

MASTER DEED

The Lodge at East Bay, a Condominium

ANTRIM CONDOMINIUM SUBDIVISION PLAN NO. ____

This Master Deed is made and executed this ____ day of May 2003, by The Lodge Group, L.L.C., a Michigan limited liability company (hereinafter referred to as "Developer"), whose address is 321 Woodland Pass, East Lansing, Michigan 48823.

WITNESSETH:

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

NOW, THEREFORE, upon the recording hereof, Developer establishes The Lodge at East Bay as a Condominium under the Condominium Act and declares that the Condominium shall be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved, or in any other manner utilized, subject to the provisions of said Act, and subject to the covenants, conditions, restrictions, uses, limitations, and affirmative obligations set forth in this Master Deed and the Exhibits hereto, all of which shall be deemed to run with the land and shall be a burden and a benefit to the Developer, its successors and assigns, and any persons acquiring or owning an interest in the real property, their grantees, successors, heirs, executors, administrators and assigns.

ARTICLE I

TITLE AND NATURE

The Condominium shall be known as Antrim County Condominium Subdivision Plan No. _____. The plans and specifications for the Condominium were filed with Antrim County Register of Deeds. The Units and other improvements contained in the Condominium, including the number, boundaries and dimensions of each Unit therein, are set forth in the Condominium Subdivision Plan attached as Exhibit B hereto. Each Unit contains a dwelling suitable for residential use, and is limited to single family occupancy and residential purposes only. Each Unit is capable of individual use, having its own entrance from and exit to a Common Element of the Condominium. Each Co-owner in the Condominium shall have an exclusive right to the Unit owned and shall have undivided and inseparable rights to share with other Co-owners the Common Elements of the Condominium as designated by the Master Deed. Co-owners shall have voting rights in The Lodge at East Bay Co-Owners' Association as set forth herein and in the Condominium Bylaws and Articles of Incorporation of such Association.

ARTICLE II

LEGAL DESCRIPTION

The land which comprises the Condominium established by this Master Deed is located in the Village of Elk Rapids, Elk Rapids Township, Antrim County, Michigan, and is described as follows:

That part of Government Lot 1 of Section 21, Town 29 North, Range 9 West, described as: Commencing at a meander corner on the North line of said Section 21 and said Government Lot 1, said corner being 122.92 feet Westerly of the intersection of said North section line

and the centerline of Highway U.S. 31; thence South 89°08'50" West along said North section and government lot line as monumented, 248.47 feet to the Point of Beginning; thence South 89°10'36" West along said monumented North section and government lot line, 197.71 feet to a meandering traverse along the Ordinary High Water Line of Grand Traverse Bay; thence along said traverse and high water line the following three courses, South 52°21'29" West, 23.93 feet; South 45°44'38" West, 54.66 feet; South 50°31'00" West, 57.17 feet; thence leaving said traverse and high water line South 45°05'58" East, 363.84 feet to a point on the Westerly line of former railroad right-of-way and the Westerly line of Bayshore Condominiums as recorded in Liber 266, Page 1073 of Antrim County Records; thence North 00°53'00" East along said Westerly railroad right-of-way and condominium line, 159.76 feet; thence along said Westerly railroad right-of-way and condominium line 194.36 feet along the arc of a 506.96 feet radius curve to the right, the long chord of which bears North 11°51'59" East, 193.17 feet to the Point of Beginning and containing 1.26 acres of land. The North and Southerly lines of said parcel extend Westerly to the water's edge of Grand Traverse Bay with all rights thereto reserved. Together with a non-exclusive right-of-way for ingress and egress to Parcel 1 across a strip of land 20 feet in width commencing at the Southerly corner of Parcel 1, above described at its intersection with the West line of the former railroad right-of-way and extending Southerly and adjacent to said right-of-way to U.S. 31 service road; as described in Liber 528, Page 168 of Antrim County Records.

Also subject to easements, right-of-ways, reservations and restrictions of record.

ARTICLE III

DEFINITIONS

Certain terms used in this Master Deed and the Exhibits hereto, and in the Articles of Incorporation of Harbors Watch Co-Owners' Association are defined as follows:

(a) The "Act" or "Condominium Act" means Act 59 of the Public Acts of Michigan of 1978, as amended.

(b) "Association" means the Michigan nonprofit corporation, The Lodge at East Bay Co-Owners' Association, of which all Co-owners shall be members, which Association shall administer, operate, manage and maintain the Condominium. Any action required of or permitted to the Association shall be exercisable by its Board of Directors unless specifically reserved to its members by the Condominium Documents or the laws of the State of Michigan.

