

# Hidden Ridge



*A Mission Bay Development*

Hidden Ridge  
*Of Northern Michigan, L.L.C.*

231.929.1920

*2840 Cass Road  
Traverse City, MI 49684*

*LaPorte*

**PURCHASER'S INFORMATION BOOKLET**

**For**

**HIDDEN RIDGE**

**A Site Condominium**

**Peninsula Township, Grand Traverse County, Michigan**

Developed by:

Hidden Ridge Development, LLC  
2840 Cass  
Traverse City, Michigan 49684

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**For**

**Hidden Ridge**

**A Site Condominium**

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## INSTRUCTION SHEET

### **HIDDEN RIDGE**

Pursuant to Section 84(a) of the Condominium Act, you, as a prospective purchaser of a unit in this project, are advised of the following:

**The Developer must provide copies of all of the following documents to a prospective purchaser:**

1. The recorded Master Deed.
2. A copy of the Purchase Agreement.
3. A Condominium Buyer's Handbook.
4. A Disclosure Statement containing all of the following:
  - A. An explanation of the Association of Co-Owner's possible liability in the event of foreclosure of a first mortgage.
  - B. The names, addresses and previous experience with condominium projects of each developer, and any management agency, real estate broker, residential builder and residential maintenance and alteration contractor.
  - C. A projected budget for the first year of operation of the Association of Co-Owners.
  - D. An explanation of the escrow arrangement prescribed by the Condominium Act.
  - E. Any expressed warranties undertaken by the developer, together with a statement that expresses that the warranties are not provided unless specifically stated.
  - F. An identification of all structures and improvements labeled "need not be built".
  - G. The extent to which financial arrangements have been provided for completion of all structures and improvements labeled "must be built".
  - H. Other material information about the condominium project and the developer that the administrator requires by rule.

If you, as a prospective purchaser, have any questions regarding the foregoing, you should direct your questions to the developer or real estate broker. Your signature in the place provided below is prima fascia evidence that the documents identified above have been received and understood by you.

Dated: \_\_\_\_\_

PURCHASER:

\_\_\_\_\_  
\_\_\_\_\_

Unit No. \_\_\_\_\_

**ACKNOWLEDGMENT OF RECEIPT OF CONDOMINIUM DOCUMENTS**

**For**

**HIDDEN RIDGE**

The undersigned hereby acknowledges receipt of a copy of the condominium documents for **Hidden Ridge** from **Hidden Ridge Development, LLC**, the Developer, including the Disclosure Statement for this project.

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Dated: \_\_\_\_\_

## DISCLOSURE STATEMENT

For

### **HIDDEN RIDGE**

Developer: **Hidden Ridge Development, LLC**  
2840 Cass  
Traverse City, Michigan 49684

**Hidden Ridge**, a condominium, is a site condominium project that is located in the Township of Peninsula, County of Grand Traverse, State of Michigan. Construction of the project, consisting of thirty-one (31) residential lots, was commenced on April 1, 2001, and is expected to be completed by June 1, 2002.

The effective date of this Disclosure Statement is April 1, 2002.

**THIS DISCLOSURE IS NOT A SUBSTITUTE FOR THE MASTER DEED OR OTHER LEGAL DOCUMENTS, AND ALL BUYERS SHOULD READ ALL DOCUMENTS TO ACQUAINT THEMSELVES FULLY WITH THE PROJECT AND THEIR RIGHTS AND RESPONSIBILITIES RELATED THERETO.**

**WE RECOMMEND THAT YOU CONSULT WITH AN ATTORNEY OR OTHER ADVISOR PRIOR TO PURCHASING A CONDOMINIUM UNIT.**

I

### INTRODUCTION

This Disclosure Statement, together with copies of the legal documents pertaining to the creation and operation of **Hidden Ridge**, a site condominium (which are referred to as the "Condominium Documents"), are furnished to each purchaser pursuant to the requirement of the Michigan law that the developer of a condominium project disclose to prospective purchasers the characteristics of the condominium units which are offered for sale. Condominium development in Michigan is governed largely by a statute called the Michigan Condominium Act.

"Condominium" is a form of real property ownership. Under Michigan law, a condominium unit (that part of the condominium individually owned and occupied) has the same legal attributes as any other form of real property and may be sold, mortgaged or leased, subject only to such restrictions as are contained in the Condominium Documents. The condominium units described herein are residential site units. Each unit has been designated and intended for separate ownership and use, and each unit has individual access to a common element of the condominium project.

Each co-owner received a deed to his individual condominium unit. Each co-owner owns, in addition to his unit, an undivided interest in the common facilities (called "Common Elements")

included as part of, and is inseparable from, title to the individual condominium units. Each co-owner's proportionate share of the Common Elements is determined by the percentage of value assigned to his unit in the Master Deed.

All portions of the project not included within the units constitute the Common Element. Limited Common Elements are those Common Elements which are reserved in the Master Deed for use by less than all co-owners. General Common Elements are all Common Elements other than Limited Common Elements.

Except for the year in which the project is established, real property taxes and assessments will be levied individually against each unit at **Hidden Ridge**. These individual taxes and assessments cover the unit and its proportionate share of the Common Elements. No taxes or assessments are levied independently against the Common Elements. In the year in which the project is established, the taxes and assessments for the units covered by the Master Deed are billed to the Association and are paid by the co-owners of such units in proportion to the percentage of value assigned to the units owned by them.

No summary, such as the one contained in this Disclosure Statement, can fully state all of the details of a condominium development. Each purchaser is therefore, urged to review carefully all of the documents contained in the **Hidden Ridge** Purchaser's Information Booklet, as well as the other documents that have been delivered to the purchasers in connection with this project. Any purchaser having questions pertaining the legal aspects of the project is advised to consult his own lawyer or other professional adviser.

## II LEGAL DOCUMENTATION

A. General. **Hidden Ridge** was established as a site condominium project pursuant to a Master Deed recorded in the office of the Grand Traverse County Register of Deeds. A copy of the Master Deed has been provided to you with this Disclosure Statement. The Master Deed includes the condominium By-laws as Exhibit "A" and the condominium sub-division plan as Exhibit "B". All of these documents should be reviewed carefully by prospective purchasers.

B. Master Deed. The Master Deed contains a definition of terms used within the condominium project, the percentage of value assigned to each unit in the condominium project, a general description of the units and general and limited Common Elements included in the project, and a statement regarding the relative responsibilities for maintaining the Common Elements, and a statement of the Developer's rights to alter the Common Elements.

C. Condominium By-laws. The condominium By-laws contain provisions relating to the operation, management and fiscal affairs of the condominium and, in particular, set forth the provisions relating to assessments of the Association members for the purpose of paying the costs of operation of the condominium project.



D. Condominium Subdivision Plan. The condominium subdivision plan is a two dimensional survey depicting the physical location and boundaries of each of the units and all of the Common Elements in the project.

III  
SUMMARY OF PROJECT

**Hidden Ridge** is located in Peninsula Township, in the County of Grand Traverse, and State of Michigan. **Hidden Ridge** is a residential site condominium which includes thirty-one (31) residential units. The project was commenced in April, 2001, and will be completed in June, 2002.

IV  
DEVELOPER

The developer of **Hidden Ridge** is **Hidden Ridge Development, LLC**, a Michigan Limited Liability Company. The address and principal place of business of **Hidden Ridge Development, LLC** is 2840 Cass Road, Traverse City, Michigan, (231) 929-1920. This is the first condominium project for the developer.

V  
BUILDER

There is no builder involved in the development of **Hidden Ridge** in that this project is a site condominium.

VI  
REAL ESTATE BROKER

The real estate broker for **Hidden Ridge** is **Jim Noller** of **Real Estate One**, located at 521 Randolph Street, Traverse City, Michigan 49684, (231) 946-4040.

VII  
STRUCTURES & IMPROVEMENTS WHICH MUST BE BUILT  
AND NEED NOT BE BUILT

The Michigan Condominium Act, as amended, requires the developer to clearly inform potential purchasers of what its construction obligations are through the use of label "must be built" and "need not be built". The developer is obligated to construct only those improvements labeled "must be built" in the condominium subdivision plan attached to the Master Deed.

VIII  
ESCROW OF FUNDS

In accordance with Michigan law, all funds received from prospective purchasers of units at **Hidden Ridge** will be deposited in an escrow account with an escrow agent. The escrow agent for **Hidden Ridge** is **Corporate Title & Escrow Co.**, of 414 E. Front Street, Traverse City, Michigan 49686, (231) 946-6033.

Funds held in the escrow account will be returned to the prospective purchaser within three (3) business days upon such purchaser's withdrawal from a purchase agreement within the specified period. After the expiration of the nine (9) business day withdrawal period described in the purchase agreement, all funds received from the purchaser will be retained in escrow until completion of only those uncompleted improvements labeled under the terms of the Condominium Documents "must be built". Pursuant to Michigan law, if **Hidden Ridge Development, LLC** does not furnish the escrow agent with evidence of adequate security (such as an irrevocable letter of credit, lending commitment, indemnification agreement, or other security, which the escrow agent determines to be adequate), funds from the purchase will be released to **Hidden Ridge Development, LLC**, only if all of the following occur:

- A. Conveyance of legal or equitable title to the unit to the purchaser, or  
A default by purchaser in his obligations under the purchase agreement.
- B. Receipt by the escrow agent of a certificate signed by a licensed professional engineer or architect, either confirming that those portions of the **Hidden Ridge** in which the unit is located and which on the condominium subdivision plan are labeled "must be built" are substantially complete, or determining the amount necessary for substantial completion thereof.
- C. Receipt by the escrow agent of a certificate signed by a licensed professional engineer or architect either confirming that all recreational facilities which on the condominium subdivision plan are labeled "must be built" are substantially complete, or determining the amount necessary for substantial completion thereof.

A structure, element, facility, or other improvement shall be deemed to be substantially complete when it can be reasonably employed for its intended use, and shall not be required to be constructed, installed or furnished precisely in accordance with the specifications for the project. A certificate of substantial completion shall not be deemed to be a certificate as to the quality of the items to which it relates.

Upon receipt of a certificate signed by a licensed professional engineer or architect determining the amount necessary for substantial completion, the escrow agent may release to the developer all funds in escrow in excess of the amounts determined by the issuer of such certificates to be necessary for substantial completion. In addition, upon receipt of a certificate signed by a licensed professional engineer or architect confirming substantial completion in accordance with the pertinent plan of an item for which funds have been deposited in escrow, the escrow agent shall release to the developer the amount of such funds specified by the issuer of the certificate as being attributable to such substantially completed item. However, if the amounts remaining in escrow after such partial release would be insufficient in the opinion of the issuer of such certificate for substantial completion of any remaining items for which funds have been deposited in escrow, only the amount in escrow in excess of such estimated cost to substantially complete shall be released by the escrow agent to the developer.

The escrow agent in performance of its duties shall be deemed an independent party not acting as the agent of the developer, any purchaser, co-owner or other interested party. So long as the escrow agent relies upon any certificate, cost estimate or determination made by a licensed professional engineer or architect, the escrow agent shall have no liability whatsoever to the

developer or to any purchaser, co-owner or other interested party for any error in such certificate, cost estimate or determination, or for any act or omission by the escrow agent in reliance thereon. The escrow agent shall be relieved of all liability upon release of all amounts deposited in escrow in accordance with the Michigan Condominium Act.

A licensed professional architect or engineer undertaking to make a certification to the escrow agent shall be held to the normal standard of care required of a member of that profession in determining substantial completion and the estimate of costs of substantial completion, but such architect or engineer shall not be required to have designed the improvement or item or to have inspected or to have otherwise exercised supervisory control thereof during the course of construction or installation of the improvement or item with respect to which the certificate is delivered. The certification by a licensed professional architect or engineer shall not be construed to limit the developer's liability for any defect in construction.

Also, pursuant to Michigan law, if **Hidden Ridge Development, LLC** has not substantially completed the improvements for which escrowed funds have been retained or security has been provided within nine (9) months after closing the sale of the first unit in **Hidden Ridge**, or within nine (9) months after the date a recreational facility was promised in the Condominium Documents the escrow agent, upon the request of the **Hidden Ridge** Condominium Association or any interested owner of a unit at **Hidden Ridge**, shall notify **Hidden Ridge Development, LLC** of the amount of funds or security that remain in the escrow account, and of the date upon which those funds can be released. If, after three (3) months have passed, **Hidden Ridge Development, LLC** has not completed the specified improvements or otherwise acted to gain release of the escrowed funds, the escrow agent may release the funds for the purpose of completing the incomplete improvements for which the funds were originally retained, or for a purpose specified in a written agreement between the **Hidden Ridge** Condominium Association and the developer.

Any interest earned on funds held in the escrow account will be released to the party who is entitled to receive the funds upon which the interest has accrued, except that interest on funds released from the escrow account due to a prospective purchaser's withdrawal from a purchase agreement shall be paid to **Hidden Ridge Development, LLC**.

Additional details of the escrow arrangements made in connection with **Hidden Ridge** are contained in the escrow agreement which is attached to your purchase agreement.

## IX RECREATIONAL FACILITIES

The **Hidden Ridge** development has a play area for children for the exclusive use by the co-owners. Purchasers, to the extent available, may also purchase rights to beach access adjacent to the development.

## X ORGANIZATIONAL AND CONTROL OF THE CONDOMINIUM

- A. The Condominium Buyer's Handbook. General information about the government

and organization of condominiums in Michigan may be found in the Condominium Buyer's Handbook, published by the Michigan Department of Commerce, and provided to you previously by **Hidden Ridge Development, LLC** through its agent **Jim Noller**.

B. **Hidden Ridge Condominium Association.** The **Hidden Ridge** Condominium Association has been incorporated under the laws of the State of Michigan as a non-profit corporation. It will be responsible for the management, maintenance and administration of the condominium. A person will automatically become a member of the **Hidden Ridge** Condominium Association upon closing on the purchase of a unit.

The Articles of Incorporation and By-laws of the Association which have been provided to you with this Disclosure Statement govern the procedural operations of the Association. The Association is governed by a three person Board of Directors who are empowered to serve pursuant to the provisions of the Condominium By-laws until the First Annual Meeting of Members of the Association. Article X of the Condominium By-laws sets forth the complete requirements for appointment of directors.

Control of **Hidden Ridge** will be turned over to the **Hidden Ridge** Condominium Association as an independent entity at the transitional control date. The transitional control date is the date on which a Board of Directors, including at least two (2) directors who are unaffiliated with the developer, takes office. Until the transitional control date, the condominium will be managed by the **Hidden Ridge** Condominium Association, although the Association will be controlled by the developer. Even after the transitional control date, **Hidden Ridge Development, LLC** is entitled to participate, through voting and through appointment of directors, in the affairs of the condominium to the extent it owns completed units in the condominium. The owners of beach access rights will also be members of the beach association.

C. **Annual Meetings.** Following the First Annual Meeting, annual meetings of the co-owners of **Hidden Ridge** will be held each year in accordance with the Condominium By-laws for the purpose of conducting the business of the Association and appointing directors for the succeeding year. Prior to each Annual Meeting, co-owners will receive notice stating the time and location of the meeting and the matters to be considered at the meeting as prescribed by the Condominium By-laws.

D. **Percentage of Value.** Each of the thirty-one (31) units in the condominium have been assigned a percent of the total value of the project based upon its allocable expenses of maintenance. The total value of the project is 100%. The percentage of value assigned to each unit is determinative of the proportionate share of each unit in the proceeds from and expenses of the administration, the value of such unit's vote at meetings of the Association of Co-owners and of the undivided interest in the Common Elements.

E. **Management.** **Hidden Ridge Development, LLC** will serve as managing agent for the condominium until the transitional control date. Thereafter, the Association must provide for its own management. **Hidden Ridge Development, LLC** will not be paid for its services as managing agent.

As manager, **Hidden Ridge Development, LLC** will be given responsibility for the day-to-day management of the condominium. **Hidden Ridge Development, LLC** will assign personnel to manage the condominium and will handle complaints and problems from co-owners. Co-owners who have a complaint or a problem should transmit it in writing to **Hidden Ridge Development, LLC**, which will attempt to resolve the problem or will refer it to the Board of Directors of the Condominium Association.

