

BY LAWS OF ANCHOR BAY CONDOMINIUMS

ARTICLE I. PLAN OF APARTMENT OWNERSHIP

Apartment Ownership

Section 1.01. The project located at 277 Michigan Ave., City of Rogers City, State of Michigan, known as "Anchor Bay Condominiums" is submitted to the provisions of the Michigan Condominium Act MCL 559.101 et. seq. This property is the type commonly referred to as a residential condominium. The structures presently located on the condominium site have been used as residential apartments; therefore the developer intends to comply with the notice provisions contained in MCL 559.204.

Applicability of Bylaws

Section 1.02. The provision of these bylaws shall be applicable to the project. The term "project," as used herein, shall include land.

Personal Application

Section 1.03. All present and future owners, tenants, future tenants, or their employees, or any other personal who might use the facilities of the project in any manner, are subject to the regulations set forth in these bylaws, and the Master Deed . The mere acquisition or rental of any of the family units, hereinafter referred to as "units," or the mere act of occupancy of any of said units, will signify notice and acceptance of these bylaws and that the same are ratified, and will be complied with.

ARTICLE II. VOTING, MAJORITY OF OWNERS, QUORUM, AND PROXIES

Voting.

Section 2.01. Voting shall be on a percentage basis, and the percentage of the vote to which each owner is entitled is the percentage assigned to such owner's family unit or units in the Master Deed, to-wit:

<i>Building A</i>	<i>Building B</i>	<i>Building C</i>
Unit 1 4.166%	Unit 9 4.166%	Unit 17 4.166%
Unit 2 4.166%	Unit 10 4.166%	Unit 18 4.166%
Unit 3 4.166%	Unit 11 4.166%	Unit 19 4.166%
Unit 4 4.166%	Unit 12 4.166%	Unit 20 4.166%
Unit 5 4.166%	Unit 13 4.166%	Unit 21 4.166%
Unit 6 4.166%	Unit 14 4.166%	Unit 22 4.166%
Unit 7 4.166%	Unit 15 4.166%	Unit 23 4.166%
Unit 8 4.166%	Unit 16 4.166%	Unit 24 4.166%

Majority of Owners.

Section 2.02. As used in these bylaws, the term "majority of owners" shall mean those owners holding fifty-one percent (51%) of the votes in accordance with the percentages assigned in the Master Deed.

Proxies.

Section 2.04. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting. An owner may file a written notice with the Association designating an individual who shall vote at meetings of the Association and receive notices and other communications from the Association on behalf of such owner. Said notice shall state the name and address of the individual representative so designated, the number of units owned by the owner, and the name and address of the owner, and shall be signed by the owner. The owner may change the individual representative at any time by filing a new notice as required herein.

ARTICLE III. ASSOCIATION OF OWNERS.

Creation and Responsibilities.

Section 34.01. The owners of the unit(s) shall constitute the Association of Owners, herein referred to as the "Association", which will have the responsibility of administering the project, approving the annual budget, establishing and collecting monthly assessments, and arranging for the management of the project pursuant to an agreement containing provisions relating to the duties, obligations, removal, and compensation of the management agent. These duties may be delegated to the Board of Directors by the provisions of these bylaws or by duly approved resolution of the Association. Except as otherwise provided in these bylaws, the Master Deed, or the Condominium Act, decisions and resolutions of the Association shall require approval by a majority of owners. The Association shall be organized and operated as a not-for-profit corporation under the laws of the State of Michigan. The developer's transitional control period shall commence upon the date of filing the Master Deed, and continue until such time as seventy five percent (75%) of the units are sold by the developer. In the interim the developer shall manage and operate the condominium project instead of the Association. Thereafter, the Association shall be formed according to the by-laws.

Advisory Committee.

Section 3.02. In addition to the Association, there may be established an Advisory Committee of Owners. The members of said Committee shall be appointed by a majority of the Board of Directors, and shall be owners. The purpose of said Committee shall be to facilitate Communication and aid the administration of the Association.

Place of Meetings.

Section 3.03. Meetings of the Association shall be held at the principal office of the project or such other suitable place convenient to the owners as may be designated by the Board of Directors.

Annual Meetings.

Section 3.04. The first annual meeting of the Association shall be held on _____, 2007. Thereafter, annual meetings of the Association shall be held on the 7th day of January in each succeeding year. At such meeting there shall be elected a Board of Directors in accordance with Section 4.05 of these bylaws. The owners may also transact such other business of the Association as may properly come before them.

