

BY-LAWS
OF
LAUGHING WHITEFISH POINT PROPERTY OWNERS' ASSOCIATION

ARTICLE I

Name and Objectives of Corporation

Section 1. Name. This corporation shall be known as "Laughing Whitefish Point Property Owners' Association", hereinafter called the "Association."

Section 2. Objectives. The Association shall be responsible for the maintenance and upkeep of Shore Drive, its shoulders and entry way within the Laughing Whitefish Point development in Onota Township, Alger County, Michigan, hereinafter called "Laughing Whitefish Point." The Association shall also be responsible for hiring a caretaker for Laughing Whitefish Point. The caretaker's duties shall include plowing of snow on the main road, Shore Drive, mowing, maintenance and landscaping along Shore Drive and its entrance to the development as well as miscellaneous tree removal and storm damage rectification thereon. The Association may decide at any time not to have a caretaker and contract to outside parties for the duties presently performed by the caretaker. The Association shall not be obligated to plow, maintain or repair any individual driveways or access roads leading thereto.

The Association shall also be responsible for enforcement of the Protective Covenants and Restrictions applicable to Laughing Whitefish Point, a copy of which are attached hereto as Schedule "A."

ARTICLE II

Membership

Section 1. Membership. The membership of the Association shall be limited to all persons who own a parcel (including any future parcel subdivided from a current parcel) in Laughing Whitefish Point. Any person or entity who holds an interest in a parcel only as security shall not be a member of the Association. Each owner, or joint or common owner, of a parcel in Laughing Whitefish Point shall be a member of the Association.

Section 2. Annual Charge. Each member shall pay to the Association the "Annual Charge" as established by the Association. The Annual Charge shall be used to achieve the objectives of the Association. The Board of Directors shall establish the date or dates (if paid in installments) on which the Annual Charge shall be due. The first Annual Charge will be due for the calendar year 2002 payable in January.

Section 3. Amount of Charge. The annual Charge shall be established on a yearly basis at the annual meeting of the Association. No further assessments may be made unless specifically approved by the Association at a special meeting of the Association called pursuant to these By-Laws. The 2002 Annual Charge shall be determined at the organizational meeting to be held September 15, 2001.

Section 4, Default. In the event of a default by any member in paying to the Association the Annual Charge, and/or any special assessment, then the member in default shall be obligated to pay interest at the highest rate allowed by law on such common charges from the due date thereof as determined by the Association, together with all expenses, including reasonable attorney's fees, incurred by the Association in any proceedings brought to collect such unpaid common charges. The Association shall have a lien on the parcel of any defaulting member to secure the payment of such charges, interest, expenses, costs and fees, which lien may be enforced in any manner provided for the foreclosure of mortgages or liens under Michigan law.

Section 5. Membership Nonassignable. Membership and the rights and privileges of a member shall not be assignable, but shall always be an incident of parcel ownership.

Section 6. Vote. Each member shall have one vote, in person or by proxy at a meeting of the members; provided, however, that if two or more members have or hold common or joint ownership to any parcel in Laughing Whitefish Point, only one vote shall be cast for each parcel with common or joint ownership, but the owner of more than one parcel shall have one vote for each parcel. The designation of any proxy shall be made in writing to the Secretary of the Association, and shall be revocable at any time by written notice to the Secretary.

ARTICLE III Directors and Officers

Section 1. Board of Directors. The Officers of the Association shall also serve on the Board of Directors. There must always be at least three Directors. Not more than one owner of a parcel may serve as a Director.

Section 2. Officers. The Officers of the Association shall consist of a President, Vice President, Secretary and a Treasurer. One person may hold more than one office, but there must always be at least three people serving as Officers.

Section 3. President as Committee Member. The President shall be a member, ex officio, of all committees.

Section 4. Qualifications. The officers and directors of the Association shall be members of the Association.

ARTICLE IV Meetings

Section 1. Annual Meeting of Members. The date of the annual meeting of members of the Association shall be established at the organizational meeting of the Association. Notice of the time and place of holding the annual meeting shall be mailed to each member not less than 60 days before each annual meeting.

Section 2. Special Meetings of the Association. Special meetings of the Association members may be called by the President, or upon request of ten members made to the President in writing. Notice of the meeting shall be mailed to each member not less than 10 nor more than 30 days before the date of the meeting, and at such special meeting there shall only be considered such business as is specified in the notice of the meeting.

Section 3. Quorum for Meeting. At all meetings of the Association, either regular or special, the presence of members in good standing, in person or by proxy, entitled to cast thirty (30%) of the total number of votes in the Association, shall constitute a quorum. A majority vote of such quorum shall be required to conduct the business of the Association.

Section 4. Lack of Quorum. If a quorum is not present, the presiding officer may adjourn the meeting to a day and hour set by such officer. The members present at a duly called or held meeting at which a quorum was once present may continue to do business at the meeting notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 5. Order of Business. At all meetings of the Association, the order of business shall be as follows:

- A. Minutes of Previous Meeting
- B. Reports of Officers
- C. Reports of Committees
- D. Unfinished Business
- E. New Business
- F. Any Other Business
- G. Adjourn

Section 6. Location. Meetings of the Association shall be held at a suitable place convenient to the members and such place shall be specified in the notice of the meeting.