F. Advisory Committee. The Board of Directors of the Association must establish an Advisory Committee of non-owner co-owners upon the passage of: (i) 120 days after legal or equitable title to one-third of the condominium units that may be created have been conveyed to non-owner co-owners; or (ii) one year after the first conveyance of legal or equitable title to a condominium unit to a non-owner co-owner, whichever first occurs. The Advisory Committee will meet with the Board of Directors to facilitate communication with the non-owner co-owners and to aid in transferring control from the Developer to non-owner co-owners. The Advisory Committee will be composed of not less than one nor more than three non-owner members, who will be appointed by the Board of Directors in any manner it selects, and who shall serve at the pleasure of the Board of Directors. The Advisory Committee will automatically dissolve following the appointment of a majority of the Board of Directors by non-owner co-owners. The Advisory Committee must meet at least quarterly with the Board of Directors.

## XI

### SUMMARY OF LIMITED WARRANTIES

**Hidden Ridge** condominium is a site condominium project. Accordingly, the physical improvements to the property consist primarily of roads, water, sewer and curbing. Any warranties given with these improvements will be transferred by the developer to the co-owners Association.

**CAUTION: THERE ARE NO WARRANTIES ON THIS CONDOMINIUM PROJECT OTHER THAN THOSE DESCRIBED HEREIN. YOU, INDIVIDUALLY, OR AS A MEMBER OF THE ASSOCIATION, MAY BE REQUIRED TO PAY SUBSTANTIAL SUMS FOR THE REPLACEMENT OR REPAIR OF ANY DEFECTS IN THIS CONDOMINIUM PROJECT THAT ARE NOT COVERED BY WARRANTY, IF ANY SUCH DEFECTS EXISTS.**

## XII

### BUDGET

At closing, each purchaser of a unit at **Hidden Ridge** will pay a pro-rated annual assessment as a working capital deposit. After the closing, each co-owner will pay an annual assessment as his share of the common expenses of the condominium. The amounts collected from co-owners are used to operate and maintain the condominium. Because day-to-day operation of the condominium is dependent upon the availability of funds, it is important that each co-owner pay his annual assessment in a timely manner. Annual assessments at **Hidden Ridge** are due by the first day of January each year. In the event a co-owner fails to pay this amount in a timely manner, the condominium By-laws provide that the **Hidden Ridge** Condominium Association may impose a lien upon a delinquent co-owner's unit, collect interest at the rate of seven (7%) percent

per annum on delinquent assessments, and impose other penalties.

The amount of the annual assessment will be determined by the amount of the common expenses. Under the budget of the **Hidden Ridge** Condominium Association for fiscal year 2002 (it is expected that the fiscal year of the Association will be a calendar year), adopted by the Developer in the exercise of its best judgment, each co-owner will pay \$665.00 per year. This will generate an annual revenue from thirty-one (31) units of \$20,600.00.

For fiscal year 2001, the estimated revenues and expenses of the condominium are as follows:

<u>Income</u>	\$20,600.00 <sup>1</sup>
<u>Expenses</u>	
Snow removal, cleaning, repair and maintenance of maintenance of common elements	\$18,000.00
Insurance	\$ 800.00 <sup>2</sup>
Contingency Reserve	\$ 1,800.00 <sup>3</sup>
Total Expense:	<u>\$20,600.00</u>

Each co-owner must also pay other charges in connection with his ownership of a unit at **Hidden Ridge**. For example, each co-owner will be responsible for paying real estate taxes levied on his unit and his undivided interest in the common elements. The amount of such taxes will be determined by the assessor of the Township of **Peninsula**. The **Hidden Ridge** Condominium Association will pay no real estate taxes, except in the first year of the condominium, as described in pages 2 and 3 above.

Each co-owner could be required to pay special assessments, if special assessment are levied by the Board of Directors of the **Hidden Ridge** Condominium Association. Special assessments may be levied by the Board of Directors in the event that, among other things, the regular assessment should prove inadequate, common elements need to be replaced or expanded, or an emergency occurs. The By-laws of **Hidden Ridge** attached to the Master Deed should be examined for further details about special assessments.

Like most expenses today, the expenses in the budget are subject to changes as a result of changing costs in the economy. The budget contained herein represents **Hidden Ridge Development, LLC's** best estimate of those expenses at this time. However, these costs may increase from year to year on account of such factors as cost increases, the need for repair or replacement of common elements, property improvements, and increased size of the condominium. Such cost increases will result in increased monthly assessments.

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<sup>1</sup> This budget has been estimated by **Hidden Ridge Development, LLC** based upon an assumption that thirty-one (31) units have been sold and occupied.

<sup>2</sup> Estimate including extended coverage, vandalism and malicious mischief and liability insurance.

<sup>3</sup> There is no assurance that the contingency reserve will be adequate.

There are no fees, payments or services which are paid or furnished directly or indirectly by the developer which will later become an expense of administration, except the management services to be provided by the developer at no cost to the Association.

The beach association may also bill its members with an annual assessment for operating expenses. The amount of these assessments have not been estimated by the developer.

### XIII RESTRICTIONS ON USE

In order to provide an environment conducive to pleasant living at **Hidden Ridge**, the condominium By-laws contain certain limitations upon the activities of co-owners which might infringe upon the right to quiet enjoyment of all co-owners. Some of these restrictions are set forth herein. You should read Article VI of the condominium By-laws to ascertain the full extent of the restrictions.

The units in **Hidden Ridge** may be used solely for the purpose of single-family dwellings. Unit owners are permitted to sell or lease their units. No house trailers, boat trailers boats, camping trailers, or vehicles other than automobiles may be parked or stored upon the premises of the condominium unless stored in a concealed area. The use restrictions at **Hidden Ridge** are enforceable by the **Hidden Ridge** Condominium Association, which may take appropriate action to enforce the restrictions, such as legal actions for injunctive relief and damages.

The condominium By-laws also provide in Article VI that an Architectural Control Committee will be established by the developer to review and approve unit owner's plans for the construction of a single family residence. A prospective purchaser should carefully review Article VI of the condominium By-laws so as to become familiar with the specifications therein.

### XIV INSURANCE

The **Hidden Ridge** Condominium Association is responsible for securing extended coverage, vandalism and malicious mischief and liability insurance, and, when necessary, workmen's compensation insurance pertinent to the ownership, use, and maintenance of the common elements of the condominium. Such insurance policies contain deductible clauses which, in the event of a loss, could result in the Association's being responsible for a certain portion of the loss.

Unit owners, as members of the Association, would bear any such loss in proportion to their percentage ownership of the common elements. The **Hidden Ridge** Condominium Association has taken out an all risk policy of insurance on the common elements. A copy of the all risk policy of insurance is available at the sales office for inspection by prospective purchasers. Workmen's compensation insurance will not initially be secured by the Association, since **Hidden Ridge** will have no employees. Co-owners should regularly review the insurance coverage of the condominium to insure it is adequate.

The insurance coverage provided by the Association will not cover the property or structure of each individual unit. Each unit owner must, therefore, secure condominium owner's insurance to insure against loss to the structure erected on his unit and his personal property. A unit owner should consult with his insurance advisor to determine the amount of coverage required for his particular needs. In the event a unit owner fails to procure his own insurance, he will be uninsured for any loss that might occur upon the owner's unit.

#### XV EASEMENTS

**Hidden Ridge Development, LLC** as developer, is permitted to enter the condominium for the purpose of sale and preparation of the site condominium units. The developer's sales representatives are also permitted to enter **Hidden Ridge** and to maintain an office at the condominium. The usual public utility easements, such as telephone and electricity, are enjoyed by those companies and municipalities responsible for the furnishing of public utilities to the condominium. As set forth more fully in Article X of the Master Deed, the developer has also reserved the right to tie into utilities serving the condominium.

#### XVI CO-OWNER LIABILITY

If title to a unit at **Hidden Ridge** passes by virtue of a first mortgage foreclosure, the new title holder is not liable for the assessments of the **Hidden Ridge** Condominium Association which came due prior to the acquisition of the title to the unit by that person. Any unpaid assessments are deemed to be common expenses collectible from all of the condominium unit owners, including that person. This provision is contained in the condominium By-laws, as required by the laws of the State of Michigan.

#### XVII EXPANSION

**Hidden Ridge** is not an expandable condominium project.

#### XVIII UNUSUAL CIRCUMSTANCES

To the Developer's knowledge, there are no unusual circumstances associated with **Hidden Ridge** Condominium.



XIX  
ROADS

**Hidden Ridge** is serviced by a private road which will not be maintained by the County Road Commission.

XX  
LEGAL MATTERS

**John K. Gray**, of **Gray, Ford & Seaman, P.C.**, 325 South Union Street, Traverse City, Michigan 49684, served as legal counsel in connection with the preparation of this Disclosure Statement and related documents. Legal counsel has not passed upon the accuracy of the factual matters herein contained.

1652 11971

STATE OF MICHIGAN  
GRAND TRAVERSE COUNTY  
NOTARY

FEB 20 2002 1:35:45 PM

ROGER WAINES  
REGISTER OF DEEDS

**CONSENT TO SUBMISSION**

**NOW COMES** IRWIN UNION BANK, of 880 Munson Avenue, Traverse City, Michigan ("Mortgagee"), and does hereby consent and agree to submission of the property described on Exhibit "A" attached hereto and made a part hereof, or a part thereof, known as Hidden Ridge Site Condominium, a condominium project in accordance with the statute in such case provided.

**IN WITNESS WHEREOF**, the undersigned have executed this Consent to Submission on this 27<sup>th</sup> day of February, 2002, for and on behalf of themselves.

In the Presence of:

**IRWIN UNION BANK**

Cathy Haywood  
Cathy Haywood  
Joseph L. Zimmers  
Joseph L. Zimmers

By:  
Its:

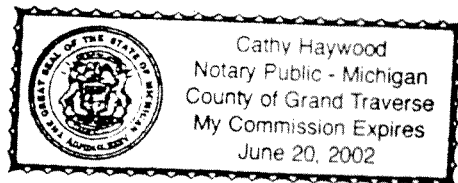
Jack Eling  
Jack Eling  
Vice President

STATE OF MICHIGAN )  
COUNTY OF GRAND TRAVERSE ) ss.

On this 27<sup>th</sup> day of February, 2002, before me, a Notary Public in and for said County and State, personally appeared the above named **Irwin Union Bank**, by Jack Eling, its Vice Pres., to me known to be the same person described in, and who executed the within instrument, who acknowledged the same to be his free act and deed.

Cathy Haywood  
Notary Public  
Grand Traverse County, Michigan  
My Commission Expires:

Prepared by:  
John K. Gray  
Gray, Ford & Seaman, P.C.  
325 South Union Street  
Traverse City, MI 49684



Parcel 1:

That part of Government Lot Two (2), Section Thirty-One (31), Township Twenty-Eight (28) North, Range Ten (10) West, described as follows: commencing at center quarter post of Section 31; thence East 17 Feet; thence South  $9^{\circ}17'$  West 101.34 feet; thence South  $13^{\circ}15'$  West 102.73 feet; thence South  $28^{\circ}48'$  West 228.32 feet; thence South  $18^{\circ}25'$  West 316.29 feet; thence South  $66^{\circ}41'$  East 296.35 feet; thence South  $33^{\circ}24'$  West 120 feet; thence North  $89^{\circ}22'$  West 1295 feet, more or less, to West line of said Government Lot 2; thence North to East and West quarter line; thence East to place of beginning. Together with all lands lying between the above described premises and the waters of Grand Traverse Bay, together with full riparian rights in front of said property on said Bay.

LCER 1652 11943

STATE OF MICHIGAN  
GRAND TRAVERSE COUNTY  
RECORDS

5 MAR 2002 1:36:03 PM

Parcel # 28-11-031-033-00 By BK  
STATE OF MICHIGAN, Grand Traverse County, Traverse City, 03/08/02 hereby  
certifies that the instrument is a true and correct copy of the State of any individual against the within  
description as reflected in the records of the State of Michigan to the date of the instrument as appears  
by the records in my office. This does not constitute a warranty in the process of collection, by  
Township, City or Village. Grand Traverse County, Treasurer

PEGGY HAINES  
REGISTER OF DEEDS

DOES NOT INCLUDE 2001 TAX YEAR

**MASTER DEED**  
for

**Hidden Ridge Site Condominium**

**Master Deed** made this 7 day of March, 2002, by **Hidden Ridge Development, LLC**, a Michigan Limited Liability Company, of 2840 Cass Road, Traverse City, Michigan 49684 (hereinafter referred to as the "Developer");

**WITNESSETH:**

**Whereas**, the Developer is the owner of lands herein described and desires to establish the same, together with the appurtenances thereto, as a condominium project under the provisions of Act 59 of the Public Acts of 1978, as amended, by recording this Master Deed, together with the Condominium By-laws attached hereto as Exhibit "A" and the Condominium Subdivision Plans attached hereto as Exhibit "B", both of which are incorporated herein by reference and made a part hereof.

**Now, Therefore**, the Developer does hereby establish **Hidden Ridge** by recording this Master Deed as a condominium project and does declare that **Hidden Ridge**, hereinafter referred to as the "Condominium," shall be henceforth held, conveyed, encumbered, leased, occupied, improved and in any other manner utilized, subject to the provisions of said Act and to the covenants, conditions, restrictions, uses, limits and affirmative obligations set forth in this Master Deed and Exhibits "A" and "B" hereunder, all of which shall be deemed to run with the land. In furtherance of the establishment of said Condominium, it is provided as follows:

Title and Nature

The Condominium project shall be known as **Hidden Ridge**, Grand Traverse County Condominium Subdivision Plan No. 173. The Condominium project is established in accordance with Act 59 of the Public Acts of 1978, as amended. The By-laws attached hereto as Exhibit "A" are hereby incorporated herein by reference. The Condominium Subdivision Plans attached hereto as Exhibit "B" are hereby incorporated herein by reference.

II

Legal Description

The land on which the Condominium project is located and which is established by this Master Deed is situated in the **Township of Peninsula, County of Grand Traverse** and State of Michigan, and described as follows, viz:

That part of Government Lot 2, Section 31, Town 28 North, Range 10 West, Peninsula Township, Grand Traverse County, Michigan, more fully described as: Commencing at the West quarter corner of said Section 31; thence North 89°24'45" East, 1309.34 feet, along the East and West quarter line of said Section 31 to a point on the West line of said Government Lot 2 and to the Point of Beginning; thence continuing North 89°24'45" East, 1307.85 feet, along said East and West quarter line to the center post of said Section 31; thence North 89°01'40" East, 17.00 feet (previously recorded as East); thence South 08°20'08" West, 101.31 feet (previously recorded as South 09°17'00" West, 101.34 feet); thence South 12°16'22" West, 102.79 feet (previously recorded as South 13°15'00" West, 102.73 feet); thence South 27°47'11" West, 228.31 feet (previously recorded as South 28°48'00" West, 228.32 feet); thence South 17°27'48" West, 316.34 feet (previously recorded as South 18°25'00" West, 316.29 feet); thence South 67°31'18" East, 287.74 feet (previously recorded as South 66°41'00" East), to a point on a traverse line along the shore of the East Arm of Grand Traverse Bay; thence South 32°27'23" West, 120.00 feet (previously recorded as South 33°24'00" West), along said traverse line; thence South 89°40'17" West, 1295.18 feet (previously recorded as South 89°22'00" West, 1295 feet, more or less), to a point on said West line of Government Lot 2; thence North 00°25'14" East, 909.42 feet (previously recorded as North 00°23'57" East), along said West line of Government Lot 2 to the Point of Beginning. Said parcel contains 25.73 acres. Including riparian rights to the East Arm of Grand Traverse Bay; and subject to the right-of-way for East Shore Road.