Special Meetings.

Section 3.05. It shall be the duty of the President to call a special meeting of the owners as directed by resolution of the Board of Directors or upon a petition signed by a majority of the owners and presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice, unless accompanied by the consent of two thirds (2/3) of the owners present either in person or by proxy.

Notice of Meetings.

Section 3.06. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purposes thereof as well as the time and place where it is to be held, to each owner of record at least ten (10) days prior to such meeting. The mailing of notice in the manner provided in this section shall be considered notice served

Adjourned Meetings.

Section 3.07. If any meeting of owners cannot be organized because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Order of Business.

Section 3.08. The order of business at all meetings of the owners shall be as follows:

- (1) Roll call.
- (2) Proof of notice of meeting or waiver of notice.
- (3) Reading of minutes of preceding meeting.
- (4) Reports of Officers.
- (5) Report of Federal Housing Administration representative, if present.
- (6) Report of committees.
- (7) Election of inspector of election.

- (8) Election of directors.
- (9) Unfinished business.
- (10) New business.

ARTICLE IV. BOARD OF DIRECTORS.

Number and Qualification.

Section 4.01. The affairs of the Association shall be governed by a Board of Directors composed of five persons, all of whom must be owners of units in the project.

General Powers and Duties.

Section 4.02. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or these bylaws directed to be exercised and done by the owners. Each member of the Board of Directors may receive compensation for services to the Board with owners' approval, and may receive out-of-pocket expenses, with Board approval.

Specific Duties.

Section 4.03. In addition to duties imposed by these bylaws or by resolution of the Association, the Board of Directors shall be responsible for the following:

- (a) Care, upkeep, and surveillance of the project, the common areas and facilities, and the limited common areas and facilities, including disbursement of funds from the account of the Association to cover payment therefore upon certification by the management agent that such services have been properly performed or other expenses reasonable incurred.
- (b) Collection of assessments from the unit owners.
- (c) Employment and dismissal of the personnel necessary for the maintenance and operation of the project, the common areas and facilities, and the limited common areas and facilities.
- (d) Obtaining adequate and appropriate kinds of insurance.
- (e) Owning, conveying, encumbering, leasing, or otherwise dealing with units conveyed to or purchased by it.
- (f) Preparation, adoption, and distribution of the annual budget for the property.
- (g) Adoption and amendment of rules and regulations covering the details of the operation and use of the property.

Management Agent.

Section 4.04. The Board of Directors may employ for the Association a management agent at a compensation established by the Board to perform such duties and services, as the Board shall authorize, including, but not limited to, the duties listed in Section 4.03 hereof. Any

contract or agreement with any such management agent shall conform to any requirements now or hereafter imposed on such agreements by law.

Election And Term of Office.

Section 4.05. At the first annual meeting of the Association the term of office of three Directors shall be fixed at one (1) year, and the remaining members at two years, and three years respectively. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of two (2) years. The Directors shall hold office until their successors have been elected and hold their first meeting.

Vacancies.

Section 4.06. Vacancies in the Board of Directors caused by any reason other than the removal of a Director or by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association.

Removal of Directors.

Section 4.07. At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority of the owners and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting.

Organization Meeting.

Section 4.08. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as is fixed by the President at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order for such meeting to be legally constituted, providing a quorum of the entire Board shall be present.

Regular Meetings.

Section 4.09. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least One, such meeting shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone, or telegraph, at least Two Days prior to the day named for such meeting. All meetings shall be open to all unit owners.

Special Meetings.

Section 4.10. Special meetings of the Board of Directors may be called by the President on Two Days notice to each Director in the manner specified in 4.09 hereof, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) Directors.

Waiver of Notice.

Section 4.11. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him at the time and place thereof. If all Directors are present at any meeting of the board, no notice shall be required and any business may be transacted at such meeting.

Quorum of Directors.

Section 4.12. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Fidelity Bonds.

Section 4.13. The Board of Directors shall require that all officers of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

Fiduciary Insurance Coverage.

Section 4.13(a). All officers, employees, or other persons who either handle or are responsible for funds held or administered by the Association shall furnish fiduciary insurance coverage, consisting of a fidelity bond that covers the maximum amount of funds that will be in the custody of the Association plus the Association reserve fund and directors' and officers' liability coverage at a level that shall be determined to be reasonable by the board of managers, if not otherwise established the Declaration or by laws; the Association shall pay for the premium cost on this fiduciary insurance coverage.