(c) "Bylaws" means Exhibit A hereto, which are the Bylaws required for the Condominium, and which are also the Bylaws of the Association.

(d) "Common Elements" means the portions of the Condominium other than the Condominium Units.

(e) "Condominium" means The Lodge at East Bay as a condominium established pursuant to the provisions of the Act, and includes the land, all improvements thereon, and all easements, rights and appurtenances belonging to the Condominium.

(f) "Condominium Documents," wherever used, means and includes this Master Deed and the Exhibits hereto, the Articles of Incorporation and any rules and regulations adopted by the Association.

(g) "Condominium Subdivision Plan" or "Plan" means the Plan attached to this Master Deed as Exhibit B. The Plan assigns a number to each Condominium Unit and includes a description of the nature, location and approximate size of certain Common Elements.

(h) "Condominium Unit" or "Unit" means the enclosed space constituting a single complete Unit designed and intended for separate ownership and use in the Condominium as such space may be described on Exhibit B hereto, together with the assigned garage appurtenant to that Unit.

(i) "Co-owner" means a person, firm, corporation, partnership, association, trust or other legal entity or a combination thereof who or which owns one or more Units in the Condominium. Developer is a Co-owner as long as Developer owns one or more Units.

(j) "Developer" means The Lodge Group, L.L.C., a Michigan limited liability company, and its successors or assigns. All development rights reserved under the Act to Developer herein are assignable in writing; provided, however, that conveyances of Units by Developer, including without limitation conveyances to a "successor developer" pursuant to Section 135 of the Act, shall not serve to assign Developer's development rights unless the instrument of conveyance expressly so states.

(k) "General Common Elements" means the Common Elements other than the Limited Common Elements.

(l) "Limited Common Elements" means a portion of the Common Elements reserved in this Master Deed for the exclusive use of less than all of the Co-owners.

(m) "Master Deed" means this document and, depending on the context, may also include the Condominium Bylaws and Condominium Subdivision Plan attached as exhibits.

(n) "Mortgagee" means the named mortgagee or owner of any mortgage on all or any portion of the Condominium.

(o) "Percentage of Value" means the percentage assigned to each Condominium Unit in this Master Deed. The Percentages of Value of all Units shall total one hundred (100%) percent. The Percentages of Value shall be determinative only with respect to those matters to which they are specifically deemed to relate either in the Condominium Documents or in the Act.

(p) "Person" means an individual, firm, corporation, partnership, association, trust, the State or an agency of the State or other legal entity, or any combination thereof.

(q) "Size" means the number of square feet of interior floor space within each Condominium Unit computed by reference to the Plan and rounded off to a whole number.

(r) "Transitional Control Date" means the date on which the Board of Directors of the Association takes office pursuant to an election in which the votes which may be cast by eligible Co-owners unaffiliated with the Developer exceed the votes which may be cast by the Developer.

ARTICLE IV

COMMON ELEMENTS

The Common Elements of the Condominium described in Exhibit B attached hereto and the respective responsibilities for maintenance, repair, replacement, restoration or renovation thereof are defined as follows:

(a) The General Common Elements are:

(1) **Land.** The land described in Article II hereof, excluding those portions within the boundaries of any Condominium Unit or defined as Limited Common Elements, all as described in Article VI hereof and shown on Exhibit B hereto, but including easement interests of the Condominium in the property within the boundaries of any Unit;

(2) **Improvements.** All private drives, sidewalks, parking areas, and elevators and stairs within the Condominium; and utility rights-of-way, as indicated in the Condominium Subdivision Plan.

(3) **Certain Non-Village Utilities.** The electrical, gas, telephone, and cable television (if any) networks or systems throughout the Condominium, up to the point of entry into each Unit.

(4) **Accretions.** All accretions of lands lying between the traverse line of the legal description in Article II, and the mean high water mark of Grand Traverse Bay.

(5) **Miscellaneous.** Such other elements of the Condominium not herein designated as Limited Common Elements which are not enclosed within the boundaries of a Unit, and which are intended for common use or necessary to the existence, upkeep and safety of the Project.

(b) The Limited Common Elements are those Common Elements limited in use to the owners of the Unit they abut or to which they pertain. The Limited Common Elements are:

(1) **Party (Fire) Walls.** Any party or shared walls between Units, which are constructed and meet fire code standards as

such. Under Section 47(2) of the Act, each Co-owner is hereby put on notice that no party (fire) wall may be removed even if a Co-owner owns the adjacent Unit(s).