**Easement Descriptions:** See attached Subdivision Site Plan (Exhibit "B").

III

Definitions

Certain terms are utilized not only in this Master Deed and Exhibits "A" and "B" hereto, but are or may be used in various other instruments such as, by way of example and not limitation, the Articles of Incorporation and rules and regulations of **Hidden Ridge** Condominium Association, a Michigan Non-profit Corporation, and deeds, mortgages, liens, land contracts, easements and other instruments affecting the establishment of, or transfer of, interests in **Hidden Ridge** Condominium as a condominium. Wherever used in such documents or any other pertinent instruments, the terms set forth below shall be defined as follows:

Section 1. Act. "Act" means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended.

Section 2. Association. "Association" means **Hidden Ridge** Condominium Association, which is the non-profit corporation organized under Michigan law of which all Co-owners shall be members, which corporation shall administer, operate, manage and maintain the Condominium.

Section 3. By-laws. "By-laws" means Exhibit "A" hereto, being the By-laws setting forth the substantive rights and obligations of the Co-owners and required by Section 3(8) of the Act to be recorded as part of the Master Deed. The By-laws shall also constitute the corporate By-laws of the Association and the Beach Association, as provided for under the Michigan Non-profit Corporation Act.

Section 4. Common Elements. "Common Elements" where used without modification, means both the general and limited common elements described in Article IV hereof.

Section 5. Condominium Documents. "Condominium Documents" means and includes this Master Deed and Exhibits "A" and "B" hereto, and the Articles of Incorporation and rules and regulations, if any, of the Association, as all of the same may be amended from time to time.

Section 6. Condominium Premises. "Condominium Premises" means and includes the land described in Article II above, all improvements and structures thereon, and all easements, rights and appurtenances belonging to **Hidden Ridge**.

Section 7. Condominium Project, Condominium or Project. "Condominium Project," "Condominium," or "Project" each mean **Hidden Ridge** Condominium as a Condominium Project established in conformity with the Act.

Section 8. Condominium Subdivision Plan. "Condominium Subdivision Plan" means Exhibit "B" hereto.

Section 9. Consolidating Master Deed. "Consolidating Master Deed" means the final amended Master Deed which shall describe **Hidden Ridge** Condominium as a completed Condominium Project and shall reflect the entire land area in the Condominium Project and all units and common elements therein, as finally established by the Developer, and which shall express percentages of value pertinent to each unit as ultimately readjusted. Such Consolidating Master Deed, if and when recorded in the office of the Grand Traverse County Register of Deeds, shall superseded this recorded Master Deed for the Condominium and all amendments hereto. In the event the units and common elements in the Condominium are constructed in substantial conformity with the proposed Condominium Subdivision Plan attached as Exhibit "B" to the Master Deed and if the perimeter description of the Condominium Premises remains the same, the Developer shall be able to satisfy the foregoing obligation by filing a certificate in the office of the Grand Traverse County Register of Deeds confirming that the units and common elements "as built" are in substantial conformity with the proposed Condominium Subdivision Plan and that no Consolidating Master Deed need be recorded.

Section 10. Co-owner or Owner. "Co-owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which owns one or more units(s) in the Condominium Project. The term "Owner," wherever used, shall be synonymous with the term "Co-owner".

Section 11. Declaration. "Declaration" means the easements, covenants, conditions and restrictions for **Hidden Ridge** Condominium as provided in Article VI of the By-laws, as may be amended from

time to time, which establishes certain relationships between the owners of **Hidden Ridge** Condominium.

Section 12. Developer. "Developer" means **Hidden Ridge Development, LLC**, who has made and executed this Master Deed, and its successors and assigns. All successors and assigns shall always be deemed to be included within the term "Developer" whenever, however and wherever such term is used in the Condominium Documents.

Section 13. Development and Sales Period. "Development and Sales Period," for purposes of the Condominium Documents and the rights reserved to Developer thereunder, shall be deemed to continue for so long as Developer continues to own any unit in the Project.

Section 14. First Annual Meeting. "First Annual Meeting" means the initial meeting at which non-developer Co-owners are permitted to vote for the election of all Directors and upon all other matters which properly may be brought before the meeting. Such meeting is to be held (a) in the Developer's sole discretion after 50% of the units which may be created are sold, or (b) mandatorily within 120 days after conveyance of the legal or equitable title to a unit to a non-developer has been made.

Section 15. Hidden Ridge Residential Community. The "**Hidden Ridge Residential Community**" shall mean the land area and improvements thereon, from time to time, described as such in the Declaration and any exhibits thereto.

Section 16. Transitional Control Date. "Transitional Control Date" means the date on which a 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.

Section 17. Beach Association. "Beach Association" means the **Hidden Ridge Beach Association**, which is the non-profit corporation organized under Michigan law of which all co-owners whom have beach access rights shall be members, which corporation shall administer and manage the beach access limited common area.

Section 18. Unit or Condominium Unit. "Unit" or "Condominium Unit" each mean a single unit in **Hidden Ridge** Condominium, as the same is described in Article V, Section 1 hereof and on Exhibit "B" hereto, and shall have the same meaning as the term "Condominium Unit" as defined in the Act. All structures and improvements now or hereafter located within the boundaries of a unit shall be owned in their entirety by the Co-owner of the unit within which they are located and shall not, unless otherwise expressly provided in the Condominium Documents, constitute common elements.

Whenever any reference herein is made to one gender, the same shall include a reference to any and all genders where the same would be appropriate; similarly, wherever a reference is made herein to the singular, a reference to the plural shall also be included where the same would be appropriate and vice versa.

IV

Common Elements

The common elements of the Project and the respective responsibilities for maintenance, decoration, repair or replacement thereof, are as follows:

Section 1. General Common Elements. The general common elements are:

A. Land. The land described in Article II hereof, other than any portion or portions thereof which are identified as limited common elements and excluding the areas described in Article V, Section 1 below and in the Condominium Subdivision Plan as constituting the Condominium units.

B. Easements. All beneficial easements referred to in Articles II and X hereof.

C. Other. Such other elements of the Project not herein designated as general or limited common elements which are not enclosed within the boundaries of a unit, and which are extended for common use or are necessary to the existence, upkeep and safety of the Project.

Some or all of the utility lines, systems (including mains and service leads), and equipment may be owned by the local public authority or by the company that is providing the pertinent service. Accordingly, such utility lines, systems and equipment, and the telecommunications system, shall be general common elements, if any, and the Developer makes no warranty whatsoever with respect to the nature or extent of such interest, if any. This project is served by a private road which the Association shall maintain.

Section 2. Limited Common Elements. Limited common elements shall be subject to the exclusive use and enjoyment of the Owner of the unit to which the limited common elements are appurtenant. The limited common elements are:

A. Garage Drives. Each individual unit access driveway is limited in use to the Co-owner of the unit served by such driveway. No unit access driveways have been shown on the Condominium Subdivision Plan since it is impossible to locate them with particularity until residences are constructed within units.

B. Appurtenances to be Constructed. Any other appurtenances to individual units existing at the time of this Master Deed or constructed pursuant to the provisions of Article VI hereof shall be limited in use to the Co-owner of the unit to which they are assigned by designation in the Condominium Subdivision Plan as amended to reflect such construction.

C. Beach Area Access. A portion of the common areas and facilities is hereby set aside and allocated for the restricted use of certain units designated hereinafter and shown on the attached Condominium Subdivision Plan. Said beach access area shall be known as limited common area beach and facilities.

D. Limited Common Elements. Those areas designated as Limited Common Elements and attached to specific units as shown on the Condominium Subdivision Plan are Limited Common Elements specifically attaching to each of said units.



Section 3. Responsibilities. The respective responsibilities for the maintenance, decoration, repair and replacement of the common elements are as follows:

A. Certain Association Responsibilities With Respect to Units.

i. Basic Normal Maintenance. The unit owner shall be responsible for performing all maintenance functions within their units, including lawn mowing, landscaping maintenance and fertilization, snow plowing of driveways, rubbish removal, tree trimming, and exterior maintenance of all structures.

ii. Special Maintenance Responsibilities. In the event that Developer or the Association agrees to perform specific additional responsibilities with respect to any particular unit, it shall enter into a specific written agreement detailing the nature and extent of such additional responsibilities and providing for special assessment of increased maintenance charges to any Co-owner whose proposed dwelling and appurtenances and related improvements will cause the Association abnormal expenses in carrying out its additional responsibilities with respect thereto.

iii. Maintenance Charges. Any normal maintenance responsibilities undertaken by the Association shall be charged to all Co-owners on a uniform basis. All special maintenance responsibilities which are agreed between the Association and any Co-owner shall be specifically assessed against such Co-owner. All assessments for normal and special maintenance shall be levied and collected by the Association in accordance with the assessment procedures established under Article II of the By-laws.

iv. Determination of Normal Maintenance Responsibilities. The Association shall be entitled to determine the precise nature and extent of any normal maintenance services which may be provided by the Association and thereafter may add to, modify or reduce any such normal services, in its discretion. Reasonable rules and regulations may be promulgated by the Association in connection therewith from time to time.

B. Co-Owner Responsibility for Units and Their Improvements. It is anticipated that separate residential dwellings will be constructed within the units depicted on Exhibit "B" hereto. The responsibility for, and costs of all maintenance, decoration, repair and replacement of any dwelling and the appurtenances to each dwelling located within each unit which are not otherwise specifically undertaken by the Association shall be borne by the Co-owner of the unit within which the same are located. The appearance of each unit, and exterior of its dwelling, appurtenances, improvements and decorations, to the extent visible from any other unit or common element in the Project, shall be subject at all times to the jurisdiction, approval and maintenance standards of the Association and the Architectural Control Committee.

C. Common Lighting. The Association may (but is not required to) install illuminating fixtures within the Condominium and to designate the same as common lighting. Said fixtures shall be maintained, repaired and replaced and light bulbs furnished by the Association. The size and nature of the bulbs to be used in the fixtures shall also be determined by the Association in its discretion. No Co-owner shall modify

or change such fixtures in any way and shall not cause the electrical flow for operation thereof to be interrupted at any time. Said fixtures shall operate on photoelectric cells, the timers of which shall be set by and at the discretion of the Association, and shall remain lit at all times determined by the Association for the lighting thereof. Any common lighting must be approved by **Peninsula Township**.

D. General Common Elements. The Association shall conduct routine maintenance of the storm water retention areas and other storm water management facilities within the development to continually meet the specifications of the storm water plan approved by the Grand Traverse County Drain Commissioner's office. If the Association fails to do the required maintenance on the storm water facilities, the Drain Commissioner's office reserves the right to request this maintenance to be done. The Association shall conduct routine maintenance, needed improvements and/or repairs of the storm water management facilities within 30 days of receipt of written notifications that action is required, unless other acceptable arrangements are made with the Grand Traverse County Drain Commissioner, and shall conduct emergency maintenance within 36 hours of written notification; in the event the Association shall fail to act within these time frames, the Grand Traverse County Drain Commissioner may perform the needed maintenance, improvements and/or repairs and assess the costs therefore against the Association. The Drain Commissioner is hereby provided access within all of the associated drainage easements and sanitary sewer easements to inspect, maintain and/or improve the drainage as may be required. In the event that the retention/detention basins and associated within this condominium project become part of a county drain, then the rights, obligations and duties and easements herein are hereby assigned to the associated drainage district.

E. The cost of maintenance and repair of the limited common area beach and facilities shall be borne by those unit owners whom have rights to use said limited common area, as specified within Article VI of the By-laws.

F. Maintenance in Accordance with Declaration. The Developer and the Association have entered into the Declaration as defined in Article III, Section 11 hereof, which imposes certain requirements with respect to maintenance of the units and common elements of the Condominium, which requirements shall be strictly observed by all Co-owners.

Section 4. Use of Units and Common Elements. No Co-owner shall use his unit or the common elements in any manner inconsistent with the purposes of the Project or in any manner which will interfere with or impair the rights of any other Co-owner in the use and enjoyment of his unit or the common elements.

V

Unit Description and Percentage of Value

Section 1. Each unit in the project is described in this paragraph with reference to the Subdivision and Site Plan of the Project attached hereto as Exhibit "B". Each unit shall include all that area and space contained within the boundary for each unit as shown on Exhibit "B" hereto.

Section 2. The percentage of value assigned to each unit is set forth in Section 4 below. The percentage of value assigned to each unit shall be determinative of the proportionate share of each respective unit in the expenses and proceeds of administration of the Association and in the common elements of the Condominium. Each respective Co-owner shall have one vote for each unit he owns at meetings of the Association. The total value of the project is 100%. The percentage of value allocated to each unit may be changed only with the unanimous consent of all of the co-owners expressed in an amendment to this Master Deed, duly approved and recorded.

Section 3. The determination of the percentage of value which should be assigned was made after reviewing the comparative characteristics of each unit in the Project and concluding that allocable expenses of maintenance was the proper determining factor to be considered.

Section 4. Each unit shall be assigned an equal percentage of value.

## VI

### Consolidation and Other Modifications of Units

Notwithstanding any other provision of the Master Deed or the By-laws, units in the Condominium may be consolidated, modified and the boundaries relocated by the Developer, in accordance with Section 48 of the Act and this Article. Any such changes in the affected unit or units shall be promptly reflected in a duly recorded amendment or amendments to this Master Deed.

Section 1. Sole Right of Developer. Developer reserves the sole right during the Development and Sales Period and without the consent of any other Co-owner or any mortgagee of any unit to consolidate under single ownership two or more units which it owns and which are next to one another, and to relocate any boundaries between adjoining units. Such consolidation of units and relocation of boundaries of units shall be given effect by an appropriate amendment or amendments to this Master Deed in the manner provided by law, which amendment or amendments shall be prepared by and at the sole discretion of the Developer, its successors and assigns, subject always to the applicable ordinances of the **Peninsula Township** and to the Township's prior approval, if required by law.

Section 2. Amend to Effectuate Modifications. In any amendment or amendments resulting from the exercise of the rights reserved to Developer above, each portion of the unit or units resulting from such consolidation or relocation of boundaries shall be separately identified by number, when appropriate, and the percentage of value as set forth in Article V hereof for the unit or units consolidated or to which boundaries are relocated shall be adjusted in order to preserve a total value of 100% for the entire Project resulting from such amendment or amendments to this Master Deed and to preserve the principle that all percentages of value shall be equal regardless of whether the units to which they relate have been enlarged, reduced or eliminated. Such amendment or amendments to the Master Deed shall also contain such further definitions

of common elements as may be necessary to adequately describe the units in the Condominium Project as so modified. All the Co-owners and mortgagees of units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendment or amendments of this Master Deed to effectuate the foregoing and to any proportionate reallocation of percentages of value of units which Developer or its successors 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 execution of such amendment or amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be effected without the necessity of rerecording an entire Master Deed or the Exhibits hereto.

## VII

### Convertible Area

The Condominium Project does not contain convertible area.

## VIII

### Enlargement of Condominium

Section 1. Right to Expand. The Condominium Project is not an expandable condominium project, as that term is defined in the Act.

## IX

### Operative Provisions

Any modification or exercise of the convertibility or expansion rights in the Project pursuant to Article VII and VIII above shall be governed by the provisions as set forth below:

Section 1. Amendment of Master Deed and Modification of Percentages of Value. Such modification or conversion of this condominium project shall be given effect by appropriate amendments to this Master Deed in the manner provided by law, which amendments shall be prepared by and at the discretion of the Developer and in which the percentages of value set forth in Article V hereof shall be readjusted when applicable in order to preserve a total value of 100% for the entire project resulting from such amendments to this Master Deed. All readjustments in percentages of value shall be made so as to provide for equal percentages for all units.

Section 2. Redefinition of Common Elements. Such amendments to the Master Deed shall also contain such further definitions and redefinitions of general or limited common elements as may be necessary to adequately describe, serve and provide access to any parcel or parcels otherwise modified by such amendments. In connection with any such amendments, the Developer shall have the right to change the nature of any common element previously included in the project for any purpose reasonably necessary to achieve the purposes of this Article.

Section 3. Consolidating Master Deed. A Consolidating Master Deed shall, if necessary, be recorded pursuant to the Act when the project is finally concluded as determined by the Developer in accordance with Article III, Section 9, thereof in order to incorporate into one set of instruments all successive stages or modification of development. The Consolidating Master Deed, if and when recorded, shall supersede the previously recorded Master Deed and all amendments thereto.