Fidelity Bond for Management Companies

(b) Every management company that either handles or is responsible for funds held or administered by the Association shall furnish a fidelity bond to the Association that covers the maximum amount of Association funds and Association reserves that will be in the

custody of the management company; the Association shall pay the premium cost of the fidelity bond. In addition, every such management company shall at all times maintain a separate account for each reserve fund, for the total operating funds of the associations managed by the management company (with records identifying all moneys of each association if the management company holds all operating funds in a single operating account), and for all other moneys of the management company.

Indemnification of Directors.

Section 4.15. The members of the Board of Directors shall be entitled to indemnification from the Association for any and all liabilities resulting from acts or omissions done or failed to be done by them, either individually or collectively, in the reasonable discharge of their duties, responsibilities, and authority under these bylaws, except for liabilities arising from willful and wanton misconduct or gross negligence. The Board of Directors shall procure a policy of insurance, in the name of the Association, covering such indemnification. The Board shall provide ten (10) days' notice to each owner before any payment is made to any Director under this clause.

ARTICLE V. OFFICERS. Designation of Officers.

Section 5.01. The principal officers of the Association shall be a President, Vice-President, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Directors. The Directors may appoint an assistant treasurer, an assistant secretary, and such other officers as in their judgment may be necessary.

Election of Officers.

Section 5.02. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

Removal of Officers.

Section 5.03. Upon an affirmative vote of a majority of the members of the Board of Directors; any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purposes.

President.

Section 5.04. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the President of an Association, including but not limited to the power to appoint committees from amongst the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Vice President.

Section 5.05. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to so do on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Secretary.

Section 5.06. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

Treasurer.

Section 5.07. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit, of the Association in such depositaries as may from time to time be designated by the Board of Directors.

Compensation of Officers.

Section 5.08. The annual compensation, if any, of each officer shall be set by majority vote of the membership at the Association annual meeting. Out of pocket expense reimbursement shall be approved by the Board of Directors upon proper presentation by a Director. All compensation and expense shall be directly related to the discharge of duties as a Director.

ARTICLE VI. FINANCE AND ADMINISTRATION.

Books and Records.

Section 6.01. The Board of Directors, through the Treasurer and management agent, shall keep accurate books and financial records of the project and the Association, including, but not limited to, a detailed account of the expenditures and receipts affecting the project and its administration, and specifying the operating expenses of the project. Such expenses shall be determined and allocated as hereinafter provided.

Periodic Financial Statements.

Section 6.02. The Association shall cause to be prepared and distributed to each owner at least once a year a financial statement showing an itemized accounting of the common expenses actually incurred and paid during the preceding period, together with a tabulation of the amounts

collected pursuant to the annual budget or by assessment, and showing the net excess or deficit of income over expenditures plus reserves.

Access to Books and Records.

Section 6.03. The Books and records of the Association, and all other documents pertaining to the project, shall be open to inspection by any owner at all reasonable times during regular business hours.

Preparation of Annual Budget.

Section 6.04. In preparing the annual budget of the Association, the Board of Directors shall include provision for reasonably anticipated expenses resulting from normal maintenance and wear and tear to the common areas and facilities, any extraordinary expenses that will be required, salaries and compensation for any employees of the Association not in excess of the prevailing rate, insurance premiums, reasonable incident expenses related to the administration of the project, any reserves required under these bylaws or deemed necessary by the Board to meet unanticipated expenses, and such other items as are designated as expenses of the Association by the Master Deed, these bylaws, or by law. All expenses shall be itemized specifically and in detail. The anticipated amount of each such item or service shall whenever possible be determined from a contract with or estimate from a provider of such item or service; or, if there is no contract or estimate, from a good-faith determination as to the cost at which such item or service can be obtained.

Personal Property of Association.

Section 6.05. The management agent shall be assessed as the person in possession for any tangible personal property of the project owned or possessed in common by the owners, and any personal property taxes based thereon shall be treated as an expense of administration.

Liabilities and Insurance Proceeds.

Section 6.06. Expenditures affecting the administration of the project shall include costs incurred in the satisfaction of any liability arising out of, or connected with, the common elements or the administration of the project. Receipts affecting the administration of the project shall include all sums received as the proceeds of, or pursuant to, a policy of insurance securing the owners against liabilities or losses arising within, caused by, or connected with the common elements or the administration of the project.

Insurance.

Section 6.07(a). The Board shall procure a policy of insurance, covering loss or damage by fire and such other hazards as are covered under standard extended coverage provisions, for the full insurable replacement cost of the common areas and facilities.

