

**BOSSINGHAM RESORT ASSOCIATION, INC.**

**BY-LAWS**

**ARTICLE I**

**ASSOCIATION OF CO-OWNERS**

SECTION 1: Bossingham Resort Association, Inc., located in the Township of Littlefield, Emmet County, Michigan, shall be administered by an association of co-owners which shall be an incorporated voluntary non-profit corporation hereinafter called the "Association", organized under the applicable laws of the State of Michigan and responsible for the management, maintenance, operation and administration of the common elements, easements and affairs of the Association in accordance with these By-Laws, the Bossingham Resort Association, Inc., and the laws of the Township of Littlefield, County of Emmet, State of Michigan. All co-owners in the Association and all persons using or entering upon or acquiring any interest in any unit therein or the common elements thereof, shall be subject to the provisions and terms set forth in the aforesaid documents.

BOSSINGHAM RESORT ASSOCIATION, INC.'S common elements are defined as follows:

SEE ATTACHED APPENDIX "A"

Included in the common elements are all sewer drain pipes from units to sewer, well and pump, water pipes, electric lines and gas lines, driveways, parking areas and docks per Appendix "A". Trees, landscaping and fences are also included as common elements.

SECTION 2: Membership in the Association and voting by members of the Association shall be in accord with the following provisions:

- (a) The Association consists of members representing shares of stock, there being a total number of 9 shares or 1/9th interest in the Association, and shall entitle the owner to a specific unit of the 9

units;

- (b) Each co-owner shall be a member of the Association and no other person or entity shall be entitled to membership.
- (c) The share of a co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his unit as an undivided one-ninth (1/9) interest.
- (d) Except as limited in these By-Laws each co-owner shall be entitled to one (1) vote for each owned share of stock. If a co-owner owns two (2) units he or she shall have two votes, etc.;
- (e) No co-owner other than the developer shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a share of the stock representing a unit. No co-owner other than the developer shall be entitled to vote prior to the First Annual Meeting of Members. The vote of each co-owner may only be cast by the co-owner or representative designated by such co-owner as required in subparagraph (f) below or by proxy given to such co-owner (husband and wife shall have one vote between them).
- (f) Each co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such co-owner. Such notice shall state the name and address of the individual representative designated, the number or numbers of units owned by the co-owner, the name and address of each person, firm, corporation, partnership, association, trust or other entity who is the co-owner. The individual representative designated may be changed by the co-owner at any time.
- (g) There shall be an annual meeting of the members of the Association commencing with the First Annual Meeting held as provided in Section 7 of this Article I. Other meetings may be provided for in the By-Laws of the Association. Notice of time, place and subject matter of all meetings shall be given to each co-owner by mailing the same to each individual representative designated by the respective co-owners. A minimum of thirty (30) days notice shall be required for all meetings. Special meetings may be requested by the Board of Directors or by written request from fifty (50) percent of the membership.
- (h) The presence in person or by proxy of more than fifty (50) percent in number of the co-owners qualified to vote shall constitute a quorum

for holding a meeting of the members of the Association, except for voting on questions specifically required herein to require a greater quorum. The written votes of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy, shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

- (i) Votes may be cast in person or by proxy or by a writing duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association.
- (j) A majority, except where otherwise provided herein, shall consist of more than fifty (50) percent in number of those qualified to vote and present in person or by proxy (or written vote if applicable) at a given meeting of the members of the Association.

SECTION 3: The Association shall keep books of account showing all expenditures and receipts of administration which shall specify the maintenance and repair expenses of the common elements and any other expenses incurred by or on behalf of the Association and the co-owners. Such amounts shall be open for inspection by the co-owners during reasonable working hours. Income and expense statements shall be prepared at least annually by qualified accountants and distributed to each co-owner. The cost of such professional accounting assistance shall be an expense of administration.

SECTION 4: The affairs of the Association shall be governed by a Board of Directors all of whom shall serve without compensation and who must be members of the Association (except for the First Board of Directors) designated by the developer and any successors thereto elected by the developer prior to the First Annual Meeting of Members held pursuant to Section 6 of this Article I. The number, terms of office, manner of election, removal and replacement, meetings, quorum and voting requirements, and other duties or provisions of or relating to directors, not inconsistent with the following shall be as provided below:

- (a) The Board of Directors will consist of three (3) persons.
- (b) The term of office will be for one (1) year. Board members can be re-elected and are not limited in number of consecutive terms served on the Board of Directors.
- (c) The manner of election will be:
  - (1) Held at the annual meeting.

- (2) By qualified voting members of Bossingham Resort Association, Inc.
  - (3) Vote to be taken via ballot.
  - (4) Election to the Board of Directors requires a plurality of ballots cast to be in favor.
- (d) Removal from Board of Directors requires written request for a special meeting for this purpose from fifty (50) percent of membership. In the special meeting, voting via ballot requires more than fifty (50) percent of the ballot in favor of removal from office to remove a Director.
- (e) Replacement to Board of Directors requires a call for a special election via existing Board of Directors per manner described in this Section 4 item (c) 2, 3, 4.

SECTION 5: The Director's Conduct Of The Corporation.