Section 4. Consent of Interested Persons. All of the co-owners and mortgagees of units and other persons interested or to become interested in the project from time to time shall be deemed to have irrevocably and unanimously consented to such amendments to this Master Deed as may be proposed by the Developer to effectuate the purposes of Articles VI, VII, VIII and IX above and to any proportionate reallocation of percentages of value of existing units as may be required thereby. All such interested persons irrevocably appoint the Developer as agent and attorney for the purpose of execution of such amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be effected without the necessity of rerecording the entire Master Deed or the Exhibits hereto and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits hereto.

X

#### Easements

Section 1. Easements for Maintenance of Encroachments and Utilities. In the event any portion of a unit or common element encroaches upon another unit or common element due to shifting, settling or moving of any structure or due to survey errors, or construction deviations, reciprocal easements shall exist for the maintenance of such encroachment for so long as such encroachment exists, and for maintenance thereof after rebuilding in the event of any destruction. There shall be easements to, through and over those portions of the land, structures, buildings and improvements for the continuing maintenance and repair of all utilities in the Condominium. One of the purposes of this Section is to clarify the right of the Co-owners to maintain structural elements and fixtures which have been approved by the Developer or the Association and which project into the common elements surrounding each unit notwithstanding their projection beyond the unit perimeters.

Section 2. Easement for Maintenance of Dwelling Exteriors, Limited Common Element Areas, Etc. There shall be easements to and in favor of the Association, and its officers, directors, agents and designees, in, on and over all homesites in the Project, for access to the units and the exterior of each of the residential dwellings and other structures and appurtenances that are constructed within the Project to permit the maintenance, decoration, repair and replacement thereof in accordance with provisions of Article IV, Section 3A hereof. In the event any Co-Owner fails to discharge his responsibilities in accordance with the aesthetic, maintenance and architectural standards imposed by the Association and the Condominium Documents, the Association may enter upon the unit and perform any Co-owner's required decoration,

maintenance, repair or replacement responsibilities and access the costs thereof to the pertinent Co-owner in accordance with the provisions of Article II of the By-laws. The Association shall also have an easement and license to top or remove any trees or shrubs in order to preserve and maintain views for any unit owner(s).

Section 3. Grant of Easement by Association. The Association, acting through its lawfully constituted board of directors (including any board of directors acting prior to the Transitional Control Date) shall be empowered and obligated to grant such easements, licenses, rights-of-entry and rights of-way over, under and across the Condominium premises for utility purposes, access purposes or other lawful purposes as may be necessary for the benefit of the Condominium; subject, however, to the approval of the Developer so long as the Development and sales period has not expired. No easement created under the Condominium Documents may be modified, or obligations with respect thereto varied, without the consent of the Owner of each property benefitted or burdened thereby.

Section 4. Easements for Public Utilities. The Developer reserves the right at any time during the Development and sales period to grant easements for utilities over, under and across the Condominium to appropriate governmental agencies or public utility companies and to transfer title of utilities to governmental agencies or to utility companies. Any such easement or transfer of title may be conveyed by the Developer without the consent of any Co-owner, mortgagee or other person and shall be evidenced by an appropriate amendment to this Master Deed and to Exhibit "B" hereto, recorded in the Grand Traverse County Records. All of the Co-owners and mortgagees of units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendment or amendments of this Master Deed as may be required to effectuate the foregoing grant of easement or transfer of title.

The above easements may be for the benefit of the Developer and owners of other Projects not a part of this condominium, and their respective heirs, successors, assigns, families, guests and invitees.

Section 5. Easements for Development and for Maintenance, Repair and Replacement. The Association and all public or private utility companies shall have such easements as may be necessary over the Condominium premises, including all units and common elements to fully develop the Condominium premises and to fulfill any responsibilities of maintenance, decoration, repair or replacement which they or any of them are required or permitted to perform under the Condominium Documents. These easements include, without any implication of limitation, the right of the Association to obtain access during reasonable hours and upon reasonable notice to meters and valves and for purposes of inspection of the dwelling constructed on any unit and/or its appurtenant limited common elements to ascertain that the same have been designed and constructed in conformity with standards imposed and/or specific approvals granted by the Developer (during the Development and sales period) and thereafter by the Condominium Association.

Section 6. Specific Written Easements. The Developer may, by subsequent instrument, prepared and recorded in its sole discretion without the necessity of consent by any interested party, specifically define by legal description any of the easements created by or referred to in this Article X.

Section 7. Easement Rights Reserved by Developer. The Developer reserves non-exclusive easements for the benefit of itself, its successors and assigns which may be utilized at any time or times without any fee or charge whatsoever other than reasonable cost of work performed, utilities consumed and/or maintenance required as a direct result of such use. Developer may assign all or a portion of these rights to any party without restriction:

A. For the unrestricted use of all roads in the Condominium for the purpose of ingress and egress to and from any land which adjoins the Condominium premises which may be now owned or hereafter acquired by the Developer or its successors and assigns.

B. To utilize, tap, tie into, extend and/or enlarge all the utility lines, water lines, sewer mains, and roads, public and private, within the Condominium, located on the land described in Article II or which may be now owned or hereafter acquired by the Developer or its successors or assigns. Developer also reserves all easements granted by the Act, without restriction of any kind.

Section 8. Grant of Easement Rights to Governmental Authorities. In addition to the rights granted by the Developer to any and all utility providers for easements to access rights to develop and maintain utilities servicing units within the development, the Grand Traverse County Drain Commissioner's office is hereby granted rights over and along all utility easements in order to inspect, repair, improve and/or maintain any and all drainage appurtenances within the development.

## XI

### Amendment

This Master Deed and the Condominium Subdivision Plan may be amended with the consent of 66-2/3% of the Co-owners, except as hereinafter set forth:

Section 1. Modification of Units or Common Elements. No unit dimension may be modified in any material way without the consent of the Co-owner and mortgagee of such unit nor may the nature or extent of limited common elements or the responsibility for maintenance, repair or replacement thereof be modified in any material way without the written consent of the Co-owner and mortgagee of any unit to which the same are appurtenant, except as otherwise expressly provided in this Master Deed or in the By-laws to the contrary.

Section 2. Mortgagee Consent. Whenever a proposed amendment would materially alter or change the rights of mortgagees generally, then such amendments shall require the approval of 66-2/3% of all first mortgagees of record, allocating one vote for each mortgage held.

Section 3. By Developer. Within two years after expiration of the Development and sales period, the Developer may, without the consent of any Co-owner or any other person, amend this Master Deed and the Condominium Subdivision Plan attached as Exhibit "B" in order to correct survey or other errors made in such documents and to make such other amendments to such instruments and to the By-laws attached hereto as Exhibit "A" as do not materially diminish any rights of any Co-owners or mortgagees in the Project.

Section 4. Change in Percentage of Value. The value of the vote of any Co-owner and the corresponding proportion of common expenses assessed against such Co-owner shall not be modified without the written consent of such Co-owner and his mortgagee, nor shall the percentage of value assigned to any unit be modified without like consent, except as provided in this Master Deed or By-laws.

Section 5. Amendment to Master Deed. In the event of any amendment to the Master Deed as set forth above, such amendment shall be subject to the requirement that any resulting land uses in the Project as a result of the amendment must be permitted in accordance with the applicable ordinances of **Peninsula Township.**

Section 6. Termination, Vacation, Revocation or Abandonment. The Condominium Project may not be terminated, vacated, revoked or abandoned without the written consent of 66-2/3% of all Co-owners and mortgagees and subject to the requirement that any resulting land use as a result of termination be permitted in accordance with the applicable ordinances of **Peninsula Township.**

Section 7. Developer Approval. During the development and sales period, this Master Deed and the other Condominium Documents shall not be amended or otherwise modified without the written consent of the Developer.

## XII

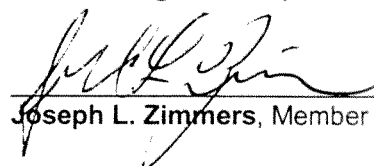
### Assignment

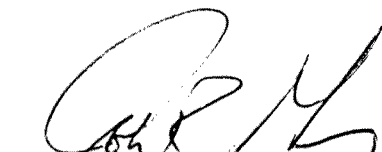

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or By-laws, including the power to approve or disapprove any act, use or proposed action or any other matter or thing, may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing duly recorded in the office of the Grand Traverse County Register of Deeds.

In the Presence of:

DEVELOPER:

Hidden Ridge Development, LLC

  
Joseph L. Zimmers, Member

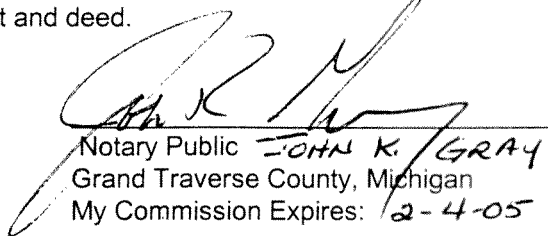
  
JOHN K. GRAY  
  
SHEILA DEAN CONNORS



LIBER 1652 ... 1953

STATE OF MICHIGAN                    )  
  )ss.  
COUNTY OF GRAND TRAVERSE)

On this 7 day of March, 2002, before me, a Notary Public in and for said County and State, personally appeared the above named **Hidden Ridge Development, LLC**, by **Joseph L. Zimmers , Its Member**, to me known to be the same persons described in, and who executed the within instrument, who acknowledged the same to be their free act and deed.

  
Notary Public JOHN K. GRAY  
Grand Traverse County, Michigan  
My Commission Expires: 2-4-05

Prepared by:  
*John K. Gray*  
*Gray, Ford & Seaman, P.C.*  
*325 South Union Street*  
*Traverse City, MI 49684*

## HIDDEN RIDGE CONDOMINIUM

### BY-LAWS

#### ARTICLE I

##### Association of Co-Owners

**Hidden Ridge Condominium**, a residential Condominium project located in the **Township of Peninsula, Grand Traverse County**, Michigan, shall be administered by an association of co-owners which shall be a non-profit corporation, hereinafter referred to as 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 condominium project in accordance with the condominium documents and the laws of the State of Michigan. These By-laws shall constitute both the By-laws referred to in the Master Deed and required by Section 3(8) of the Act and the By-laws provided for under the Michigan Nonprofit Corporation Act. Each co-owner shall be entitled to membership and no other person or entity shall be entitled to membership. 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. The Association shall keep current copies of the Master Deed, all amendments to the Master Deed, and other condominium documents for the condominium project available at reasonable hours to prospective mortgagees of units in the condominium project. All co-owners in the condominium project 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 condominium documents.

#### ARTICLE II

##### Assessments

All expenses arising from the management, administration and operation of the Association in pursuance of its authorizations and responsibilities as set forth in the condominium documents and the Act shall be levied by the Association against the units and the co-owners thereof in accordance with the following provisions:

Section 1. Assessments for Common Elements. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the common elements or the administration of the condominium project shall constitute expenditures affecting the administration of the project, and all sums received as the proceeds of, or pursuant to, any policy of insurance securing the interest of the co-owners against liabilities or losses arising within, caused by, or connected with the common elements or the administration of the condominium project shall constitute receipts affecting the administration of the condominium project, within the meaning of Section 54(4) of the Act.

Section 2. Determination of Assessments. Assessments shall be determined in accordance with the following provisions:

(a) Budget; Regular Assessments. 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 condominium project, including a reasonable allowance for contingencies and reserve. Upon adoption of an annual budget by the Association, copies of the budget shall be delivered to each co-owner and the assessment for said year shall be established based upon said budget. The annual assessments as so determined and levied shall constitute a lien against all units as of the first day of the fiscal year to which the assessments relate. Failure to deliver a copy of the budget to each co-owner shall not affect or in any way diminish such lien or the liability of any co-owner for any existing or future assessments. Should the Association at any time decide, in its sole discretion: (1) that the assessments levied are or may prove to be insufficient (a) to pay the costs of operation and management of the condominium; (b) to provide replacements of existing common elements; (c) to provide additions to the common elements not exceeding \$1,000 annually for the entire condominium project; or (2) that an emergency exists, the Association shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The Association also shall have the authority, without co-owner consent, to levy assessments pursuant to the provisions of Article V hereof. The discretionary authority of the Association to levy assessments pursuant to this sub-paragraph shall rest solely with the Association for the benefit of the members thereof, and shall not be enforceable by any creditors of the Association or of the members thereof.

(b) Special Assessments. Special assessments, in addition to those required in sub-paragraph (a) above, may be made by the Association from time to time and approved by the co-owners as hereinafter provided to meet other requirements of the Association, including, but not limited to: (1) assessments for additions to the common elements of a cost exceeding \$1,000 for the entire condominium project per year; (2) assessments to purchase a unit upon foreclosure of the lien for assessments described in Section 5 hereof; or (3) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this sub-paragraph (b) (but not including those assessments referred to in sub-paragraph 2(a) above, which shall be levied in the sole discretion of the Association) shall not be levied without the prior approval of more than 60% of all co-owners. The authority to levy assessments pursuant to this sub-paragraph is solely for the benefit of the Association and the members thereof and shall not be enforceable by any creditors of the Association or of the members thereof.

(c) Apportionment of Assessments. All assessments levied against the co-owners to cover expenses of administration shall be apportioned among and paid by the co-owners in accordance with each co-owner's proportionate share of the expenses of administration as provided in Article V, Section 2 of the Master Deed and without increase or decrease for the existence of any rights to the use of limited common elements appurtenant to a unit except as otherwise specifically provided in the Master Deed. Annual assessments as determined in accordance with Article II, Section 2(a) above shall be payable by co-owners in periodic installments, commencing with acceptance of a deed to or a land contract vendee's interest in a unit, or with the acquisition of fee simple title to a unit by any other means.

Section 3. Developer's Responsibility for Assessments. During the development and sales period as defined in Article III, Section 13 of the Master Deed, the Developer of the condominium, even though a member of the Association, shall not be responsible for payment of the periodic Association assessment. The Developer, however, shall during the Development and sales period pay a proportionate share of the Association's current maintenance expenses

actually incurred from time to time based upon the ratio of completed units owned by Developer at the time the expense is incurred to the total number of units in the condominium project. In no event shall Developer be responsible for payment, during the development and sales period, of any assessments for deferred maintenance, reserves for replacement, for capital improvements or other special assessments, except with respect to occupied units owned by it. Developer shall not be responsible at any time for payment of said periodic assessment or payment of any expenses whatsoever with respect to units not completed, notwithstanding the fact that such units not completed may have been included in the Master Deed. Further, the Developer shall in no event be liable for any assessment levied in whole or in part to purchase any unit from the Developer or to finance any litigation or other claims against the Developer, any cost of investigating and preparing such litigation or claim or any similar or related costs. "Occupied Units" shall mean a unit used as a residence. "Completed Unit" shall mean a unit with respect to which a certificate of occupancy has been issued by Grand Traverse County.

Section 4. Penalties for Default. The payment of an assessment shall be in default if any installment thereof is not paid to the Association in full on or before the due date for such installment. A late charge not to exceed \$25.00 per installment may be assessed automatically by the Association upon each installment in default for ten or more days until paid in full. The Board of Directors shall also have the right to apply a discount for assessments received by it on or before the date upon which any such assessment falls due. The Association may, pursuant to Article XII, Section 3 and Article XIII hereof, levy fines for late payment of assessments in addition to such late charge. Each co-owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments (including fines for late payment and cost of collection and enforcement of payment) pertinent to his unit which may be levied while such co-owner is the owner thereof, except a land contract purchaser from any co-owner including Developer shall be so personally liable and such land contract seller shall not be personally liable for all such assessments levied up to and including the date upon which such land contract seller actually takes possession of the unit following extinguishment of all rights of the land contract purchaser in the unit. Payments on account of installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorney's fees; second, to any interest charges and fines for late payment on such installments; and third, to installments in default in order of their due dates.