(b) The Board shall also purchase a comprehensive public liability policy in the amount of \$ 300,000.00, or such other amount as may be determined by the Board to cover the Association, the Board, the Officers, the management agent and all other agents or employees of the project for liabilities arising in connection with the ownership, use, existence, or management of the property.

Severe Damage or Destruction.

Section 6.08. In the event the project is destroyed or severely damaged by fire or other disaster, the proceeds of insurance, if sufficient to reconstruct and restore the project to substantially its former condition, shall be so applied. In the event such proceeds are insufficient, the owners shall either: (a) apply such proceeds to the repair or reconstruction of the project and specifically assess any additional expenses against the individual owners in accordance with the percentage interests assigned in the Master Deed; or (b) sell and convey their respective interests in the property and distribute the insurance proceeds and proceeds of sale to the owners in accordance with the percentages assigned in the Master Deed. The Association may, at its option, elect to purchase the interest of any individual owners who do not wish to repair or reconstruct the property by paying to such owners a portion of the insurance proceeds and fair market value of the property in its unrepaired or reconstructed state, such portion to be in accordance with the respective percentage interests of such owners assigned in the Master Deed. The course of action to be taken shall be determined by a majority of owners as defined herein and shall be embodied in a written agreement specifying the terms and conditions of such action.

Reserve Fund

Section 6.09. The Association shall maintain a reserve fund to cover major repairs and replacement of common areas and facilities. The fund shall at a minimum be equal to ten percent (10%) of the Association's current annual budget on a noncumulative basis. This fund shall be used only for major repairs and replacement of the common areas and facilities, and for no other purpose. The minimum standard required by this section may prove to be inadequate for a particular project. The association of co-owners should carefully analyze their condominium project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes. In the event the Reserve Fund is insufficient to pay for a major repair of a common area or facility, then in that case a Special Assessment shall be made in representative shares against all of the owners. The amount of the Special Assessment shall be consistent with the shortfall to repair or replace a facility, and shall be set by a majority of the owners.

Remedies

Section 6.10. (a) The rules and regulations adopted by the Board of Directors may impose reasonable fines for noncompliance with the provisions thereof, and may provide for reasonable interest and late charges for past due assessments.

(b) Upon the written consent of an owner and the Association any dispute, claim, or grievance arising out of, or relating to, the interpretation or application of the Declaration, bylaws, or management agreement, if any, shall, upon request of the parties thereto, be submitted

to arbitration before the disinterested members of the Board; or, if the Board or Association is a party shall select an arbitrator and both of the arbitrators so selected shall in turn select a third arbitrator. The commercial arbitration rules of the American Arbitration Association shall be applicable to any arbitration commenced hereunder, and the parties thereto shall accept the decision of the arbitrators as final and binding. The management agreement shall contain provisions making this section applicable to all parties thereto.

- (c) Absent an election and written consent provided in paragraph (b) neither an owner nor the Association is prohibited from petitioning a court of competent jurisdiction to resolve any dispute, claim, or grievance.

Liens

Section 6.11. (a) The procedures in the event of attachment of a mechanic's lien shall be set forth in Section 132 of the Condominium Act.

(b) Sums assessed to an owner by the Association which are unpaid constitute a lien upon the unit in favor of any state or federal taxing authority and sums unpaid on a first mortgage of record; except that past due assessments which are evidenced by a notice of lien, recorded subsequent to the recording of the notice of lien. The lien upon each unit owned by the owner shall be in the amount assessed against the unit, plus a proportionate share of the total of all other unpaid assessments attributable to units no longer owned by the owner but which became due while the owner had title to the units. The lien may be foreclosed by an action of advertisement by the Association in the name of the project, on behalf of the other owners. A foreclosure shall be in the same manner as a foreclosure under the laws relating to foreclosure of real estate mortgages by advertisement or judicial action. A foreclosure proceeding may not be commenced without recordation and service of notice, of lien specifying: (1) the legal description of the unit or units to which the lien attaches; (2) the name of the owner of the record thereof; and (3) the amounts due the Association at the date of the notice, exclusive of interest, costs, attorneys' fees, and future assessments. The notice of lien shall be recorded in the office of register of deeds in the county in which the project is located, and shall be served upon the delinquent owner by first class mail, postage prepaid, addressed to the last known address of the owner at least ten (10) days in advance of the commencement of the foreclosure proceeding. The Association, acting on behalf of all the owners, may bid at the foreclosure sale acquire, hold, lease, mortgage, or convey the unit.