- (a) Meetings: The Board of Directors shall meet within one week of the annual meeting and as necessary to conduct the business of the association in a business like manner.
- (b) Quorum: Will be three (3) persons to take a vote. Telephone meetings and votes will be allowed if necessary. A majority vote is required.
- (c) Officers on the Board of Directors will be President, Vice President, and a Secretary/Treasurer. Officers must be elected by the Board of Directors in their first meeting after being elected in the annual meeting.
- (d) The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not prohibited by these By-Laws or required hereby to be exercised and done by the co-owners. In addition to the foregoing general duties imposed by these By-Laws or any further duties which may be imposed by resolution of the members of the Association, the Board of Directors shall be responsible specifically for the following:
  - (1) Management and administration of the affairs of and maintenance of the Association and the common elements thereof and keep written records of all Association business.

- (2) To collect assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association, including the payment of all taxes assessed against the property of the Association.
  - (3) To carry insurance and collect and allocate the proceeds thereof.
  - (4) To rebuild common improvements after casualty.
  - (5) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the association and property.
  - (6) To approve or disapprove proposed purchasers or lessees of any unit in the manner specified herein.
  - (7) To acquire, maintain, improve, buy, operate, manage, sell, convey, assign, mortgage, or lease any real or personal property (including any unit in the resort, easements, rights-of-way and licenses) on behalf of the Association, including (but without limitation) the lease, construction or purchase of a unit in the resort for use by a resident manager.
  - (8) To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Association and to secure the same by the Association; provided, however, that any such action shall also be approved by affirmative vote of more than seventy-five (75) percent of all the members of the Association.
  - (9) To make rules and regulations in accordance with Article VI, Section II of these By-Laws.
  - (10) To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the resort and to delegate to such committees any functions or responsibilities which are not by law of the resort documents required to be performed by the Board.
  - (11) To enforce the provisions of the Resort Documents.
- (e) All of the actions (including, but without limitation, the adoption of these By-Laws and any Rules and Regulations for the Association,

and any undertakings or contracts entered into with others on behalf of the Association) of the first Board of Directors of the Association or any successors thereto elected by the Developer before the First Annual Meeting shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the members of the Association at the first or any subsequent annual meeting of members, so long as such actions are within the scope of Directors as provided in the Resort Documents.

SECTION 6: The Association By-Laws may contain any other provisions pertinent to officers of the Association in furtherance of the provisions and purposes of the Resort Documents and not inconsistent therewith. Officers may be compensated but only upon the affirmative vote of more than seventy-five (75%) percent of all co-owners.

SECTION 7: The first annual meeting of the members of the Association may be convened only by Developer and may be called at any time after sixty (60%) percent in number of all units or over five (5) units in the Resort have been sold and the purchasers thereof qualified as members of the Association. In no event, however, shall said First Annual Meeting be held later than three hundred sixty (360) days after sixty (60%) percent of all units or over five (5) units in the resort have been sold and the purchasers thereof qualified as members of the Bossingham Resort Association, Inc., whichever first occurs. Developer may call meetings of members of the Association for informative or other appropriate purposes prior to the first annual meeting of members and no such meeting shall be construed as the First Annual Meeting of Members. The date, time and place of such meeting shall be set by the Board of Directors, and at least thirty (30) days written notice thereof shall be given to each co-owner. Thereafter, an annual meeting shall be held each year on such date as decided in the first annual meeting.

## ARTICLE II

### ASSESSMENTS

SECTION 1: The Association shall be assessed as the person or entity in possession of all property of the resort, including property owned in common by the co-owners and property taxes based thereon shall be treated as expenses of administration.

SECTION 2: All costs incurred by the Association in satisfaction of any liability arising within, caused by, or in connection with the common elements of the administration of the Resort, shall be expenses of administration. All sums received as proceeds of or pursuant to, any policy or insurance carried by the Association securing the interests of the co-owners against liabilities or losses arising within, caused by or connected with the common elements of the administration of the resort shall be receipts of administration.

SECTION 3: Assessments shall be determined in accordance with the following provisions:

- (a) The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the resort project, including a reasonable allowance for contingencies and reserves. Upon adoption of an annual budget by the Board of Directors, copies of said budget shall be delivered to each co-owner and the assessment for said year shall be established, based upon said budget, although delivery of a copy of the budget to each co-owner shall not affect the liability of any co-owner for any existing or future assessments. The requirement of establishing and furnishing a budget shall not apply to the First Board of Directors serving prior to the First Annual Meeting of Members held in accordance with Article I, Section 6.
- (b) Special assessments, in addition to those required in (a) above, may be made by the Board of Directors from time to time and approved by the co-owners as hereinafter provided, to meet other needs or requirements of the Association, including:
  - (1) Assessments to purchase a unit upon foreclosure of the lien for assessments described in Section 6 hereof;
  - (2) Assessments referred to in this subparagraph (b) (but not including those assessments referred to in subparagraph 3 (a) above which shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than seventy-five (75%) percent of all co-owners.