Section 5. Liens for Unpaid Assessments. Sums assessed to the Association which remain unpaid, including but not limited to regular assessments, special assessments, assessments pursuant to the declaration defined in Article III, Section 11 of the Master Deed, fines and late charges, shall constitute a lien upon the unit or units in the project owned by the co-owner at the time of the assessment and upon the proceeds of sale thereof. Any such unpaid sum shall constitute a lien against the unit as of the first day of the fiscal year to which the assessment, fine or late charge relates and shall be a lien prior to all claims except real property taxes and first mortgages of record. All charges which the Association may levy against any co-owner shall be deemed to be assessments for purposes of this section and Section 108 of the Act.

Section 6. Waiver of Use or Abandonment of Unit. 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 7. Enforcement.

(a) Remedies. In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of default by any co-owner in the payment of any installment of the annual assessment levied against his unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any utilities or other services to a co-owner in default upon seven-days written notice to such co-owner of its intention to do so. A co-owner in default shall not be entitled to utilize any of the general common elements of the project and shall not be entitled to vote at any meeting of the Association so long as such default continues; Provided, However, this provision shall not operate to deprive any co-owner of ingress and egress to and from his unit. In a judicial foreclosure action, 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 Association may also assess fines for late payment or non-payment of assessments in accordance with the provisions of Article XII, Section 3 of these By-laws. All of these remedies shall be cumulative and not alternative.

(b) Foreclosure Remedies. Each co-owner, and every other person who from time to time has any interest in the project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to the following in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each co-owner and every other person who from time to time has any interest in the project shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each co-owner of a unit in the project acknowledges that at the time of acquiring title to such unit, he was notified of the provisions of this sub-paragraph and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclosure by advertising the lien for non-payment of assessments and a hearing on the same prior to the sale of the subject unit.

(c) Notice of Action. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten days after mailing, by first class mail, postage prepaid, addressed to the delinquent co-owner(s) at his or their last known address, a written notice that one or more installments of the annual assessment levied against the pertinent unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (1) the affiant's capacity to make the affidavit; (2) the statutory and other authority for the lien; (3) the amount outstanding (exclusive of interest, costs, attorney's fees and future assessments); (4) the legal description of the subject unit(s); and (5) the name(s) of the co-owner(s) of record. Such affidavit shall be recorded in the office of the Grand Traverse County

Register of Deeds prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing. If the delinquency is not cured within the ten day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the delinquent co-owner and shall inform him that he may request a judicial hearing by bringing suit against the Association.

(d) Expenses of Collection. The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorney's fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the co-owner in default and shall be secured by the lien on his unit.

Section 8. Statement as to Unpaid Assessments. The purchaser of any unit may request a statement of the Association as to the amount of any unpaid Association assessments thereon, whether regular or special. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire a unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such unit shall be deemed satisfied; Provided, However, that the failure of a purchaser to request such statement at least five days prior to the closing of the purchase of such unit shall render any unpaid assessments and the lien securing the same fully enforceable against such purchaser and the unit itself, to the extent provided by the Act.

Section 9. Liability of Mortgagee. Notwithstanding any other provisions of the condominium documents, the holder of any first mortgage covering any unit in the project which comes into possession of the unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged unit which accrue prior to the time such holder comes into possession of the unit (except for claims for a pro rata share of such assessments or charges resulting from a pro-rata reallocation of such assessments or charges to all units including the mortgaged unit).

Section 10. Property Taxes and Special Assessments. All property taxes and special assessments levied by any public taxing authority shall be assessed in accordance with Section 131 of the Act.

Section 11. Personal Property Tax Assessment of Association Property. The Association shall be assessed as the person or entity in possession of any tangible personal property of the condominium owned or possessed in common by the co-owners, and personal property taxes based thereon shall be treated as expenses of administration.

Section 12. Construction Lien. A construction lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, shall be subject to Section 132 of the Act.

### ARTICLE III Arbitration

Section 1. Scope and Election. Disputes, claims, or grievances arising out of or relating to the interpretation or the application of the condominium documents, or any disputes, claims or grievances arising among or between the co-owners and the Association, upon the election and written consent of the parties to any such disputes, claims or grievances (which consent shall include an agreement of the parties that the judgment of any circuit court of the State of Michigan may be rendered upon any award pursuant to such arbitration), and upon written notice to the Association, shall be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding, provided that no question affecting the claim of title of any person to any fee or life estate in real estate is involved. The Commercial Arbitration Association 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. Judicial Relief. In the absence of the election and written consent of the parties pursuant to Section 1 above, no co-owner or the Association shall be precluded from petitioning the courts to resolve any such disputes, claims or grievances.

Section 3. Election of Remedies. Such election and written consent by co-owners or 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 Insurance

Section 1. Extent of Coverage. The Association shall, to the extent appropriate in light of the nature of the general common elements of the project, maintain (in a minimum amount to be determined by the Developer or the Association in its discretion, but in no event less than \$1,000,000 per occurrence), officers' and directors' liability insurance, and workmen's compensation insurance, if applicable, and any other insurance the Association may deem applicable, desirable or necessary, pertinent to the ownership, use and maintenance of the general common elements, and such insurance shall be carried and administered in accordance with the following provisions:

(a) Responsibilities of Association. All such insurance shall be purchased by the Association for the benefit of the Association, the Developer and the co-owners and their mortgagees, as their interests may appear, and a provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of co-owners.

(b) Insurance of Common Elements. All general common elements of the condominium project shall be insured against fire and other perils covered by a standard extended coverage endorsement, if applicable and appropriate, in an amount equal to the current insurable replacement value, excluding foundation and excavation costs, if any, as determined annually by the Board of Directors of the Association.



(c) Premium Expenses. All premiums on insurance purchased by the Association pursuant to these By-laws shall be expenses of administration.

(d) Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association and the co-owners and their mortgagees, as their interest may appear; Provided, however, whenever repair or reconstruction of the condominium 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 or reconstruction.

Section 2. Authority of Association to Settle Insurance Claims. Each co-owner, by ownership of a unit in the condominium project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the general common elements appurtenant thereto, with such insurer as may, from time to time, provide such insurance for the condominium project. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefore, to collect proceeds and to distribute the same to the Association, the co-owners and respective mortgagees, as their interest may appear (subject always to the condominium documents), to execute releases of liability and to execute all documents and to do all things on behalf of such co-owner and the condominium as shall be necessary or convenient to the accomplishment of the foregoing.

Section 3. Responsibilities of Co-owners. Each co-owner shall be responsible for obtaining all risk insurance coverage with respect to the dwelling and all other improvements constructed or to be constructed within the perimeter of co-owner's condominium unit and for personal property located therein or thereon or elsewhere on the condominium project. There is no responsibility on the part of the Association to insure any of such improvements whatsoever. Each co-owner also shall be obligated to obtain insurance coverage for co-owner's personal liability for occurrences within the perimeter of owner's unit or upon limited common elements appurtenant or assigned to his unit (naming the Association and the Developer as additional insureds), and also for any other personal insurance coverage that the co-owner wishes to carry. Each co-owner shall deliver certificates of insurance to the Association from time to time to evidence the continued existence of all insurance required to be maintained by the co-owner hereunder. In the event of the failure of a co-owner to obtain such insurance or provide evidence thereof to the Association, the Association may, but is not required to, obtain such insurance on behalf of such co-owner and the premiums therefor shall constitute a lien against the co-owner's unit which may be collected from the co-owner in the same manner that Association assessments may be collected in accordance with Article II hereof.

The Association shall under no circumstances have any obligation to obtain any of the insurance coverage described above in this Section 3 or have any liability to any person for failure to do so. The Association may elect, however, through its Board of Directors, to undertake the responsibility for obtaining the insurance described in this Section 3, or any portion thereof, exclusive of insurance covering the contents located within a co-owner's residence, and the cost of the insurance shall be included as an expense item in the Association budget. All co-owners



shall be notified of the Board's election to obtain the insurance at least sixty (60) days prior to its effective date which notification shall include a description of the coverage and the name and address of the insurer. Each co-owner shall also be provided a certificate of insurance as soon as it is available from the insurer. Co-owners may obtain supplementary insurance but in no event shall any such insurance coverage undertaken by a co-owner permit a co-owner to withhold payment of the share of the Association assessment that relates to the equivalent insurance carried by the Association. The Association also shall not reimburse co-owners for the cost of premiums resulting from the early cancellation of an insurance policy. To the extent a co-owner does not permit anything to be done or kept on co-owner's unit that will increase the rate of insurance each co-owner shall pay to the Association, the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition shall be charged to the co-owner responsible for such activity or condition.

Section 4. Indemnification. Each individual co-owner shall indemnify and hold harmless every other co-owner, the Developer and the Association for all damages and costs, including attorneys' fees which such other co-owners, the Developer or the Association may suffer as a result of defending any claim arising out of an occurrence on or within such individual co-owner's unit and shall carry insurance to secure this indemnity if so required by the Association. The Association also shall not reimburse co-owners for the cost of premiums resulting from the early cancellation of an insurance policy. To the extent a co-owner does or permits anything to be done or kept on co-owner's unit that will increase the rate of insurance each co-owner shall pay to the Association, the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition shall be charged to the co-owner responsible for such activity or condition.

## ARTICLE V Reconstruction or Repair

Section 1. Association Responsibility for Repair. Immediately after the occurrence of a casualty causing damage to a general common element, the Association shall obtain reliable and detailed estimates of the cost to place 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 cost of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are insufficient, assessments shall be made against all co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation.

Section 2. Timely Reconstruction and Repair. If damage to the general common elements adversely affects the appearance of the project, the Association shall proceed with replacement of the damaged property without delay.

Section 3. Co-owner's Responsibility. Each co-owner shall be responsible for all maintenance, repair and replacement required within such co-owner's unit. If damage to the residence or other improvements constructed on co-owner's unit adversely affects the appearance of the Project, co-owner shall proceed with removal or replacement of the damaged property without delay. This Section shall also be applicable in the event of destruction during the course

of construction of improvements on a unit. Those co-owners who have the right to use the limited common area beach and facilities shall be equally responsible for said areas' maintenance and repair.

Section 4. Eminent Domain. The following provisions shall control upon any taking by eminent domain:

(a) Taking of General Common Elements. If there is any taking of any portion of the general common elements, the condemnation proceeds relative to such taking shall be paid to the co-owners and their mortgagees in proportion to their respective interests in the common elements and the affirmative vote of more than 50% 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.

(b) Continuation of Condominium After Taking. In the event the condominium project shall be resurveyed and the Master Deed amended accordingly, and, if any unit shall have been taken, then the percentages of value of the remaining co-owners shall be proportionately readjusted based upon the continuing value of the condominium 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.

(c) Notification of Mortgagees. In the event any unit in the condominium, or any portion thereof, or the common elements or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the units in the condominium.

(d) Applicability of the Act. To the extent not inconsistent with the foregoing provisions, Section 133 of the Act shall control upon any taking by eminent domain.

Section 5. Notification of FHLMC and FNMA. In the event any mortgage in the condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC") or by the Federal National Mortgage Association ("FNMA") then, upon request therefor by FHLMC or FNMA, as the case may be, the Association shall give it written notice at such address as it may, from time to time, direct of any loss to or taking of the common elements of the condominium if the loss or taking exceeds \$10,000 in amount or damage to a condominium unit covered by a mortgage purchased in whole or in part by FHLMC or FNMA exceeds \$1,000.

Section 6. Priority of Mortgagee Interests. Nothing contained in the condominium documents shall be construed to give a co-owner or any other party priority over any rights of first mortgagees of condominium units pursuant to their mortgages in the case of a distribution to co-owners of insurance proceeds or condemnation awards for losses to or taking of condominium units and/or common elements.

## ARTICLE VI

A. Architectural Control Committee/Construction/RestrictionsSection 1. Architectural Control Committee.

1.1 An Architectural Control Committee shall be established by the owner/developer and shall at all times consist of the owner/developer and one or more person appointed by the owner/developer, until such time as owner/developer elects not to serve, then the Co-owners Association shall appoint three such members. The Architectural Control Committee shall assist lot owners in complying with the development restrictions herein set forth.

1.2 Except as otherwise provided herein, a majority of the members of the Committee shall have the power to act on behalf of the Committee without the necessity of a meeting and without the necessity of consulting the remaining members of the Committee. The Committee may act only by written instrument setting forth the action taken and signed by the members of the Committee consenting to such action, provided further, however, that the developer's consent shall be required for all Committee action in the event the developer remains a member of the Committee.

Section 2. Approval of Construction by Committee

2.1 The developer recognizes that there can be an infinite number of concepts and ideas for the developments of lots consistent with its plan for **Hidden Ridge**. The developer wishes to encourage the formulation of new or innovative concepts and ideas. Nevertheless, for the protection of all lot or unit owners and for the preservation of developer's concept for the development of the project, the developer wishes to make certain that any development of a lot will be consistent with its plan for **Hidden Ridge**, including the following:

(a) No building shall be erected on any lot except a single family dwelling to be occupied by not more than one family, for residential purposes only, and with an attached two car garage, or larger.

(b) Each single-story dwelling constructed on a lot shall have a minimum of 1,800 square feet of finished living area, as determined by the "story-above-grade" provisions of the then most current BOCA National Building Code, unless otherwise approved by the Committee. Multiple-story dwellings shall have a minimum of 2,000 square feet of finished living area. In computing finished living area, only those portions located entirely above grade shall be included and living area shall not include any garage, basement, porch, breezeway, or entranceway. The area may be computed by including exterior walls, partitions, bay windows (if the same reach to the floor and are fully enclosed and heated). The Committee may deny construction in accordance with any plan submitted because of a lack of harmony of external design with existing structures, or because of too great a similarity of other or nearby existing structures. No plan will be approved that will result in the same style being repeatedly used so as to create sameness of design in **Hidden Ridge**.

(c) All buildings shall be limited to thirty-five (35) feet in height above the mean ground level of the building foundation area; mean ground level shall be defined as the natural

topography of the site (backfill to increase the mean ground level is specifically prohibited). The minimum roof pitch shall be 6/12. In no event, however, shall any building exceed the applicable height limits contained in the applicable municipal zoning regulations or building codes unless the appropriate variances are obtained therefrom.

(d) Mobile homes, double-wide mobile homes and other factory built structures which have metal frames or titles (whether referred to as "modular" or not) shall not be permitted. Factory built modular or panelized structures, whether or not constructed with conventional building materials, shall not be permitted. Earth and berm type dwellings and dome-shaped structures shall not be permitted.

(e) All exteriors will be composed of natural wood (redwood or cedar), brick, stone, or cement siding. The exterior siding may be vertical, horizontal, rough sawed, or such other textures that may be approved by the Committee. All wood exteriors will be properly stained or painted. The exterior siding may be of such other textures that may be approved by the Committee. Colors will be natural, rustic, earth-tone hues with flat finished preferred. No aluminum siding or 4 x 8 or 4 x 9 plywood siding (e.g. textured 111 pattern and reverse board and batten) will be allowed; however, aluminum and/or vinyl materials will be allowed for use as gutters and soffits.

(f) All roofing materials shall be a dark or neutral color (white and red roofs will not be permitted), unless approved in advance by the Committee.

(g) All homes shall be located so as to comply with the setback restrictions hereinafter provided and all applicable building codes and on that portion of a lot as permitted by the Committee with an orientation approved by the Committee, it being the intent of these restrictions to keep homes as compatible as possible with the natural surroundings and with each other.

(h) The Committee shall have the right to waive or vary any of the restrictions contained in this section in such cases as it, in its sole discretion, shall deem to be in the best interests of those owning property in **Hidden Ridge**.

2.2 No lot or unit or unit owner shall construct, alter, or maintain any improvements on a lot until all the following have been completed:

(a) The lot or unit owner has submitted to the Committee two complete sets of preliminary sketches showing floor plans, exterior elevations and an outline specification for the material and finishes.

(b) The Committee has approved the preliminary sketches.

(c) Upon approval of preliminary sketches, the lot or unit owner has submitted to the Committee two complete sets of plans and specifications therefore, in form satisfactory to the Committee, showing insofar as is appropriate:

- (1) The size and dimensions of the improvements;
- (2) The exterior design;

- (3) The exterior color scheme;
  - (4) The exact location of the improvement on the lot; and
  - (5) The location of the driveways, parking areas and landscaping (including location and construction of all utilities).
- (d) Such plans and specifications have been approved in writing by the Committee.