(2) **Garage Areas.** The garage areas assigned to a Unit, as depicted in Exhibit B.

(3) **Village Utility Leads.** All water and sewer leads from the interior boundary of a Unit to the outside walls and general common elements.

(c) Maintenance, repair and replacement of all Common Elements shall be the responsibility of the Association, to be assessed to all Co-owners according to their Percentages of Value, subject to the following provisions:

(1) The Limited Common Elements described in subparagraph (b) above shall be the responsibility of the respective Co-owner and Unit to which it is appurtenant; and

(2) The cost of repair of damage to a Common Element caused by a Co-owner, family member, or invitee of a Co-owner, shall be assessed against the Co-owner.

ARTICLE V

USE OF PREMISES - SINGLE FAMILY RESIDENTIAL

No person shall use any Unit or the Common Elements in any manner inconsistent with the purposes of the Condominium or in any manner which will interfere with or impair the rights of any other Co-owner in the use and enjoyment of the Condominium. No commercial uses, other than permitted home occupations under the Village of Elk Rapids Zoning Ordinance, shall be allowed. In addition, foster care homes and day care centers are subject to the provisions of Article VI-A of the Condominium Bylaws, Exhibit A hereto.

ARTICLE VI

CONDOMINIUM UNIT DESCRIPTION AND PERCENTAGE OF VALUE

(a) The Condominium consists of Seven (7) residential condominium Units. Each Unit is described in this paragraph

with reference to the Condominium Subdivision Plan attached hereto as Exhibit B. Each Unit shall include all that space contained within horizontal and vertical planes as drawn on and specifically located on said Exhibit B attached hereto. In determining such dimensions, each Condominium Unit has been or will be measured by Eagle Land Surveying, a registered land surveyor, whose address is P.O. Box 836, Elk Rapids, Michigan 49629. There are architectural plans for the Project, which have been prepared by Fred Mahoney, 321 Woodland Pass, East Lansing, Michigan 48823. Finally, the site design (including engineering) was prepared by Elmer's, 3600 Rennie School Road, P.O. Box 6150, Traverse City, Michigan 49684.

(b) For all purposes, individual Units may hereafter be defined and described by reference to this Master Deed and the individual number assigned to the Unit in the Plan.

(c) The Percentage of Value assigned to each Unit is set forth below and shall be determinative of the proportionate share of each respective Co-owner in the proceeds and expenses of the Association, the value of such Co-owner's vote at meetings of the Association, and the undivided interest of the Co-owner in the Common Elements. The total percentage value of the Condominium is 100%. All Units are hereby assigned an equal percentage of value because all Units are expected to have equal allocable expenses of maintenance. Therefore, each Unit shall have a 14.29% percentage of value. Developer rounded off percentages and made minor adjustments to achieve a total of 100%.

(d) In accordance with Section 72b of the Act, each Unit shall end at the uppermost extent, in a vertical plane, of the interior ceilings of a Unit, as shown in Exhibit B. Therefore, the fee in the air space in and above the roofs and eaves, in a vertical plane, shall remain as General Common Elements.

ARTICLE VI-A

TIMING FOR DEVELOPMENT

In accordance with Section 67 of the Act, if the Developer has not completed development and construction of the entire Project, including proposed improvements - whether identified as "must be built" or "need not be built" - during a period ending

10 years from the date of commencement of construction by the Developer of the Project, the Developer and its successors and assigns shall have the right to withdraw from the Project all undeveloped portions of the Project without the prior consent of any Co-owners, mortgagees of Units in the Project, or any other party having an interest in the Project. The undeveloped portions of the Project withdrawn within that ten year period shall automatically be granted easements for utility and access purposes through the Project for the benefit of the undeveloped portions so withdrawn. The withdrawn portions shall be developed as additional units in accordance with the Plans, Exhibit B, and zoning approvals, and in no event shall more than a total of seven units be constructed on the original lands and the withdrawn lands.

ARTICLE VI-B

EXPANDABLE CONDOMINIUM

The Condominium is established as an expandable condominium in accordance with the provisions of the Act and this Article:

(a) Developer reserves the right, but not an obligation, to expand the Condominium.