SECTION 4: All assessments levied against the co-owners to cover expenses of administration shall be apportioned among and paid by the co-owners. These operational expenses consist of insurance on common element, maintenance of common element, operational and administrative costs. All expenses with the exception of taxes will be divided equally per share. If a co-owner changes a unit so that it changes the real estate taxable base of the resort, the Board of Directors may adjust the percentage of the co-owners tax assessment. Assessments shall be due and payable at such times as the Association shall determine, commencing with the purchase of a share, signing of a Land Contract, acceptance of a deed to a unit or with acquisition of title to a unit by any other means. The payment of an assessment shall be in default if such assessment (or any part thereof) is not paid to the Association in full on or before the due date for such payment. Assessments in default shall bear interest at the rate of one and one-half (1-1/2) percent per month until paid in full. Each co-owner (whether one or more persons) shall be, and shall remain, personally liable for the payment of all assessments pertinent to his unit which may be levied while such co-owner is the owner thereof.

SECTION 5: No co-owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the common elements or by the abandonment of his unit.

SECTION 6: The Association may enforce collection of delinquent assessments by suit of law for a money judgment or by foreclosure of the lien securing payment in the same manner that real estate mortgages may be foreclosed by action under Michigan law. In an action for foreclosure, a receiver may be appointed to collect a reasonable rental for the unit from the co-owner thereof or any persons claiming under him. The expense incurred in collecting unpaid assessments including interest, costs, and attorneys' fees and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the co-owner in default, and shall be secured by the lien on his unit. The Association may also discontinue the furnishing of any utilities or other services to a co-owner in default upon fourteen (14) days written notice to such co-owner of its intent to do so. A co-owner in default shall not be entitled to vote at any meeting of the Association so long as default continues.

SECTION 7: Developer shall have the same responsibility for assessments, expenses of administration, taxes and all other costs as other owners, for all retained units, whether retained for personal use or sale.

### ARTICLE III

#### ARBITRATION

SECTION 1: Disputes, claims or grievances arising out of or relating to the interpretation or the application of the resort documents, or any disputes, claims or grievances arising among or between co-owners and the Association shall (upon the election and written consent of the parties to any such disputes, claims or grievances and written notice to the Association) be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration.

SECTION 2: No co-owner or the Association shall be precluded from petitioning the courts to resolve any such dispute, claims or grievances except as follows.

SECTION 3: Election by co-owners of the Association to submit any such dispute claim or grievance to arbitration shall preclude such parties from litigating such dispute, claim or grievance in the courts.

### ARTICLE IV



## INSURANCES

SECTION 1: The Association shall carry fire, extended coverage, vandalism, malicious mischief, liability insurance, workmen's compensation insurance (if applicable), pertinent to the ownership, use and maintenance of the common elements of the resort project, and such insurance other than title insurance shall be carried and administered in accordance with the following provisions:

- (a) All such insurance shall be purchased by the Association for the benefit of the Association and the co-owners and their mortgagees as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of co-owners. It shall be each co-owners responsibility to obtain insurance coverage for his unit and personal property located within his unit or elsewhere on the resort and for his personal liability for occurrences within his unit and also for alternative living expense in event of fire, and the Association shall have absolutely no responsibility for obtaining such coverages. The Association and all co-owners shall use their best efforts to see that all property and liability insurance carried by the Association or any co-owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any co-owner of the Association.
- (b) All common elements of the resort project shall be insured against fire and other perils covered by a standard extended coverage endorsement in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association.
- (c) All premiums upon insurance purchased by the Association pursuant to these By-Laws shall be expenses of administration .
- (d) Proceeds of all insurance policies owned by the Association shall be received by the Association and held in a separate account and distributed to the Association, the co-owners and/or their mortgages, as their interests may appear; provided, however, whenever repair or reconstruction of the resort shall be required as provided in Article V of these By-Laws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair and reconstruction.

## ARTICLE V

### RECONSTRUCTION OR REPAIR

SECTION 1: Any construction, reconstruction or repair must be done within the requirements of the Littlefield Township zoning and Emmet County construction codes in effect at that date.

SECTION 2: Each co-owner shall be responsible for the construction, reconstruction, repair, maintenance, snow removal and cleaning of his/her unit. If a person cannot do the work by himself/herself, it is required that he/she contact the manager to arrange for this work to be done.

SECTION 3: If any part of the Association property shall be damaged, the determination of whether or not it shall be reconstructed or repaired shall be in the following manner:

- (a) If the damaged property is a common element, the property shall be rebuilt or repaired unless it is determined that the resort project shall be terminated.
- (b) If the resort is so damaged that no unit is tenable, the damaged property shall not be rebuilt unless seventy-five (75) percent or more of the co-owners agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

SECTION 4: Any such reconstruction or repair shall be substantially to a condition as comparable as possible to the condition existing prior to damage, unless the co-owners shall unanimously decide otherwise .

SECTION 5: The Association shall be responsible for the reconstruction, repair, and maintenance of the common elements. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair, or upon completion of such reconstruction or repair, the funds for payment of the costs thereof are insufficient, assessments shall be made against all co-owners for the costs of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual costs of repair.