Approval of preliminary sketches and detailed plans and specifications may be withheld, not only because of the non-compliance with any of the restrictions and conditions contained herein, but also because of the reasonable dissatisfaction of the Committee as to the location of the structure on the lot, color scheme, finish, design, proportions, shape, height, type or appropriateness of the proposed improvement or alteration, the materials used therein, the kind, shape or type of roof proposed to be placed thereon, or because of its reasonable dissatisfaction with any matters or things which, in the reasonable judgement of the Committee, would render the proposed improvement inharmonious or out of the keeping with the objectives of the developer or with the improvements erected in the immediate vicinity of the lot or unit.

2.3 In the event that a lot or unit owner wishes to change the exterior color scheme of any improvement, he shall submit to the Committee such information with respect to this proposed change as the Committee shall require and to make this change only after receiving written approval from the Committee.

2.4 If at any time a lot or unit owner shall have submitted to the Committee plans and specifications in accordance with this section for a structure or alteration, and the Committee has neither approved such plans and specifications within the thirty (30) days from the date of submission or notified the lot or unit owner of its objection within such thirty (30) day period, then such plans and specifications shall be deemed to have been approved by the Committee. In the event that a lot or unit owner shall file revised plans and specifications for a structure or alteration with the Committee after receiving objections from the Committee with respect to original plans and specifications, and the Committee has neither approved them nor notified the lot or unit owner of further objections within thirty (30) days from the date of submission, then such revised plans and specifications shall be deemed to have been approved by the Committee.

Section 3. Except with the approval of the Committee or as may be necessary in connection with the construction of an approved improvement, no excavation shall be made on any lot nor shall any dirt be removed therefrom.

Section 4. Except with the approval of the Committee, the natural drainage on any lot shall not be changed.

Section 5. The exterior of any improvement shall not remain incomplete for a period of longer than six months from the date upon which construction of the improvement was commenced without the prior approval of the Committee and all construction shall be pursued diligently to completion.

Section 6. Any and all landscaping must be completed within six months after the date of completion of construction of a residence and must be approved by the Committee per the guidelines set forth. All stumps, trees and brush, cut or cleared to provide for dwelling and/or driveway construction, must be removed from the premises, except timber cut and saved for firewood; firewood shall not be stored within the setbacks or in the front of any lots.

Section 7. No statues or similar structures shall be permitted on any lot without the approval of the Committee. All mailboxes shall be approved by the Committee. No perimeter fencing will be permitted to be installed on any lot or unit, except wooden decorative, split rail fencing of the standard two rail variety, with rail lengths of ten feet and heights not to exceed thirty-eight (38) inches, which shall be permitted along lot or unit boundaries. For the purpose of uniformity, the distance from the roadways to any such perimeter fencing shall be determined by the Committee. Before any such fencing may be installed, the design, texture, and color must first be submitted and approved for installation by the Committee. No chain link fences will be permitted on any lot or unit for any purpose or reason.

Section 8. All garages and outbuildings/storage structures must be architecturally related to the dwelling and constructed only of materials permitted for the construction of residences. Garages and outbuildings must match the overall color scheme of the buildings and may not have metal exteriors. All garages and other outbuildings shall comply with all applicable municipal zoning regulations and building codes.

Section 9. No exposed concrete or concrete blocks shall be permitted on any exterior except for foundation walls which may be exposed to a maximum height of eighteen (18) inches above the finished ground level (grade). Any concrete or concrete block wall which exceeds eighteen (18) inches in height above finished grades, must be covered with an approved exterior finish material.

Section 10. Carports are specifically prohibited.

Section 11. All utilities such as telephone and electric service shall be underground from the hookup source to all structures. Overhead utility service is not permitted in any lot or home site. No television antennae, satellite dishes greater than eighteen (18) inches in diameter, or clothes lines shall be allowed.

Section 12. All driveways or areas used for vehicular traffic or parking shall be paved with a minimum of two inches bituminous paving materials, concrete or approved equal, to the road.

Section 13. Below grade swimming pools will be permitted subject to prior Committee written approval. Each lot owner shall be solely responsible to insure limited access to any pool, hot tub or whirlpool and shall be solely responsible for constructing or installing all necessary (or required) safety measures; the placement and/or construction of any such pool or tub is subject to the prior approval by the Committee as to their drainage characteristics.

Section 14. Each residence shall be constructed so as to conform with the requirements of **Peninsula Township**, provided the Committee may, in its discretion, vary the setback restrictions to accommodate unique lot configurations.

Section 15. Playground equipment, slides, swing sets, and the like, including dog houses, dog runs, and other such auxiliary structures and equipment shall be subject to approval by the Architectural Control Committee.

Section 16. Special Topographical and Terrain Considerations. Due to the terrain within the **Hidden Ridge** project, unit owners must be aware of the design requirements and limitations that exist so as to prevent erosion and to allow the natural drainage to occur within the development. The Grand Traverse County Drain Commissioner's office requires that all unit owners comply with the following, as well as all other requirements as may be established by the Grand Traverse County Drain Commissioner: All owners of units within **Hidden Ridge** are required to maintain the natural drainage routes throughout the development. The natural drainage may not be blocked or diverted in such a manner which will divert the drainage upon an adjacent unit in an unnatural manner. Any diversion of the natural drainage must be so designed so as to provide that the natural drainage will thereafter be allowed to continue throughout the development. All grading and drainage plans must be approved by the Architectural Control Committee and the office of the Grand Traverse County Drain Commissioner.

B. Restrictions

Section 1. The purpose of these restrictions is the protection of the physical and economic value of **Hidden Ridge**, the preservation of the natural beauty of the environment, and the promotion of the high standards of land development and architecture.

Section 2. No unit in the Condominium shall be used for other than single family residential purposes and the common elements shall be used only for purposes consistent with the use of single family residences and not more than one single family dwelling shall be permitted on each unit.

Section 3. No immoral, improper, unlawful or offensive activity shall be carried out or on any lot or upon the common elements, limited or general, nor shall anything be done which is or becomes an annoyance or a nuisance to neighboring property owners, nor shall any unreasonably noisy activity be carried out on any lot or on the common elements. No co-owner shall do or permit anything to be done or keep or permit to be kept on his lot or on the common elements anything that will increase the rate of insurance on the Condominium without the prior written approval of the Association.

Section 4. The common elements, limited or general, 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 garage areas at all times, and shall not be permitted to remain elsewhere on the common elements except for 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. In general, no activity shall be carried on nor condition maintained by a co-owner either on his lot or upon the common elements, which spoils the appearance of the condominium. Each lot owner whose lot borders a common element shall be responsible for maintenance and upkeep of his lot to the actual location of the common element notwithstanding a contrary depiction on



Exhibit "B" to the Master Deed.

Section 5. No travel trailers, motorcycles, commercial vehicles, boat trailers, boats, camping vehicles, all-terrain vehicles, camping trailers, snowmobiles, snowmobile trailers, or vehicles other than automobiles may be parked or stored outdoors for extended periods of time (extended period of time shall mean greater than forty-eight (48) hours), unless the Committee has waived compliance with this restriction for a particular purpose in advance. No vehicles shall be parked overnight on any street in the **Hidden Ridge** development. If vehicles are parked overnight, the Association may have the offending vehicle towed at the owner's expense. Garage doors shall be completely closed at all times unless opened for access purposes.

Section 6. No co-owner shall use, or permit the use by any occupant, agent, employee, invitee, guest or member of his family of any firearms or other similar dangerous weapons, projectiles, fireworks or devices anywhere on or about the condominium premises.

Section 7. No emblem, sign or billboard whatsoever (including, but not limited to, commercial, political and similar signs) which are visible from neighboring property shall be erected or maintained on any unit or common area except:

- (a) Signs required by legal proceedings.
- (b) Not more than two identification signs for individual residences, each with a face area of twenty-two (22) square inches or less.
- (c) Reasonable sign use by declarant, its successors or assigns, to advertise the lots or living units thereon for sale.

Section 8. No animals of any kind shall be raised, kept or permitted upon the property or any part thereof other than dogs, cats and birds. Such animals are not to be kept, bred or raised for commercial purposes or in unreasonable numbers, and are to be reasonably controlled to avoid their being a nuisance to other lot owners. Pets shall not be allowed to run free. All animals shall be subject to such rules and regulations as the Association shall from time to time adopt.

Section 9. Reasonable regulations consistent with the Act, the Master Deed and these By-laws, concerning the use of 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 owners) prior to the First Annual Meeting of the entire Association held as provided in Article 1, Section 8 of these By-laws. Copies of all such 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 or each co-owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty (50%) percent of all co-owners in number and in value except that the co-owners may not revoke any regulation or amendment prior to said First Annual Meeting of the entire Association.

Section 10. The Association or its duly authorized agents shall have access to each unit (but not the residence constructed thereon) and any limited common elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the co-owner thereof, as may be necessary for the maintenance, repair or replacement of any of the common elements. The Association or its agents shall also have access to each lot and any limited common elements



appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the common elements or to another lot. It shall be the responsibility of each co-owner to provide the Association means of access to his lot and any limited common elements appurtenant thereto 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 lot and any limited common element appurtenant thereto caused thereby or for repair or replacement of any doors or windows damaged in gaining such access.

Section 11. Each co-owner shall maintain his unit and any limited common elements appurtenant thereto for which he has maintenance responsibility 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 and systems and any other elements in any lot which are appurtenant to or which may affect any other lot. 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, or his family, guests, agents or invitees, 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 costs 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 12. None of the restrictions contained in this Article VI shall apply to the commercial activities or signs, if any, of the owners or the developer or their agents during the development and sales period as defined hereinafter, or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation and Bylaws as the same may be amended from time to time. For the purposes of this Section, the development and sales period shall be deemed to continue so long as the owners own any lot which they offer for sale. Until all lots in the entire condominium project are sold by the owners, developer shall have the right to maintain a sales office, a business office, a construction 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 owners. Developer shall restore the areas so utilized to habitable status upon termination of use.

Section 13. No laundry shall be hung for drying in such a way as to be visible from the street on which the dwelling fronts and/or sides.

Section 14. No lot owner will be permitted to conduct more than two garage/yard sales per calendar year without the express written permission of the Committee.

Section 15. No outdoor property night lights of any kind shall be permitted to cast its rays beyond any of the boundary lot lines of the lot in which it is installed or maintained; mercury vapor/sodium vapor lights are prohibited.

Section 16. Each unit owner shall minimize the risk of environmental contamination or hazards to his unit and common elements.

(a) No person shall use their unit or any common element as a dump or landfill or as a facility for waste treatment, storage or disposal except as may otherwise be permitted by the County Health Department.

(b) No person shall cause or permit the release or disposal of any petroleum products or hazardous substance on his unit.

(c) No person will conduct any operations or activity on the property in violation of any federal, state or local environmental law.

(d) Each unit owner shall not permit any condition to exist on his unit in violation of any federal, state or local environmental law.

(e) Each unit owner shall immediately notify all appropriate governmental agencies of any release or threatened release of hazardous substances or petroleum products on his lot or any common element of the project.

(f) Each unit owner shall immediately notify the developer of any communication from any governmental agency regarding any release or threatened release of hazardous substances or petroleum products on or relating to his unit or any common element and upon request of the developer, each unit owner shall provide the developer with copies of all documents relating to such communications.

Section 17. The Committee shall have the right to waive or vary any of the restrictions contained herein in such cases as the Committee, in its sole discretion, shall deem to be in the best interest of those owning property in **Hidden Ridge**. Any variance or waiver of any condition contained herein may require the approval of Peninsula Township.

Section 18. Limited Common Areas - Beach Access

(a) The development owns 120 feet of beach frontage on East Bay of Grand Traverse Bay, as shown on Exhibit B, the Condominium Subdivision Plan and labeled thereon as a limited common area.

(b) The zoning ordinance of Peninsula Township provides that only fifteen (15) units within **Hidden Ridge** Condominium may use and access the beach which is owned by the project. Said regulations further allow one dock and three shore stations/lifts.

(c) To the extent beach rights are still available, the purchasers of units within **Hidden Ridge** may also purchase rights to the use of said beach area - limited common area.

(d) Those units owners who purchase rights in the beach area will automatically become members of the **Hidden Ridge** Beach Association.

(e) The **Hidden Ridge** Beach Association shall be governed by the **Hidden Ridge** Beach Association By-laws as required by the Michigan Non-Profit Corporation Act. In addition, the **Hidden Ridge** Beach Association may enact rules and regulations pertaining to the

beach area (limited common area). Said rules and regulations will govern the maintenance, rules of use and other matters pertaining exclusively to the beach area. All boat dockage, mooring, etc., shall be subject to the regulations of Peninsula Township.

(f) Unit owners of **Hidden Ridge** who also own rights to the beach area (limited common area) are allowed to sell said unit owner's rights in said limited common area provided, that said sale of beach access rights is in conjunction with the sale of a unit within **Hidden Ridge** Condominium. In the event a unit owner wishes to sell his limited common area rights in the beach area separate from his unit, said sale must be to another unit owner within **Hidden Ridge** Condominium Association. All beach access rights must be owned in conjunction with the ownership of a unit at **Hidden Ridge** Condominium. The Board of Directors of the **Hidden Ridge** Co-owners Association must approve any transfer, sale or assignment of rights in the limited common area (beach access), when said sale is contemplated separate from the sale of the unit for which said beach access rights attach. The seller of beach access rights separate from a unit will be responsible for all costs in amending the Condominium Master Deed.

(g) The limited common areas and facilities (beach access) as described, located and shown on the Condominium Subdivision Plan, shall be allocated for the restricted use of the respective units as shown on attached Exhibit 1 to these By-laws.

#### ARTICLE VI Requirements of Peninsula Township

Section 19. It is the intent of both the Developer and Peninsula Township that Hidden Ridge Development maintain the existing natural character of the site so as to promote the character of the neighborhood and protect the physical and natural beauty of the environment. These restrictions may not be changed or waived without the consent of Peninsula Township.

(a) Limited Building Envelope for Each Unit. A maximum area of 6,400 square feet has been established for each unit to place the proposed residential structures. Although the building envelope for each unit may be moved within the setbacks of said unit, the residential structure footprint must be built within the building envelope. Driveways and utilities will be allowed outside the building envelopes to make the proper connections to the street and utility services. The specific dimension of the no-build areas shall be noted on the subdivision site plan and include at least the area within the required minimum rear setbacks. The exception is the area along the rear of Lots 1 through 5 where a 15-foot no cut area is shown and a 20-foot utility easement is adjacent to it.

(b) Perimeter Buffer of Trees, No-Cut Zone. A no-cut zone shall be included along the eastern, northern, western and southern boundary of the development as shown on the landscape master plan attached to the Master Deed hereto. Forest management practices will be allowed within the no-cut zone, but only to remove dead or diseased trees or to allow for the placement of service utilities or drainage easements. Removal of live plants from the no-cut zone is not allowed for any reason without the express approval of the Peninsula Township Board. Transplanted trees as shown on the site plan will come from areas that will be disturbed by roads, driveways, building envelopes and drainage structures.

(c) Grading, Soil Sedimentation and Erosion Control Plan. Each unit owner shall employ a registered engineer or landscape architect to design the grading and erosion control plans for review by the Architectural Control Committee. These documents shall be submitted to the Architectural Control Committee for approval prior to applying for a land use permit from the Township. Said grading and erosion control plan shall provide a grading plan for each unit and shall illustrate the proposed best management practices for sedimentation and erosion control in accordance with the Grand Traverse County Soil Erosion Control Ordinance. Construction sequence will first involve creation of the drainage basins and temporary erosion control measures, followed by road construction, with cutting of major driveways (those requiring substantial cuts and fills, as in Lots 8 through 18) occurring last. No grading of the property shall take place other than within the identified building envelopes and for driveway construction and roads outside the building envelope as shown on the subdivision site plan, said grading to also include that needed for utility installation.