(b) There are no restrictions or limitations on Developer's right to expand the Condominium except as stated in this Article. The consent of any Co-owner shall not be required to expand the Condominium. All of the Co-owners and Mortgagees of Units and persons interested or to become interested in the Condominium from time to time shall be deemed to have irrevocably and unanimously consented to such expansion of the Condominium and any amendment or amendments to this Master Deed to effectuate the expansion and to any reallocation of Percentages of Value of existing Units which Developer may determine necessary in conjunction with such amendment or amendments. All such interested persons irrevocably appoint Developer or its successors as agent and attorney for the purpose of executing such amendment or amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be made without the necessity of rerecording an entire Master Deed or the Exhibits thereto and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits herein. Nothing herein

contained, however, shall in any way obligate Developer to enlarge the Condominium. These provisions give notice to all persons acquiring interests in the Condominium that such amendments of this Master Deed may be made and recorded, and no further notice of amendment shall be required.

(c) The Developer's right to expand the Condominium shall expire six years after the initial recording of this Master Deed.

(d) The land which may be added to the Condominium (herein referred to as the "Additional Land") is referred to in the Plan as the proposed future development area, and is legally described as follows:

Real property adjacent to the Condominium, legally described as tax parcel # 05-43-021-020-00, being more fully described as: **Beginning at a point on the shore of Grand Traverse Bay, 172.78 feet South 55° West of intersection of North line of section and Grand Traverse Bay; thence South 45° East, 351.2 feet to West line of former railroad right-of-way; thence South 0°53' West, 139.2 feet along said railroad right-of-way; thence North 45° West, 466.4 feet to shore of Grand Traverse Bay; thence Northeasterly 101.67 feet to Point of Beginning. Section 21, Town 29 North, Range 9 West.**

(e) The Additional Land may be added to the Condominium in its entirety or in parcels, in one amendment to this Master Deed or in separate amendments, at the same time or at different times, all in Developer's discretion. There are no restrictions upon the order in which portions of the Additional Land may be added to the Condominium.

(f) There are no restrictions upon the locations of any improvements that may be made on any portions of the Additional Land, and Developer reserves the right to locate such improvements in Developer's sole discretion subject only to such applicable laws and ordinances which may affect the Condominium.

(g) The number of Units which Developer reserves the right to construct, all or in part, upon the Additional Land is six (6), for a maximum of thirteen (13) Units which may be included in the Condominium including the Units now shown on the Plan. Local building ordinances and regulations may permit a smaller number

of Units to be created upon the Additional Land. This Master Deed imposes no restrictions upon the number of Units to be created on individual portions of the Additional Land, provided that the maximum number of Units stated herein for the whole shall not be exceeded.

(h) All land and improvements added to the Condominium shall be restricted exclusively to residential units and to such Common Elements as may be consistent and compatible with residential use. There are no other restrictions upon such improvements except those which are imposed by state law, local ordinances or building authorities.

(i) The extent to which any structure erected on any portion of the Additional Land added to the Condominium are compatible with structures on land included in the original Master Deed is solely within the discretion of the Developer, subject only to the requirements of local ordinances and building authorities, and is not limited by this Master Deed.

(j) Developer may create Limited Common Elements upon the Additional Land and designate Common Elements thereon which may be subsequently assigned as Limited Common Elements. The nature of any such Limited Common Elements to be added to the Condominium is exclusively within the discretion of the Developer.

(k) If the Condominium is expanded, it shall be expanded by an amendment to the Master Deed or by a series of successive amendments to the Master Deed, each adding Additional Land and/or improvements to the Condominium.

(l) Any amendment to the Master Deed which alters the number of Units in the Condominium shall proportionately readjust the existing Percentages of Value of Condominium Units to preserve a total value of one hundred (100%) percent for the entire condominium. Percentages of Value shall be readjusted and determined in accordance with the method and formula described in Article VI of this Master Deed.

(m) Any expansion shall be deemed to have occurred at the time of the recording of an amendment to this Master Deed embodying all essential elements of the expansion. At the conclusion of expansion of the Condominium, not later than 180 days after

completion of construction, a Consolidating Master Deed and plans showing the Condominium "as built" shall be prepared and recorded by the Developer. A copy of the recorded Consolidating Master Deed shall be provided to the Association.

ARTICLE VII

EASEMENTS, RESTRICTIONS AND AGREEMENTS

The Condominium is subject to the following easements, restrictions and agreements:

(a) Developer hereby reserves permanent nonexclusive easements for ingress and egress over the roads in the Condominium, permanent easements to use, tap into, enlarge or extend all private drives and utility lines (to the extent they are not owned by the Village of Elk Rapids) in the Condominium, including, without limitation, all communications, gas, electric, water retention areas, if any, all of which easements shall be for the benefit of Developer in order to market and sell the Units.