SECTION 6: The following provisions shall control any taking by eminent domain:

- (a) In the event of any taking of an entire unit by eminent domain, the co-owner of such unit shall be entitled to receive the award for such taking and after acceptance thereof, he and his mortgage shall be divested of all interest in the resort project. In the event that any condemnation award shall become payable to any co-owner whose

unit is not wholly taken by eminent domain, then such award shall be paid by the condemning authority to said co-owner. If only a part of any unit is taken, the co-owner shall rebuild the same as is necessary to make it conform as near as possible to said unit prior to said damage.

- (b) If there is any taking of portion of the resort other than any unit the condemnation proceeds relative to such taking shall be paid to the Association and the affirmative vote of more than seventy-five (75%) percent of the co-owners shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate. If no such affirmative vote is obtained, such condemnation proceeds shall be remitted to the co-owners in accordance with their respective percentages of ownership.
- (c) In the event the resort project continues after taking by eminent domain, then the remaining portion of the resort project shall be re-surveyed and the percentages of ownership of the remaining co-owners will be readjusted to reflect such taking based upon the continuing value of the resort of 100%. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any co-owner.

## ARTICLE VI

### RESTRICTIONS

SECTION 1: A co-owner may lease his/her unit for same purposes set forth in Section 1 of this Article VI. The following responsibility, restrictions, rules and guidelines apply:

- (a) The Board of Directors may annually set minimum rental rates and publish rules and regulations;
- (b) The co-owner must clear all lease arrangements and agreements through the manager and compensate manager for responsibilities placed on manager;
- (c) The leasing party must agree to submit themselves to the rules and regulations set forth by the Board of Directors and the restrictions of Article VI;

SECTION 2: No co-owner shall make alterations in exterior appearance or

make structural modifications to his unit (including interior walls through or in which there exists easements for support or utilities) or make changes in any of the common elements without the including (but not express written approval of the Board of Directors: by way of limitation) exterior painting or the erection of antennas, lights, aerials, awnings, doors, shutters or other exterior modifications or attachments. The Board of Directors may approve only such modifications as do not impair the soundness, safety, utility or appearance of the resort.

SECTION 3: No immoral, improper, unlawful or offensive activity shall be carried on in any unit or upon the common elements, nor shall anything be done which may be or may become an annoyance or a nuisance to the co-owners of the resort, nor shall any unreasonably noisy activity be carried on in any unit or on the common elements. No co-owner shall do or permit anything to be done or keep or permit to be kept in his unit or on the common elements anything that will increase the rate of insurance on the resort and each co-owner will pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such conditions.

SECTION 4: No animal shall be kept in the resort or permitted on the resort premises. Any person who causes or permits an animal to be brought on the resort property shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as a result of the presence of such animal on the resort property.

SECTION 5: The common elements shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. Trash receptacles shall be maintained in areas designated therefor at all times and shall not be permitted to remain elsewhere on the common elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. The common elements shall not be used in any way for the drying, shaking, or airing of clothing or other fabrics, except on clothes lines provided and only for minimum time required. Automobiles may only be washed in areas approved by the Association. In general, no activity shall be carried on nor condition maintained by a co-owner in his unit or upon the common elements, which spoils the appearance of the resort. The garage marked in Appendix "A" shall be used for Association needs.

SECTION 6: Sidewalks, yards, landscaped areas, driveways, roads and parking areas shall not be constructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or benches may be left unattended on or about the common elements, other than those owned by the Association.

SECTION 7: No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, snowmobiles, snowmobile trailers, all-terrain vehicles, all-terrain vehicle trailers, motorcycles, motorcycle trailers, or other vehicles other than

standard highway personal use vehicles may be parked or stored upon the premises of the resort, unless approved by the Board of Directors, or unless parked in an area specifically designated therefore by the Association. Commercial vehicles and trucks shall not be parked in or about the resort (except as above provided) unless while making deliveries or pickups in the normal course of business. Each co-owner shall park his cars in the parking space provided therefor. Co-owners shall, if the Association shall require, register with the Association all cars maintained on the resort premises. Each unit shall have no more than one car parked at their unit. If additional parking space is needed it shall be in designated parking areas.

SECTION 8: No co-owner shall use, or permit the use by an occupant, agent, employee, invitee, guest or member of his family, any firearms, air rifles, pellet guns, B-B guns, bows and arrows or other similar dangerous weapons, projectiles or devices anywhere on or about the resort premises. This excludes the deer, rabbit, duck, grouse, etc. hunters. This also excludes firearms and bows only during the appropriate seasons and only when lawfully handled. Other exceptions will only be for the Board of Directors or manager or their designated person to use firearms or devices to control pests.

SECTION 9: No signs or other advertising devices shall be displayed which are visible from the exterior of a unit or on the common elements, including "For Sale" or "For Rent" signs, without written permissions from the Association, excluding the Developer during the time Developer is selling the units of the resort and real estate brokerage signs.

SECTION 10: Reasonable rules and regulations consistent with these By-Laws, concerning the use of the common elements may be made and amended from time to time by any Board of Directors of the Association, including the first Board of Directors (or its successors elected by the Developer) prior to the first annual meeting. All such rules and regulations and amendments thereto shall be furnished to all co-owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative of each co-owner. Any such rules and regulations or amendments may be revoked at any time by the affirmative vote of more than fifty (50%) percent of all co-owners except that the co-owners may not revoke any regulations or amendments prior to said first annual meeting of the entire Association.