An action to recover money judgments for unpaid assessments may be maintained without foreclosing or waiving the lien, or an action for money damages and foreclosure may be combined in one action. A receiver may be appointed in an action for foreclosure of the assessment lien and may be empowered to take possession of the unit, if not occupied by the owner, and to lease the unit and collect and apply the rents therefrom.

Upon sale or conveyance of a unit, all unpaid assessments against the unit shall be paid out of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature, except: (1) amounts due the state, or any subdivision thereof, or any municipality for taxes and special assessments due and unpaid on the unit; and (2) payments due

under a first mortgage having priority thereto. A purchaser or grantee is entitled to a written statement from the Association setting forth the amount of unpaid assessments against the seller or grantor, and the purchaser or grantee is not liable for, nor is his unit conveyed or granted subject to a lien for, any unpaid assessments against the seller or grantor in excess of the amount set forth in the written statement. Unless the purchaser or grantee requests a written statement from the Association at least five (5) days before sale, the purchaser or grantee shall be liable for any unpaid assessments against the unit, together with interest, costs, and attorneys' fees incurred in the collection thereof.

Payment of Real Property Taxes and Assessments

6.12

All property taxes and special assessments levied upon the individual units, and common areas, and the structures shall be paid by the individual co-owner of a unit directly to the taxing authority.

Article VII. OBLIGATIONS OF OWNERS **Assessments**

Section 7.01. All owners are obligated to pay monthly assessments imposed by the Association to meet the expenses set forth in its annual budget. The assessments shall be made pro rata in accordance with the percentage interest set forth in the Master Deed

Maintenance and Repair

Section 7.01. (a) Every owner must perform promptly all maintenance and repair work within his own unit which, if omitted, would affect the project in its entirety or in a part belonging to other owners, being expressly responsible for the damages and liabilities that his failure to do so may engender.

(b) All the repairs of internal installations of the unit such as water, light, gas, power, sewage, telephones, air conditioners, sanitary installations, doors, windows, lamps, and all other accessories belonging to the unit area shall be at the owner's expense.

(c) An owner shall reimburse the Association for any expenditure incurred in repairing or replacing any common area and facility damaged through his fault.

Internal Changes and Use of Family Units

Section 7.03.

(a) All units shall be utilized for residential purposes only.

(b) An owner shall not make structural modifications or alterations in his unit or installations located therein without previously notifying the Association in writing, through the management agent, if any, or through the President of the Board of Directors, if no management

agent is employed. The Association shall have the obligation to answer within ten days (10), and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration. The Association of its approval to make any proposed structural modification or alteration.

Use of Common Areas and Facilities

Section 7.04.

(a) An owner shall not place or cause to be placed in the lobbies, vestibules, stairways, elevators, and other project areas and facilities of a similar nature both common and limited, any furniture, packages, or objects of any kind. Such areas shall be used for no other purpose than for normal transit through them.

(b) The common areas shall be occupied by washers, dryers, hot water heaters, and furnaces. All such appliances shall be owned by the Association, and shall be maintained by the Association. All proceeds of the washers and dryers shall be kept in a separate account for repair or replacement of the appliances. The Association general fund shall be the source of funds to replace or repair the remaining appliances, or the excess expense of the washers and dryers.

Right of Entry

Section 7.05.

(a) An owner shall grant the right of entry to the management agent or to any other person authorized by the Board of Directors or the Association in case of any emergency originating in or threatening his unit, whether the owner is present at the time or not.

(b) An owner shall permit other owners, or their representatives, when so required, to enter his unit for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at a time convenient to the owner. In case of emergency, such right of entry shall be immediate.

Rules of Conduct

Section 7.06.

(a) No resident of the project shall post any advertisements or posters of any kind in or on the project except as authorized by the Association.

(b) Residents shall exercise extreme care about making noises or the use of musical instruments, radios, televisions, and amplifiers that may disturb other residents. Any resident who violates the above provision shall be subject to a financial penalty set by the Association, and levied against the unit from which the noise or disturbance originated. Any resident keeping domestic animals will abide by the Municipal Sanitary Regulations.

(c) It is prohibited to hang garments, rugs, etc., from the windows, or from any of the facades of the project.