(d) Landscape Plan for Each Unit. Selective thinning and pruning for view windows from structures located upon each unit will be allowed, provided that trees over eight inches in diameter shall not be removed, nor shall there be the complete removal of branches on any tree above six feet from the ground. It is not the intent of this restriction to allow broad 180 degree openings for view purposes. The landscape plan shall be presented to the Architectural Control Committee and shall identify the types, locations and sizes of all proposed plantings around the residence structure, identify any proposed native plantings proposed in the undisturbed natural areas of the unit, and identify limited lawn areas which may be maintained, fertilized, mowed and irrigated. The limited lawn areas shall be within the building envelope and up to 15% of the lot area to allow for a 15-foot wide lawn area along the driveway, if desired. The selection and placement of plantings will be evaluated by the Committee for potential impact on views from adjoining lots.

(e) Undisturbed Natural Areas. The areas beyond the building envelope within each unit are to be left in a natural meadow or wooded condition; the areas disturbed for construction of the road, storm water drainage, driveways or utility service connections shall be stabilized and landscaped with natural vegetation, tall grasses and native plants to maintain the existing character of the site.

(f) Common Areas. Areas outside of the units will be common areas that will retain the existing natural character of the site and shall include the waterfront, wetlands, uplands, and wood chip and grass walkways for access to the waterfront and areas designated for possible future playground or tot lot use. The Co-owners Association shall be responsible for the establishment of the future playground or tot lot areas, if they choose to build and maintain these facilities in their own discretion. All trails shown on the subdivision site plan and landscape master plan shall be marked and surfaced with wood chips where practical. The wood chips created by chipping vegetation that is removed from the site during the construction process may be used to surface the trails.

(g) Port Mission Road. The roads servicing the development are private roads and shall be maintained by the Co-owners Association. The private road will connect with Port Mission Road, which services the Port of Old Mission development. The connection between both developments shall remain open and shall be maintained for emergency or official business use. The Hidden Ridge Co-Owners Association may erect signs indicating that trespassing upon the

private road is prohibited and said signs may be erected at the East Shore entrance, as well as the intersection with the Port of Old Mission.

(h) The restrictions contained within this section may not be amended without the approval of Peninsula Township.

## ARTICLE VII Mortgages

Section 1. Notice to Association. 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 assessments due from the co-owner of such unit. The Association shall give to the holder of any first mortgage covering any unit in the project written notification of any default in the performance of the obligations of the co-owner of such unit that is not cured within sixty (60) days.

Section 2. Insurance. The Association shall notify each mortgagee appearing in said book of the name of each company insuring the condominium against fire, perils covered by extended coverage, and vandalism and malicious mischief and the amounts of such coverage.

Section 3. Notification of Meetings. Upon request submitted to the Association, any institutional holder of a first mortgage lien on any unit in the condominium shall be entitled to receive written notification of every meeting of the members of the Association and to designate a representative to attend such meeting.

## ARTICLE VIII Voting

Section 1. Vote. Except as limited in these By-laws, each co-owner shall be entitled to one vote for each condominium unit owned.

Section 2. Eligibility to Vote. 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 unit in the condominium project to the Association. Except as provided in Article X, Section 2 of these By-laws, no co-owner, other than the Developer, shall be entitled to vote prior to the date of the First Annual Meeting of members held in accordance with Section 2 of Article IX. The vote of each co-owner may be cast only by the individual representative designated by such co-owner in the notice required in Section 3 of this Article VIII below or by a proxy given by such individual representative. The Developer shall be the only person entitled to vote at a meeting of the Association until the First Annual Meeting of members. At and after the First Annual Meeting, the Developer shall be entitled to one vote for each unit which it owns. If, however, the Developer elects to designate a director(s) pursuant to its rights under Article X, Section 2(c)(1) or (2) hereof, it shall not then be entitled to also vote for the non-Developer directors.

Section 3. Designation of Voting Representative. 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 the condominium unit or units owned by the co-owner, and the name and address of each person, firm, corporation, partnership, association, trust or other entity who is the co-owner. Such notice shall be signed and dated by the co-owner. The individual representative designated may be changed by the co-owner at any time by filing a new notice in the manner herein provided.

Section 4. Quorum. The presence in person or by proxy of 35% 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 by the condominium documents to require a greater quorum. The written vote 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.

Section 5. Majority. A majority, except where otherwise provided herein, shall consist of more than 50% of those qualified to vote and present in person or by proxy (or written note, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority herein above set forth of designated voting representatives present in person or by proxy, or by written vote, if applicable, at a given meeting of the members of the Association.

## ARTICLE IX Meetings

Section 1. Place of Meeting. Meetings of the association shall be held at the principal office of the Association or at such other suitable place convenient to the co-owners as may be designated by the Association. Meetings of the Association shall be conducted in accordance with Sturgis' Code of Parliamentary Procedures, Roberts Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the condominium documents (as defined in the Master Deed) or the laws of the State of Michigan.

Section 2. First Annual Meeting. The First Annual Meeting of the members of the association may be convened only by the Developer and may be called at any time after more than 50% of the units that may be created in **Hidden Ridge** have been conveyed and the purchasers thereof qualified as members of the Association. In no event, however, shall such meeting be called later than 120 days after the conveyance of legal or equitable title to non-developer co-owners of 75% of all units that may be created or 54 months after the first conveyance of legal or equitable title to a non-developer co-owner of a unit in the project, whichever first occurs. Developer may call meetings of members 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 Association, and at least ten (10) days written notice thereof shall be given to each co-owner.

Section 3. Annual Meetings. Annual meetings of members of the association shall be held on the first Saturday of October each succeeding year after the year in which the First Annual Meeting is held, at such time and place as shall be determined by the Association; Provided,

However, that the second annual meeting shall not be held sooner than eight months after the date of the First Annual Meeting. At such meetings there shall be elected by ballot of the co-owners a Board of Directors in accordance with the requirements of Article X of these By-laws. The co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

Section 4. Special Meetings. It shall be the duty of the President to call a special meeting of the co-owners as directed by resolution of the Association or upon a petition signed by 1/3 of the co-owners presented to the Secretary of time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each co-owner of record, at least ten (10) days, but not more than sixty (60) days, prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each co-owner at the address shown in the notice required to be filed with the Association by Article VII, Section 3 of these By-laws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.

Section 6. Adjournment. If any meeting of the co-owners cannot be held because a quorum is not in attendance, the co-owners who are present may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 7. Order of Business. The order of business at all meetings of the members shall be as follows:

- (a) Roll call to determine the voting power represented at the meeting.
- (b) Proof of notice of the meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Reports of committees.
- (f) New business.
- (g) Election of directors (at annual meetings or special meetings held for such purpose).
- (h) Unfinished business.

Meetings of members shall be chaired by the most senior officer of the Association present at such meeting. For purposes of this Section, the order of seniority of officers shall be President, Vice President, Secretary and Treasurer.

Section 8. Action Without a Meeting. Any action which may be taken at a meeting of the members (except for the election or removal of directors) may be taken without a meeting by written ballot of the members. Ballots shall be solicited in the same manner as provided in Section 5 for the giving of notice of meetings of members. Such solicitations shall specify:

- (a) The number of responses needed to meet the quorum requirements.
- (b) The percentage of approvals necessary to approve the action.
- (c) The time by which ballots must be received in order to be counted.

The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in accordance therewith. Approval by written ballot shall be constituted by receipt, within the time period specified in the solicitation of:

- (a) A number of ballots which equal or exceed the quorum which would be required if the action were taken at a meeting.
- (b) A number of approvals which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

Section 9. Consent of Absentees. The transactions at any meeting of members, either annual or special, however called and noticed, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy; and if, either before or after the meeting, each of the members not present in person or by proxy signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 10. Minutes; Presumption of Notice. Minutes or a similar record of the proceedings of meetings of members, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

## ARTICLE X

### Board of Directors

Section 1. Number and Qualifications. The Board of Directors shall be comprised of three members. Directors shall serve without compensation.



Section 2. Election of Directors.

(a) First Board of Directors. The first Board of Directors, or its successors as selected by the Developer, shall manage the affairs of the association until the appointment of the first non-developer director to the Board. Elections for non-developer co-owner directors shall be held as provided in sub-sections (b) and (c) below.

(b) Appointment of Non-Developer Co-owners to Board Prior to First Annual Meeting. Not later than 120 days after conveyance of legal or equitable title to non-developer co-owners of 25% of the units that may be created, one of the three directors shall be selected by non-developer co-owners. Not later than 120 days after conveyance of legal or equitable title to non-developer co-owners of 50% of the units that may be created, two of the three directors shall be elected by non-developer co-owners. When the required percentage of conveyances have been reached, the Developer shall notify the non-developer co-owners and convene a meeting so that the co-owners can elect the required director or directors, as the case may be. Upon certification by the co-owners to the Developer of the director or directors so elected, the Developer shall then immediately appoint such director or directors to the Board to serve until the First Annual Meeting of the members unless he is removed pursuant to Section 6 of this Article or he resigns or becomes incapacitated.

(c) Election of Directors at and After First Annual Meeting.

(1) Not later than thirty (30) days after conveyance of legal or equitable title to non-developer co-owners of 100% of the units that may be created, the non-developer co-owners shall elect all directors on the board. When the 100% conveyance level is achieved, a meeting of co-owners shall be promptly convened to effectuate this provision, even if the First Annual Meeting has already occurred.

(2) Regardless of the percentages of units which have been conveyed, upon the expiration of twenty-four (24) months after the first conveyance of legal or equitable title to a non-developer co-owner of a unit in the project, the non-developer co-owners have the right to elect a number of members of the Board of Directors equal to the percentage of units they own, and the Developer has the right to elect a number of members of the Board of Directors equal to the percentage of units which are owned by the Developer and for which maintenance expenses are payable by the Developer. This election may increase, but shall not reduce the minimum election and designation rights otherwise established in paragraph (1). Application of this subparagraph does not require a change in the size of the Board of Directors.

(3) At the First Annual Meeting two directors shall be elected for a term of one year and one director shall be elected for a term of two years. At such meeting all nominees shall stand for election as one slate and the one person receiving the highest number of votes shall be elected for a term of two years and the two persons receiving the next highest number of votes shall be elected for a term of one year. At each annual meeting held thereafter, either one or two directors shall be elected depending upon the number of directors whose terms expire. After the First Annual Meeting, the term of office (except for one of the directors elected at the First Annual Meeting) of each director shall be two years. The directors shall hold office until their successors have been elected and hold their first meeting.

(4) Once the co-owners have acquired the right hereunder to elect a majority of the Board of Directors, annual meetings of co-owners to elect directors and conduct other business shall be held in accordance with the provisions of Article IX, Section 3 hereof.

Section 3. Powers and Duties. The Board of Directors shall have the 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 the condominium documents or required thereby to be exercised and done by the co-owners. Any action required by the condominium documents to be done by the Association shall be performed by action of the Board of Directors unless specifically required to be done by, or with the approval of, the co-owners.

Section 4. Other Duties. In addition to the foregoing 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:

- (a) To manage and administer the affairs of and to maintain the condominium project and the common elements thereof.
- (b) To levy and collect assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association.
- (c) To carry insurance and collect and allocate the proceeds thereof.
- (d) To rebuild improvements after casualty.
- (e) To contract for and employ persons, firms, corporations, or other agents to assist in the management, operation, maintenance and administration of the condominium project.
- (f) To acquire, maintain and improve; and to buy, operate, manage, sell, convey, assign, mortgage, or lease any real or personal property (including any unit in the condominium and easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association.
- (g) To borrow money and issue evidence of indebtedness in furtherance of any or all of the purposes of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association; Provided, However, that any such action shall also be approved by affirmative vote of 75% of all of the members of the Association.
- (h) To make rules and regulations in accordance with Article VI B, Section 9 of these By-laws.
- (i) 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 condominium and to delegate to such committees any functions or responsibilities which are not by law or the condominium documents required to be performed by the Board.
- (j) To enforce the provisions of the condominium documents.

Section 5. Vacancies. Vacancies in the Board of Directors which occur after the transitional control date caused by any reason other than the removal of a director by a vote of the members of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum, except that the Developer shall be solely entitled to fill the vacancy of any director whom it is permitted in the first instance to designate. Each person so elected shall be a director until a successor is elected at the next annual meeting of the association. Vacancies among non-developer co-owner elected directors which occur prior to the transitional control date may be filled only through election by non-developer co-owners and shall be filled in the manner specified in Section 2(b) of this Article.

Section 6. Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the directors may be removed with or without cause by the affirmative vote of more than 50% of all of the co-owners and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy shall be the normal 35% requirement set forth in Article VIII, Section 4. Any director whose removal has been proposed by the co-owners shall be given an opportunity to be heard at the meeting. The Developer may remove and replace any or all of the directors selected by it at any time or from time to time in its sole discretion. Likewise, any director selected by the non-developer co-owners to serve before the First Annual Meeting may be removed before the First Annual Meeting in the same manner set forth in this paragraph for removal of directors generally.

Section 7. First Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, provided a majority of the whole Board shall be present.

Section 8. Regular Meetings. Regular meeting of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director personally, by mail, telephone or telegraph, at least ten (10) days prior to the date named for such meeting.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the President on three days notice to each director given personally, by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of two directors.

Section 10. Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be deemed a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, less than a quorum is present, the majority of those present may adjourn the meeting to a subsequent time upon twenty-four (24) hours prior written notice delivered to all directors not present. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a director in the action of a meeting by signing and concurring in the minutes thereof, shall constitute the presence of such director for purposes of determining a quorum.

Section 12. First Board of Directors. The actions of the first Board of Directors of the Association or any successors thereto selected or elected before the transitional control date shall be binding upon the Association so long as such actions are within the scope of the powers and duties which may be exercised generally by the Board of Directors as provided in the condominium documents.

## ARTICLE XI Officers

Section 1. Officers. The principal officers of the Association shall be a President, who shall be a member of the Board of Directors, a Vice-President, a Secretary and a Treasurer. The directors may appoint an assistant Treasurer, and an assistant Secretary, and such other officers as in their judgment may be necessary. Any two offices, except that of President and Vice-President, may be held by one person.

(a) President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the President of an association, including, but not limited to, the powers to appoint committees from among the members of the Association from time to time as he may in his discretion deem appropriate to assist in the conduct of the affairs of the Association.

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

(c) Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association, he shall have charge of the corporate seal, if any, and of such books and papers as the Board of Directors may direct; and he shall, in general, perform all duties incident to the office of the Secretary.

(d) Treasurer. The Treasurer shall have responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit

of all monies and other valuable effects in the name and to the credit of the Association, and in such depositories as may, from time to time, be designated by the Board of Directors.

Section 2. Election. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal. Upon affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose. No such removal action may be taken, however, unless the matter shall have been included in the notice of such meeting. The officer who is proposed to be removed shall be given an opportunity to be heard at the meeting.

Section 4. Duties. The officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board of Directors.

## ARTICLE XII Remedies for Default

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

Section 1. Legal Action. Failure to comply with any of the terms or provisions of the condominium documents shall be grounds for relief, which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessments) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved co-owner(s).

Section 2. Recovery of Costs. 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.

Section 3. Assessment of Fines. The violation of any of the provisions of the condominium documents by any co-owner shall be grounds for assessment by the Association of monetary fines for such violations. Said fines shall not exceed \$100.00 and may be collected in the same manner as assessments.

Section 4. Non-waiver of Rights. The failure of the Association or of any co-owner to enforce any right, provision, covenant or condition which may be granted by the condominium documents shall not constitute a waiver of the right of the Association or of any such co-owner to enforce such right, provision, covenant or condition in the future.

Section 5. Cumulative Rights, Remedies and Privileges. All rights, remedies and privileges granted to the Association or any co-owner or co-owners pursuant to any terms,

provisions, covenants or conditions of the aforesaid condominium documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

Section 6. Enforcement of Provisions of Condominium Documents. A co-owner may maintain an action against the Association and its officers and directors to compel such person to enforce the terms and provisions of the condominium documents. A co-owner may maintain an action against any other co-owner for injunctive relief or for damages or any combination thereof for non-compliance with the terms and provisions of the condominium documents or the act.