SECTION 13: The Association or its agents shall also have access to each unit at all times without notice as may be necessary to make emergency repairs to prevent damage to the common elements or to another unit. It shall be the responsibility of each co-owner to provide the Association means of access to his unit during all periods of absence and in the event of the failure of such co-owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such co-owner for any necessary damage to his unit caused thereby or for repair or replacement of any doors or windows damaged in gaining such access.

SECTION 14: No co-owner may dispose of a share of stock or any interest

therein by sale without written notice of the Association, which approval shall be obtained in the manner hereinafter provided;

- (a) A co-owner has the right to sell his stock at any time at whatever cost the co-owner wishes as long as his mortgage holder is in agreement. Upon sale, the co-owner will transfer and forfeit all rights to the Association. A co-owner shall furnish the name and address of the intended purchaser and such other information as the Association shall reasonably require. At the time of giving such notice, such co-owner shall also furnish the Association copies of all instruments, setting forth the terms and conditions of the proposed transaction. The giving of such notice shall constitute a warranty and a representation by such co-owner to the Association and to any purchaser produced by the Association that the co-owner believes the proposed sale to be bona fide in all respects. The selling co-owner shall be responsible to the Association for any damages suffered by it in exercise of its rights hereunder and, in the event any proposed sale is not bona fide, such damages to include (but not limited to) the difference between the price paid by the Association for the unit and the fair market value thereof.
- (b) This section shall not apply to a public or a private sale held pursuant to foreclosure of a first mortgage on any unit; nor shall this section apply to a subsequent sale by the holder of a first mortgage who has acquired title to a unit by purchase at a sale pursuant to foreclosure of the first mortgage held by it on such unit.
- (c) Developer shall not be subject to this Section 13 in the sale of any share of stock owned by him following establishment of the resort. Developer shall have the right to lease any number of units in the resort project owned by him, in his own discretion.

SECTION 15: No co-owner shall perform any landscaping or plant any trees, shrubs, or flowers or place any ornamental materials upon the common elements.

SECTION 16: No unsightly condition shall be maintained about any unit and only furniture and equipment consistent with ordinary yard use shall be permitted to remain there when unit is in use and no furniture or equipment of any kind shall be stored about unit during seasons when unit is not in use. Skis, rafts, sporting equipment, etc., must be picked up and stored when not in use nor may these items be left out overnight. It will be the manager's responsibility to remove unattended items and hold for redemption by the owner.

SECTION 17: Use of motorized vehicles anywhere on the resort premises other than passenger cars, authorized maintenance vehicles and commercial vehicles as provided in Section 8, is prohibited. The Board of Directors may, by duly adopted rules

and regulations, make reasonable exceptions to this Section.

SECTION 18: Each co-owner shall maintain his unit in a safe, clean and sanitary condition. Each co-owner shall also use due care to avoid damaging any of the common elements including, but not limited to the telephone, water, gas, plumbing, electrical or other utility conduits systems and any other elements in any unit which are appurtenant to or which may affect any other unit. Each co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the common elements by him, his/her family, guests, agents, or invites, unless such damages or costs are covered by insurance carried by the Association, in which case there shall be no such responsibility (unless reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible co-owner shall bear the expense to the extent of the deductible amount.) Any cost or damages to the Association may be assessed to and collected from the responsible co-owner in the manner provided in Article II hereof.

SECTION 19: None of the restrictions contained in this Article VI shall apply to the commercial activities or signs, if any, of the Developer during the development and sales period as defined hereinafter, or of the Association in furtherance of its powers and purposes set forth herein. For the purposes of this Section, the development and sales period shall be deemed to continue so long as Developer owns any unit which they offer for sale. Until all units in the entire resort project are sold by Developer, Developer shall have the right to maintain a sales office, a business office, storage areas, reasonable parking incident to the foregoing and such access to, from and over the project as may be reasonable to enable development and sale of the entire project by the Developer.

SECTION 20: There shall be no camping allowed on the Association premises.

## ARTICLE VII

### MORTGAGES

SECTION 1: Any co-owner who mortgages his unit shall notify the Association of the name and address of the mortgagee and the Association shall maintain such information in a book entitled "Mortgages of Units". The Association may, at the written request of a mortgagee of any such unit, report any unpaid assessment due from the co-owner of such unit.

SECTION 2: The Association shall notify each mortgagee appearing in said book that requests same, of the name of each company insuring the resort against fire, perils covered by extended coverage, vandalism and malicious mischief and the amounts of such coverage.

## ARTICLE VIII

## COMPLIANCE

The Association of co-owners and all present or future co-owners, tenants, future tenants, or any other persons acquiring an interest in or using the facilities of the project in any manner are subject to and shall comply with the provisions hereof as amended, and the mere acquisition occupancy or rental of any unit or an interest therein or the utilization of or entry upon the resort premises shall signify that this document is accepted and ratified.