- (d) It is prohibited to dust rugs, etc., from the windows, or to clean rugs, etc., by beating on the exterior part of the project.
- (e) It is prohibited to throw garbage or trash outside the disposal installations provided for such purposes in the service areas. It is prohibited for any resident, owner, or guest from blocking or obstructing the common areas of the condominium.
- (f) Each condominium unit shall be assigned one parking spot. Residents are prohibited from parking in another resident's parking spot without express permission from the other resident. Guests of residents are prohibited from parking in any resident's parking spot.
- (g) No owner, resident, or lessee shall install wiring for electrical or telephone Installation, television antennae, machines, or air conditioning units, etc., on the exterior of the project or which protrude through the walls or the roof of the project except as authorized by the Board of Directors.
- (h) No dogs shall be permitted upon the property, whether owned by an owner or by another. Other pets may be kept on the property, but the owner must first obtain permission from the Board of Directors.
- (i) No owner shall use his unit or the common elements appurtenant to his unit in any manner, which will interfere with or impair the rights of another owner in the use and enjoyment of his unit or the common elements.

Rental or Lease of Unit

Section 7.07.

- (a) Any owner, including the Grantor, who desires to rent or lease a unit, shall disclose that fact in writing to the Association of co-owners at least twenty-one (21) days before leasing such unit, and shall supply the Association with a copy of the exact lease form for review for compliance with the condominium documents. If the Grantor proposes to rent units prior to the transitional control date, he shall notify either the advisory committee or each co-owner in writing.
- (b) No owner shall permit a lease to be executed agreeing to a period of rental for less than 30 days, or greater than one year.
- (c) Tenants or non-owner occupants shall comply with all of the conditions of the condominium documents and all leases and rental agreements shall so state.
- (d) If the Association determines that a tenant or non-owner occupant failed to comply with the conditions of the condominium documents, the Association shall notify the owner by certified mail advising of the alleged violation of the tenant.

The owner shall have five (5) days after receipt of the notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred. If after five (5) days the Association believes that the alleged breach is not cured or may be repeated, it may institute in the name of the owner, but on behalf of the Association if it is under the control of the Grantor, an action for eviction against the tenant or non-owner occupant and, in the same action, for money damages for breach of the conditions in the condominium documents. The relief set forth herein may be by summary proceeding. The Association may hold both the tenant and the owner liable for any damages caused by the owner or tenant in connection with the unit.

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

ARTICLE VIII. AMEENDMENTS Amendments to Bylaws

Section 8.01.

These bylaws may be amended by the Association in a duly constituted meeting for such purpose upon approval of such amendments by two thirds (2/3) of the votes of the owners and the approval of the department of Commerce for the State of Michigan.

ARTICLE IX. MORTGAGEES Notice to Association

Section 9.01. An owner who mortgages his unit shall notify the Association through the management agent, if any, or the President of the Board of Directors in the event there is no management agent, of the name and address of his Mortgagee; and the Association shall maintain such information in a book entitled "Mortgagees of Units."

Notice of Unpaid Assessments

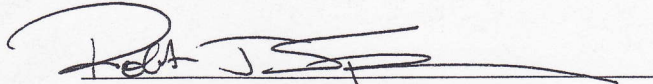
Section 9.02. The Association shall, at the request of a Mortgagee of a unit, report any unpaid assessments due from the owner of such unit.

ARTICLE X. COMPLIANCE WITH APPLICABLE LAW Controlling Law

Section 10.01. These bylaws are set forth to comply with the provisions of the Condominium Act, MCL 559.101 et seq. In case any of these bylaws conflict with the

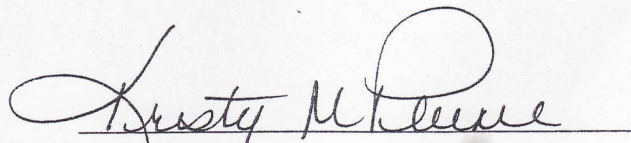
provisions of said statute, it is hereby agreed and accepted that the provisions of the statute will apply.

IN WITNESS WHEREOF, Grantor: by its duly authorized member/manager, has executed this Master Deed this 12 day of February, 2007, at Alpena, Michigan.


Robert Spragg, Member/Manager of
Anchor Bay Rogers City, LLC

County of Alpena)
)ss.
State of Michigan)

After first being duly sworn, Robert Spragg, Member/Manager of Anchor Bay Rogers City, LLC, identified and known to me, did set his hand to this document on February 12, 2007.


Krysty M Plume

Notary Public in and for the County of Alpena
My Commission Expires 09/20/2011

Prepared by:

Michael G. Mack (P31173)
White, Mack, & McDonald
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Alpena, Michigan 49707
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