Section 7. Ratification. Members not present at a meeting may, within thirty days after the meeting, ratify any vote taken at the meeting by sending written notice to the President. Such written ratification shall have the same effect as if the members had been present and voting at the meeting.

ARTICLE V
Election of Directors and Officers

Section 1. Elections. The terms of the directors and officers of the Association shall be for two years and they shall be elected by plurality vote at the annual meeting of the Association. No member may serve more than two consecutive terms in any one office.

Section 2. Vacancies. If a vacancy occurs among the Board of Directors or officers, the Board of Directors shall fill the vacancy for the remainder of the director's or officer's term.

Section 3. Removal. Any director or officer may be removed from office if so voted by members of the Association entitled to cast at least sixty-six percent (66%) of the total number of votes in the Association.

Section 4. Nominating. Nominations may be made by any members of the Association at the election meeting.

ARTICLE VI
Duties of Officers

Section 1. President. The President shall preside at all meetings of the Association and shall appoint such committees as the President or the Association shall consider expedient or necessary.

Section 2. Vice President. In the absence of the President, the Vice President shall perform the President's duties. The Vice President shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Association.

Section 3. Secretary. The Secretary shall keep the minutes of all meetings of the Association. The Secretary shall mail out all notices for meetings of the Association and shall perform such other duties as may be required by the By-Laws, the President or the Association.

Section 4. Treasurer. In the absence of both the President and the Vice President, the Treasurer shall preside and assume the duties of the President. The Treasurer shall have charge of all receipts and monies of the Association, deposit them in the name of the Association in a bank approved by the Association and disburse funds as ordered or authorized by the Association. The Treasurer shall keep regular accounts of all receipts and disbursements, submit the records when requested, and file an itemized statement at regular meetings of the Association. The Treasurer or the President or Vice President may sign checks and withdrawal slips on behalf of the Association upon any and all of its bank accounts. The Treasurer shall have

authority to pay all installments due the caretaker or contractor for landscaping and snowplowing and shall also be authorized to expend additional funds on behalf of the Association up to a total of \$5,000 without the express written approval of the Association.

Section 5. Execution of Instruments. The President shall, on being so directed by the Association, sign all leases, contracts or other instruments in writing.

ARTICLE VII

Duties and Powers of the Board of Directors

Section 1. Management of Association. The Board of Directors shall have general charge and management of the affairs, funds and property of the Association. The Board of Directors shall have the duty and full power to carry out the purposes of the Association according to its Articles of Incorporation and By-Laws. The Board of Directors shall have authority to pay all installments due the caretaker or contractor for landscaping and snowplowing and shall also have authority to approve additional expenditures on behalf of the Association up to a total of two times the annual dues (200%) without the express approval of the members of the Association. Expenditures on behalf of the Association in excess of two times annual dues shall require the express approval of fifty-one percent (51%) of the members of the Association.

Section 2. Annual Charge. The Board of Directors shall have the power to collect the annual charge which members are required to pay and to take such actions as they deem necessary to its collection.

Section 3. Protective Covenants. The Board of Directors shall have the authority to administer and enforce the Protective Covenants and Restrictions applicable to Laughing Whitefish Point, a copy of which are attached hereto as Schedule "A".

Section 4. Meetings. The Board of Directors, at their discretion, shall set times and days for meetings as agreed by a majority of the Board. There shall be no need for formal written notice of the meetings, but rather, it will be left to the President of the Association, who shall be the Chairman of the Board of Directors, to schedule meetings of the Board when necessary.

ARTICLE VIII

Compensation of Directors and Officers

Neither the Board of Directors, Officers, nor members serving on committees shall receive any salary or compensation for services rendered to the Association, but may be reimbursed for funds advanced on behalf of the Association as approved by the Board of Directors.

ARTICLE IX

Notices

All Notices to members shall be mailed to their addresses as given on the books of the Association and such mailing shall constitute presumptive evidence of receipt thereof.

ARTICLE X

Liability of Officers

The Directors and Officers of the Association shall not be liable to the members of the Association for any mistake or judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The members of the Association shall indemnify and hold harmless each of the Directors and Officers against all contractual liability to others arising out of contracts made by the Directors or Officers on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Articles of Incorporation or of these By-Laws. It is intended that the Directors and Officers shall have no personal liability with respect to any contract made by them on behalf of the Association. It is also intended that any liability of any member of the Association arising out of any contract made by the Directors or Officers, either individually, pursuant to authority provided hereunder, or acting as a group in the form of a Board of Directors, or out of the aforesaid indemnity in favor of the Directors and Officers, shall be limited to such proportion of the total liability thereunder as said member's votes in the Association bear to the total number of votes in the Association.

ARTICLE XI

Business Records

The corporate business records of the Association shall at all times, during reasonable business hours, be subject to the inspection of any member.

ARTICLE XII
Parliamentary Rules

Roberts Rules of Order, as most recently revised, shall govern the conduct of the Association meetings when not in conflict with these By-Laws.

ARTICLE XIII
Amendments

Amendments to these By-Laws may be adopted only if so voted by members of the Association entitled to cast at least sixty six percent (66%) of the total number of votes in the Association, provided that notice of the proposed amendment is given in the notice of the meeting.

I certify that the foregoing By-Laws
were adopted by the Corporation
the 15th day of September, 2001.

R. John Reynolds, President