## ARTICLE IX

### REMEDIES FOR DEFAULT

SECTION 1: Any default by a co-owner shall entitle the Association or another co-owner or co-owners to the following relief:

- (a) Failure to comply with any of the terms or provisions of this document shall be grounds for relief, which may include without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien, (if default in payment of assessment) or any combination thereof and which relief may be sought by the Association, or, if appropriate, by an aggrieved co-owner or co-owners.
- (b) In any proceeding arising because of an alleged default by any co-owner, the Association if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees, (not limited to statutory fees) as may be determined by the Court, but in no event shall any co-owner be entitled to recover such attorney's fees.
- (c) The violation of any of the provisions of this document shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon 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 this document. The failure of the covenant or condition which may be granted by this document shall not constitute a waiver of the right of the Association or of any such co-owner to enforce such right, provisions, covenant or condition in the future.

SECTION 2: All rights, remedies and privileges granted to the Association or any co-owners pursuant to any terms, provisions, covenants, or conditions of this document 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 .

**ARTICLE X  
SEVERABILITY**

In the event that any of the terms or covenants of this document are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify or impair in any manner whatsoever any of the other terms, provisions or covenants held to be partially invalid or unenforceable.

**ARTICLE XI  
COMMON ELEMENTS**

Description of the common elements referred to in the By-Laws of the Association are as follows:

- (1) All land owned by BOSSINGHAM RESORT ASSOCIATION, INC.;
- (2) All trees, shrubs, plants and grass on land owned by BOSSINGHAM RESORT ASSOCIATION, INC.;
- (3) Well, well house and water system up to entrance into each unit;
- (4) Sewage disposal system up to line coming out of each foundation;
- (5) Fuel supply line up to each unit or meter;
- (6) Electrical and communication supply line to each meter;
- (7) Yard lighting system;
- (8) All playground equipment;
- (9) Signs;
- (10) All docks, ramps, decks, rafts, and related equipment. With the exception of 25 ft. on the left end of the dock shall be reserved for Cottage #9 use only; This reservation expires December 1, 2001.
- (11) All yard care equipment;

- (12) All garbage and trash containers;
- (13) Structure identified as "Garage" on Appendix "A".

## ARTICLE XII

### DEVELOPERS' RIGHTS

The developer holds the right to retain units with the right to remove the existing buildings and replace them with new buildings. The new buildings will be appraised and reassessed on the same basis as Article II, Section 4.

Prior to the first annual meeting of the Association, the developer holds the right to add to the Resort property and additional units. After the first annual meeting of the Association, it will be required that the developer obtain approval from the Association for the right to add property and/or additional units. Property added to the Resort must be done within the requirements of Littlefield Township zoning ordinance and/or existing plot requirements.

Property and/or units added to the Resort will require revision of the percentages of the assessment levied against each co-owner in accordance with the provisions of Article II, Section 4.

## ARTICLE XIII

### MANAGER

Bossingham Resort Association, Inc. may contract services for the purpose of maintaining the common elements owned by the Association and advising the co-owners in maintenance of their units in regards to the overall functioning of the Resort.

The Board of Directors will be responsible for:

SECTION 1: The year around care and maintenance of the common elements of the Association which include:

- (a) Care and maintenance of grounds and equipment for maintaining grounds.

- (b) Supervise installation, removal, and maintenance of all docks, rafts, buoys and related equipment known as common element.
- (c) Maintenance and cleaning of all common element buildings and equipment including supervision of garbage and trash removal.
- (d) Conduct the affairs of the Association as directed by the Board of Directors.
- (e) Supervision of the overall everyday physical operation of the Resort.
- (f) Advise the co-owner and correlate the repair, maintenance, snow removal, and cleaning of the co-owners units.

**ARTICLE XIV**

**DISSOLUTION**

Should the Association choose to dissolve and/or cease to operate Bossingham Resort Association, Inc., the real estate shall not be divided in any way that would violate Littlefield Township zoning requirements.

**ARTICLE XV**

**AMENDMENTS**

**SECTION 1:** These By-Laws may be amended upon affirmative vote of sixty-six (66%) percent or more of all co-owners in a meeting properly called for this purpose.

**SECTION 2:** Approved amendments will be recorded in these By-Laws and a copy of the approved amendment will be given to each co-owner.

**Bossingham Resort Association**

**Policy Statement – Delinquent Dues**

**Approved May 24, 2003 – Membership Meeting (Special)**

**Motion by Kurt Anderson, Second by Tony Krystl, Unanimous  
Approval**

**A \$25.00 late payment fee will be charged if annual dues payments are not made within 15 days of due date. If payment is not made (with late fee) within an additional 15 days, the procedures outlined in the Association By-Laws would take affect.**

## **Bossingham Resort Association Bylaws Amendment – Officers**

Approved by mail in vote – April 6, 2003

Amendment to separate the duties of the Secretary and Treasurer, creating four rather than three board positions. Financial allowances for officers and job descriptions as follows:

### **President (\$300 dues reduction):**

Formulate and distribute agenda in advance of annual and other member meetings

Receive feedback from agenda and incorporate changes in preparation for member meetings

Conduct member meetings

Conduct follow up on task ("to-do") lists generated at annual meetings (either personally or through appropriate delegation).