(b) Developer reserves the right and power to grant easements over, or dedicate, portions of any of the Common Elements for utility, conservation, drainage, street, safety or construction purposes, and all persons acquiring any interest in the Condominium shall be deemed irrevocably to have appointed Developer and its successors as agent and attorney-in-fact to make such easements or dedications. After completion of the Condominium, the foregoing right and power may be exercised by the Association.

(c) In the event any portion of a Unit or Common Element encroaches upon another Unit or Common Element due to survey errors, construction deviations, reconstruction or repair, reciprocal easements shall exist for the maintenance of such encroachment for as long as such encroachment exists, and for maintenance thereof. There shall be easements to, through and over those portions of the land for the installation, maintenance and servicing of all utilities in the Condominium, including, but not limited to, lighting, heating, power, water, sewerage, and communications, including telephone and cable television lines.

(d) The final locations of the sanitary sewerage and water mains shall be subject to the approval of the Village of Elk Rapids DPW, and if such approval mandates an encroachment of one Unit on another Unit or Limited Common Element, the Co-owner of the encumbered Unit shall be deemed irrevocably to have consented to the granting of an easement in perpetuity for that purpose.

(e) The Association shall financially support all easements described in this Article VII or otherwise pertaining to the Project, regardless of the rights of others to utilize such easements.

(f) All Co-owners of Units agree that the reserved easements herein are reasonable and necessary and, further, that the rights described in Section 40 of the Act - requiring consent at the time the easement or encroachment is sought - shall not apply to this development.

ARTICLE VIII

AMENDMENTS

This Master Deed and any Exhibit hereto may be amended in the following manner:

(a) Amendments may be made and recorded by Developer or by the Association.

(b) If the amendment will materially change the rights of the Co-owners or Mortgagees, then such amendment requires the consent of not less than two-thirds (2/3) in value of the votes of the Co-owners or mortgagees. A Mortgagee shall have one vote for each mortgage held. To the extent necessary, the Bylaws attached hereto as Exhibit A shall apply to the voting procedures which are required to implement this subsection VIII(b).

(c) Notwithstanding subparagraph (b) above, but subject to the limitation of subparagraph (d) below, Developer reserves the right to amend this Master Deed or any of its Exhibits for any of the following purposes without the consent of Co-owners or Mortgagees:

(1) To modify the locations, types and sizes of unsold

Units and the General and/or Limited Common Elements adjoining or appurtenant to unsold Units;

(2) To amend the Condominium Bylaws, subject to any restrictions on amendments stated therein;

(3) To correct arithmetic errors, typographical errors, survey errors, or any similar errors in the Master Deed, Condominium Subdivision Plan or Condominium Bylaws;

(4) To clarify or explain the provisions of the Master Deed or its exhibits;

(5) To comply with the Act or rules promulgated thereunder; with any requirements of any governmental or quasi-governmental agency; any financing institution providing or proposing to provide a mortgage on any Unit; or to satisfy the title requirements of any title insurer insuring or proposing to insure title to any Unit;

(6) To make, define or limit easements affecting the Condominium, in accordance with Article VII;

(7) To record an "as-built" Condominium Subdivision Plan and/or consolidating master deed and to depict thereon other improvements, if any, not shown on the Plan attached hereto;

(d) Notwithstanding any other provision of this Article VIII, the method or formula used to determine the Percentages of Value for Units in the Condominium, as described in Article VI above, may not be modified without the consent of each affected Co-owner and Mortgagee. A Co-owner's Condominium Unit dimensions or appurtenant Limited Common Elements may not be modified without the Co-owner's consent. The Association may make no amendment which materially changes the rights of Developer without the written consent of the Developer as long as the Developer owns any Units in the Condominium.

ARTICLE IX

ASSIGNMENT

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law (including

the power to approve or disapprove any act, use or proposed action or any other matter or thing) may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing duly recorded in the office of the Antrim County Register of Deeds.

IN WITNESS WHEREOF, Developer has caused this Master Deed to be executed the day and year first above written.

WITNESS: THE LODGE GROUP, L.L.C.
a Michigan limited liability
company

Kenneth C. Fowler, Its Manager

STATE OF)
) ss
COUNTY OF)

The foregoing instrument was acknowledged before me this ___ day of May, 2003 by Kenneth C. Fowler, as the manager of The Lodge Group, L.L.C., a Michigan limited liability company, who has full authority, to execute this document, on behalf of the company.

Notary Public

DRAFTED BY AND WHEN RECORDED RETURN TO:

Charles R. Meyer, III, P.C. (P 36193)
236 ½ East Front Street
P.O. Box 950
Traverse City, Michigan 49685
(231) 922-0800