary

STATE OF MICHIGAN)
) ss.
COUNTY OF BAY)

Acknowledged before me in Bay County, Michigan, this 19th day of September, 2008, by William R. Hebert, as President, and Leeds B. Bird, as Secretary, of Cortland Farms Condominium Owners' Association, a Michigan non-profit corporation, on behalf of the Association.

Jennifer Manz
Jennifer Manz, Notary Public
Bay County, Michigan
Acting in Bay County, Michigan
My Commission Expires: 12/27/2013

Jennifer Manz
Notary Public, Bay County
Commission Expiration 12/27/2013

THIS INSTRUMENT DRAFTED BY AND
RETURN AFTER RECORDING TO:
DAVID J. KLIPPERT, Esq.
BRAUN KENDRICK FINKBEINER P.L.C.
4301 Fashion Square Boulevard
Saginaw, Michigan 48603
989/498-2100