Act as lead representative for all "major" projects of the Association from information gathering stage through completion and approval for payment. This would include any capital projects, changes to corporate documents, member disputes, insurance issues, member transition facilitation, etc.

### **Vice President (\$200 dues reduction):**

Fulfill duties of President when necessary due to absence, etc.

Handle annual recurring needs of the Resort property such as: arranging for grounds maintenance, dock removal, minor painting of common areas, trash removal, and minor repairs.

### **Treasurer (\$300 dues reduction):**

Receive and deposit annual dues payments into Association checking account.

Receive and deposit escrow payments (upon stock transfer) in escrow checking.

Send reminder notices for annual dues payments and billings for property tax escrows.

Bill and collect member payments for special projects as necessary.

Pay monthly bills of Association and monitor vendor billings for accuracy.

Investigate and bill members for additional (personal) charges (ie additional trash removal, etc.).

Reconcile the monthly bank statement of the Association.

Prepare and distribute financial statements through September (and projected through December for the annual meeting).

Prepare and distribute financial statements through year end to members in January.

Prepare the annual budget prior to the September annual meeting for the subsequent year.

Prepare annual forms 1099 and 1096 for appropriate third parties for each calendar year.

Prepare the annual tax returns of the Association and the Michigan annual report.

**Secretary (\$200 dues reduction):**

Record and distribute meeting minutes to all members.

Maintain book of corporate stock certificates.

Conduct absentee voting process (develop ballot, distribute, receive, tally and communicate results).

Maintain corporate minute book and all permanent documents of the Association.

**Bossingham Resort Association**

**Policy Statements (2) – Landscape**

**Approved May 24, 2003 – Membership Meeting (Special)**

- **Motion by Elaine Mack, second by Terry Krystl that as picnic tables and grills are replaced that they will be the responsibility of each member. Replacement tables should be one of two designs. Elaine will provide detailed descriptions and approximate costs of the two options. All in favor – Motion granted.**
- **Motion by Carrie Anderson, second by Pat Wolohan to allow reasonable planting of flowers and small shrubs around each cottage without prior approval from the Association. Each member will be responsible for the care and maintenance of their flowers and shrubs. All in favor – motion granted.**

Bossingham Resort Association

Policy Statement – Watercraft Storage

Approved September 21, 2002 – Annual Meeting

Motion by Dave Stamm, Second by Carrie Anderson, Unanimous Approval

ONE watercraft trailer holding a boat or personal watercraft is allowed per unit to be stored on the drainfield. All watercraft must be on a trailer and be able to be easily relocated by other members, if necessary. Also, care must be taken to keep landscape under the trailer maintained.



Bossingham Resort Association

Policy Statement – Dock Usage

Approved September 21, 2002 – Annual Meeting

Motion, Support, Approval Unanimous

One reasonably-sized boat per unit is allowed at the dock. As a courtesy to other members, boats should be removed from the dock when the respective member will not be present for an extended period of time.

Bossingham Resort Association

Bylaws Amendment – Pets

Approved September 22, 2001 – Annual Meeting

Motion by Bob Mack, Supported by Sandy Sutton, Unanimous Approval

Amendment to allow owners only to have on premises small pets, up to 75 pounds. The pets are to be leashed at all times, and the owner is responsible for all clean up and nuisance issues.

ADDENDUM TO PURCHASE AGREEMENT  
BOSSINGHAM RESORT ASSOCIATION, INC.

BOSSINGHAM RESORT ASSOCIATION, INC. was incorporated in 2000 and has 9 available stock certificates. As stated in the by-laws, Article 1, Section 1, the purpose of the corporation is for the co-ownership and operation of BOSSINGHAM RESORT ASSOCIATION, INC. hereafter referred to as the resort and corporation.

The incorporators are:

Scott Page - President  
/ Arthur Bossingham - Vice President  
/ Barbara Bossingham - Treasurer  
- Roxanne Page - Secretary  
William Andrew - Director

Purchase of a stock certificate entitles a shareholder to one share in the corporation. A share consists of one vote in the operation of the corporation, ownership of a unit, and 1/9th ownership in the common elements plus privileges, regulations and responsibilities as described in the By-Laws. The stock certificate is evidence of title to ownership of the unit, subject to the provisions of the By-Laws and stock restrictions.

The developers, S&R Properties, LLC, retain developers' rights on all certificates held in their names. Developers' rights include the developers' right to sell, market, rent, remove, and/or remodel any and all units.

The Association

Operation of the Association will be funded by annual dues. As stated in the By-Laws, the Board of Directors will prepare an annual budget for the annual meeting at which time the shareholders will, by majority vote, set the amount of the annual dues.

The operational expense consists of insurance on common elements, maintenance of common elements, and operational costs of the corporation.

An assessment fee of \$300. will be required at closing upon the purchase of any unit. This assessment will be deposited into a separate Maintenance Account of the Association for the purposes of any work that may have to be done on the grounds and or to pay for the costs associated with transferring ownership of a stockholder.

The other common element expense will be equally divided between the 9 shareholders. The incorporating board of directors has set the 2001 budget. Annual dues are based on this projection subject to changes.

The estimated common element expenses are calculated to be:

UTILITIES*	\$1400.
SEWER	\$1200.
REFUSE	\$750.
OFFICE/ACCOUNTING	\$500.
MANAGEMENT	\$1,080.
MAINTENANCE	\$2,100.
INSURANCE	\$2,000.
SNOW REMOVAL	\$600.
TAXES	\$3200.
RESERVE ACCOUNT	\$670.
TOTAL	\$13,500.

\*Natural gas is included in the assessment for Units 1-4. Units 5-9 pay individual natural gas bills due to their year around use. Electricity for the entire resort is included in the annual dues and paid by the association.

This amount is to be divided equally between each unit. Each certificate holder's share is \$1500.00 (estimated) and the is due upon closing and thereafter on January 1 of each year commencing January 1, 2001. Assessments will be prorated in arrears from date of close. With the purchase of stock comes ownership of the unit stated on the stock certificate. As stated in the By-Laws, the owner of the unit is responsible for the maintenance of the unit, unspecified utility expenses and, insurance on the unit and contents.

The fiscal year is from January 1 to December 31.

#### Taxes

Taxes are included in the yearly assessment.

The resort is taxed as a complete unit. It is classified as a commercial property. The total tax bill is subject to possible change depending on zoning, tax changes, and improvements to individual units.

Taxes will be prorated in arrears from date of close. Future tax bills will be paid as designated by the By-Laws of the Association.

#### Rentals

All rentals currently secured shall transfer with the unit and must be honored by the purchaser at the agreed upon rental rate as indicated by the rental management schedule book provided at acceptance of purchase agreement by Northern Lakes Property Management and or Scott and Roxanne Page.

Misc.

All sales include all personal property now in the unit as per an inventory list provided to purchaser at acceptance of purchase agreement.

Purchaser acknowledges no unit shall be used for fulltime residential purposes without express written permission of the association board.

The owners and developers reserve the right to reject all offers.

All By-Laws subject to change in accord with their terms.  
Subject to modifications that may be required by zoning, building restrictions, and the Michigan Department of Commerce.

This addendum becomes a part of the original purchase agreement and our signatures below acknowledge such.

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Date

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Date

\_\_\_\_\_  
Scott R. Page, S&R Properties, LLC

\_\_\_\_\_  
Date

\_\_\_\_\_  
Roxanne M. Page, S&R Properties, LLC

\_\_\_\_\_  
Date

ADDENDUM TO PURCHASE AGREEMENT  
BOSSINGHAM RESORT ASSOCIATION, INC.

BOSSINGHAM RESORT ASSOCIATION, INC. was incorporated in 2000 and has 9 stock certificates. As stated in the By-Laws, Article 1, Section 1, the purpose of the corporation is for the co-ownership and operation of BOSSINGHAM RESORT ASSOCIATION, INC. hereafter referred to as the resort and corporation.

Purchase of a stock certificate entitles a shareholder to one share in the corporation. A share consists of one vote in the operation of the corporation, ownership of a unit, and 1/9 th ownership in the common elements plus privileges, regulations and responsibilities as described in the By-Laws. The stock certificate is evidence of title to ownership of the unit, subject to the provisions of the By-Laws and stock restrictions.

The Association

Operation of the Association will be funded by annual dues. As stated in the By-Laws, the Board of Directors will prepare an annual budget for the annual meeting at which time the shareholders will, by majority vote, set the amount of the annual dues.

The operational expense consists of insurance on all common elements, maintenance of common elements, and operational costs of the corporation.

An assessment fee of \$300.00 will be required at closing the purchase of any unit. This assessment will be deposited into a separate Maintenance Account of the Association for the purposes of any work that may have to be done on the grounds and or to pay for the costs associated with the transferring ownership of a stockholder.

The other common element expense will be equally divided between the 9 shareholders.

The common element expenses for the 2005 fiscal year are estimated to be:

UTILITIES*	\$200.00
TRASH REMOVAL	\$800.00
INSURANCE	\$3,700.00
SEWER	\$1,900.00
MAINTENEANCE**	\$2,400.00
PROPERTY TAXES	\$4,500.00
BOARD SERVICE	\$1,000.00
RESERVE	\$800.00
TOTAL	\$14,500.00

\*does not include electrical, gas, telephone or cable TV for individual units.

\*\*includes mowing, raking, snow plowing, seawall repair and docks.

This amount is divided equally between each unit. Each certificate holder's share is \$1700.00 (estimated) and is due on or before March 1<sup>st</sup>. Assessments are to be prorated in arrears from date of close. With purchase of stock comes ownership of the unit stated on the stock certificate. As stated in the By-Laws, the owner of the unit is responsible for the maintenance of the unit, unspecified utility expenses and insurance on the interior of the unit and contents.

The fiscal year is from January 1 to December 31.

Taxes

Property taxes are included in the yearly assessment.

The resort is taxed as a complete unit. It is classified as a commercial property. The total tax bill is subject to possible change depending on zoning, tax changes, and the improvements to individual units.

Taxes will be prorated in arrears from date of close. Future tax bills will be paid as designated by the By-Laws of the Association.

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Date

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Date