### ARTICLE XIII

#### Seal

The Association may (but need not) have a seal. If the Board of Directors determines that the Association shall have a seal, then it shall have inscribed thereon "**Hidden Ridge Condominium**," the words "corporate seal" and "Michigan".

### ARTICLE XIV

#### Finance

Section 1. Records. The Association shall keep detailed books of account showing all expenditures and receipts of administration, and 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 accounts and all other Association records shall be open for inspection by the co-owners and their mortgagees during reasonable working hours. The Association shall prepare and distribute to each co-owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited at least annually by qualified independent auditors; Provided, However, that such auditors need not be certified public accountants nor does such audit need to be a certified audit. Any institutional holder of a first mortgage lien on any unit in the condominium shall be entitled to receive a copy of such annual audited financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefor. The costs of any such audit and any accounting expenses shall be expenses of administration.

Section 2. Fiscal Year. The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the directors. The commencement date of the fiscal year shall be subject to change by the directors for accounting reasons or other good cause.

Section 3. Bank. Funds of the Association shall be initially deposited in such bank or savings association as may be designated by the directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Association from time to time. The funds may be invested from time to time in accounts or deposit certificates of such bank or savings association as are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and may also be invested in interest-bearing obligations of the United States Government.

ARTICLE XV  
Indemnification of Officers and Directors

Every director and officer of the Association shall be indemnified by the Association against all expenses and liabilities, including actual and reasonable counsel fees and amounts paid in settlement, incurred by or imposed upon him in connection with any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, to which he may be a party or in which he may become involved by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except as otherwise prohibited by law, provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the association (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. At least ten (10) days prior to payment of any indemnification which it has approved, the Association shall notify all co-owners thereof. Further, the Association is authorized to carry officers' and directors' liability insurance covering acts of officers and directors of the Association in such amounts as it shall deem appropriate.

ARTICLE XVI  
Amendments

Section 1. Proposal. Amendments to these By-laws may be proposed by an Association acting upon the vote of the majority of the directors or may be proposed by 1/3 or more in number of the co-owners by instrument in writing signed by them.

Section 2. Meeting. Upon any such amendment being proposed, a meeting for consideration of the same shall be duly called in accordance with the provisions of these By-laws.

Section 3. Voting. These By-laws may be amended by the co-owners at any regular annual meeting or a special meeting called for such purpose by an affirmative vote of not less than 66-2/3% of all co-owners. No consent of mortgagees shall be required to amend these By-laws unless such amendment would materially alter or change the rights of such mortgagees, in which event the approval of 66% of the mortgagees shall be required, with each mortgagee to have one vote for each first mortgage held.

Section 4. By Developer. Prior to the transitional control date, these By-laws may be amended by the Developer without approval from any other person so long as any such amendment does not materially alter or change the right of a co-owner or mortgagee.

Section 5. When Effective. Any amendment to these By-laws shall become effective upon recording of such amendment in the office of the Grand Traverse County Register of Deeds.

ARTICLE XVII  
Compliance

The Association and all present or future co-owners, tenants, future tenants, or any other persons acquiring an interest in or using the project in any manner are subject to and shall comply with the act, as amended, and the mere acquisition, occupancy or rental of any unit or an interest therein or the utilization of or entry upon the condominium premises shall signify that the condominium documents are accepted and ratified. In the event the condominium documents conflict with the provisions of the act, the act shall govern.

ARTICLE XVIII  
Definitions

All terms used herein shall have the same meaning as set forth in the Master Deed to which these By-laws are attached as an Exhibit or as set forth in the Act.

ARTICLE XIX  
Rights Reserved to Developer

Any or all of the rights and powers granted or reserved to the Developer in the condominium documents or By-laws, including the right and 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 in which the assignee or transferee shall join for the purpose of evidencing its acceptance of such powers and rights and such assignee or transferee shall thereupon have the same rights and powers as herein given and reserved to the Developer. Any rights and powers reserved or granted to the Developer or its successors shall terminate, if not sooner assigned to the Association, at the conclusion of the development and sales period as defined in Article III of the Master Deed. The immediately preceding sentence dealing with the termination of certain rights and powers granted or reserved to the Developer is intended to apply, insofar as the Developer is concerned, only to the Developer's rights to approve and control the administration of the condominium and shall not, under any circumstances, be construed to apply to or cause the termination of any real property rights granted or reserved to the Developer or its successors and assigns in the Master Deed or elsewhere (including, but not limited to, access easements, utility easements and all other easements created and reserved in such documents which shall not be terminable in any manner hereunder and which shall be governed only in accordance with the terms of their creation or reservation and not hereby).

ARTICLE XX  
Severability

In the event that any of the terms, provisions or covenants of these By-laws or the condominium documents 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 of such documents or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.



EXHIBIT 1

ASSIGNMENT OF LIMITED COMMON AREA RIGHTS  
BEACH ACCESS

Beach Access Rights

1. Unit #\_\_\_\_\_
2. Unit #\_\_\_\_\_
3. Unit #\_\_\_\_\_
4. Unit #\_\_\_\_\_
5. Unit #\_\_\_\_\_
6. Unit #\_\_\_\_\_
7. Unit #\_\_\_\_\_
8. Unit #\_\_\_\_\_
9. Unit #\_\_\_\_\_
10. Unit #\_\_\_\_\_
11. Unit #\_\_\_\_\_
12. Unit #\_\_\_\_\_
13. Unit #\_\_\_\_\_
14. Unit #\_\_\_\_\_
15. Unit #\_\_\_\_\_

# GRAND TRAVERSE COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 173 EXHIBIT B TO THE MASTER DEED OF HIDDEN RIDGE, A SITE CONDOMINIUM PENINSULA TOWNSHIP, GRAND TRAVERSE COUNTY, MICHIGAN

## DEVELOPER:

MISSION BAY DEVELOPMENT  
2840 CASS ROAD  
TRAVERSE CITY, MICHIGAN 49684

## PROPERTY DESCRIPTION:

That part of Government Lot 2, Section 31, Town 28 North, Range 10, West, Peninsula Township, Grand Traverse County, Michigan, more fully described as:  
Commencing at the West quarter corner of said Section 31,  
thence North 89°24'45" East, 1309.34 feet,  
along the East 1/4 section line of said Section 31,  
Government Lot 2, and to the Point of Beginning;  
thence continuing North 89°24'45" East, 1307.85 feet,  
along said East and West quarter line to the center post of said Section 31;  
thence North 89°01'40" East, 17.00 feet,  
(previously recorded as East);  
thence South 08°20'08" West, 101.31 feet,  
(previously recorded as South 09°17'00" West, 101.34 feet);  
thence South 12°16'22" West, 102.79 feet,  
(previously recorded as South 13°15'00" West, 102.73 feet);  
thence South 27°47'11" West, 228.31 feet,  
(previously recorded as South 28°48'00" West, 228.32 feet);  
thence South 17°27'48" West, 316.34 feet,  
(previously recorded as South 18°25'00" West, 316.29 feet);  
thence South 67°31'18" East, 287.74 feet,  
(previously recorded as South 66°41'00" East) to a point on a traverse line along the shore of the East Arm of Grand Traverse Bay;  
thence South 12°27'23" West, 120.00 feet,  
(previously recorded as South 33°24'00" West) along said traverse line;  
thence South 89°40'17" West, 1295.18 feet,  
(previously recorded as South 89°22'00" West, 1295 feet, more or less) to a point on said West line of Government Lot 2;  
thence North 00°25'14" East, 909.42 feet,  
(previously recorded as North 00°23'57" East) along said West line of Government Lot 2 to the Point of Beginning.

Said parcel contains 25.73 acres.

Including riparian rights to the East Arm of Grand Traverse Bay

Subject to the right-of-way for East Shore Road.

ATTENTION: COUNTY REGISTRAR OF DEEDS  
THE CONDOMINIUM SUBDIVISION PLAN NUMBER MUST BE  
ASSIGNED IN CONSECUTIVE SEQUENCE. WHEN A NUMBER  
HAS BEEN ASSIGNED TO THIS PROJECT, IT MUST BE  
PROPERLY SHOWN IN THE TITLE AND THE SURVEYOR'S  
CERTIFICATE ON SHEET 2.

## SHEET INDEX:

- 1 COVER SHEET
- 2 COVER SHEET--EASEMENT DESCRIPTIONS
- 3 COVER SHEET--EASEMENT DESCRIPTIONS
- 4 COVER SHEET--EASEMENT DESCRIPTIONS
- 5 COVER SHEET--EASEMENT DESCRIPTIONS
- 6 SURVEY PLAN
- 7 SITE PLAN
- 8 SITE PLAN, CONTINUED--CURVE DATA & EASEMENT DETAILS
- 9 UTILITY PLAN

EXHIBIT "B"

HIDDEN RIDGE, A SITE CONDOMINIUM  
COVER SHEET

PLATTED 10/14/94



*Garth D. Stowe*  
GARTH D. STOWE  
PROFESSIONAL SURVEYOR

LIBER 1652 1988

# EASEMENT DESCRIPTIONS:

1. A 10 foot wide easement for the installation and maintenance of a drainage basin and appurtenances thereto, described as being in part of Government Lot 2, Section 31, Town 28 North, Range 10 West, Peninsula Township, Grand Traverse County, Michigan, more fully described as:

Commencing at the West quarter corner of said Section 31, thence North 89°24'45" East, 1307.95 feet, along the East and West quarter line of said Section 31 to a point on the West line of said Government Lot 2, thence North 89°01'40" East, 17.00 feet, (previously recorded as East; thence South 08°20'08" West, 101.31 feet, (previously recorded as South 39°7'00" West, 101.34 feet); thence South 12°16'22" West, 102.79 feet, (previously recorded as South 13°15'00" West, 102.73 feet); thence South 27°50'14" West, 194.21 feet, thence North 62°10'07" West, 236.46 feet, along the line common to Units 3 and 4 of Hidden Ridge, A Condominium, and to the Point of Beginning;

thence North 27°49'53" East, 39.80 feet; thence South 62°10'07" East, 45.72 feet; thence South 17°51'52" West, 96.45 feet; thence North 62°10'07" West, 67.28 feet; thence Northwesterly, 35.67 feet, along the arc of a 116.50 foot radius curve to the left, the central angle of which is 17°32'33" and the long chord of which bears North 36°36'10" East, 35.53 feet; thence North 27°49'53" East, 19.88 feet, to the Point of Beginning.

Drainage Easement #2 within Unit 7 Subject to an easement for the installation and maintenance of a drainage basin and appurtenances thereto, described as being in part of Government Lot 2, Section 31, Town 28 North, Range 10 West, Peninsula Township, Grand Traverse County, Michigan, more fully described as:

Commencing at the West quarter corner of said Section 31, along the East and West quarter line of said Section 31 to a point on the West line of said Government Lot 2, thence continuing North 89°24'45" East, 1307.95 feet, along said East and West quarter line to the center post of said Section 31; thence North 89°01'40" East, 17.00 feet, (previously recorded as East); thence South 08°20'08" West, 101.31 feet, (previously recorded as South 39°7'00" West, 101.34 feet); thence South 12°16'22" West, 102.79 feet, (previously recorded as South 13°15'00" West, 102.73 feet); thence South 27°50'14" West, 194.21 feet, (previously recorded as South 28°48'00" West); along the line common to Units 3 and 4 of Hidden Ridge, A Condominium; thence South 86°45'12" West, 38.53 feet, to the Point of Beginning;

thence Southwesterly, 34.12 feet, along the arc of an 83.50 foot radius curve to the right, the central angle of which is 23°24'47" and the long chord of which bears South 29°32'17" West, 33.88 feet, thence Northwesterly, 44.38 feet, along the arc of a 30.00 foot radius curve to the right, the central angle of which is 24°45'30" and the long chord of which bears North 26°22'35" West, 40.44 feet, thence North 26°22'35" West, 40.44 feet, along the line common to Units 3 and 4 of Hidden Ridge, A Condominium, and to the Point of Beginning.

2. A 15 foot wide easement for the installation and maintenance of a drainage basin and appurtenances thereto, described as being in part of Government Lot 2, Section 31, Town 28 North, Range 10 West, Peninsula Township, Grand Traverse County, Michigan, more fully described as:

Commencing at the West quarter corner of said Section 31, thence North 89°24'45" East, 1307.95 feet, along the East and West quarter line of said Section 31 to a point on the West line of said Government Lot 2, thence North 89°01'40" East, 17.00 feet, (previously recorded as East; thence South 08°20'08" West, 101.31 feet, (previously recorded as South 39°7'00" West, 101.34 feet); thence South 12°16'22" West, 102.79 feet, (previously recorded as South 13°15'00" West, 102.73 feet); thence South 27°50'14" West, 194.21 feet, thence North 62°10'07" West, 236.46 feet, along the line common to Units 3 and 4 of Hidden Ridge, A Condominium, and to the Point of Beginning;

thence North 27°49'53" East, 39.80 feet; thence South 62°10'07" East, 45.72 feet; thence South 17°51'52" West, 96.45 feet; thence North 62°10'07" West, 67.28 feet; thence Northwesterly, 35.67 feet, along the arc of a 116.50 foot radius curve to the left, the central angle of which is 17°32'33" and the long chord of which bears North 36°36'10" East, 35.53 feet; thence North 27°49'53" East, 19.88 feet, to the Point of Beginning.

Drainage Easement #3 within Unit 23 and Commons Subject to an easement for the installation and maintenance of a drainage basin and appurtenances thereto, described as being in part of Government Lot 2, Section 31, Town 28 North, Range 10 West, Peninsula Township, Grand Traverse County, Michigan, more fully described as:

Commencing at the West quarter corner of said Section 31, thence North 89°24'45" East, 1307.95 feet, along the East and West quarter line of said Section 31 to a point on the West line of said Government Lot 2, thence continuing North 89°24'45" East, 1307.95 feet, along said East and West quarter line to the center post of said Section 31; thence North 89°01'40" East, 17.00 feet, (previously recorded as East); thence South 08°20'08" West, 101.31 feet, (previously recorded as South 39°7'00" West, 101.34 feet); thence South 12°16'22" West, 102.79 feet, (previously recorded as South 13°15'00" West, 102.73 feet); thence South 27°50'14" West, 194.21 feet, (previously recorded as South 28°48'00" West); along the line common to Units 3 and 4 of Hidden Ridge, A Condominium; thence South 86°45'12" West, 38.53 feet, to the Point of Beginning;

thence Southwesterly, 34.12 feet, along the arc of an 83.50 foot radius curve to the right, the central angle of which is 23°24'47" and the long chord of which bears South 29°32'17" West, 33.88 feet, thence Northwesterly, 44.38 feet, along the arc of a 30.00 foot radius curve to the right, the central angle of which is 24°45'30" and the long chord of which bears North 26°22'35" West, 40.44 feet, thence North 26°22'35" West, 40.44 feet, along the line common to Units 3 and 4 of Hidden Ridge, A Condominium, and to the Point of Beginning.

## HIDDEN RIDGE, A SITE CONDOMINIUM COVER SHEET - EASEMENT DESCRIPTIONS



*Garth D. Stowe*  
GARTH D. STOWE  
PROFESSIONAL SURVEYOR  
LICENSE NO. 26014  
COMMISSION EXPIRES 12/31/2024

# EASEMENT DESCRIPTIONS.

30 Foot Wide Drainage Easement  
 A 30 foot wide easement for drainage purposes entered in the 15 foot wide common area and  
 between Units 24 and 25 of said Hidden Ridge, A Site Condominium, the South line of said 30 foot  
 wide easement is described as being 7.5 feet South of and parallel with the Northern line of  
 said Unit 24 and 7.5 feet North of and parallel with the Southern line of said Unit 25 and said  
 Northern line of Unit 24 shall be extended or shortened to begin at the Western line of said Unit 24  
 and end at the Eastern line of said Unit 25.

Drainage Easement #4 within Unit 22  
 Subject to an easement for the installation and maintenance of a drainage basin and  
 appurtenances thereto described as being in part of Government Lot 2, Section 31, Town  
 28 North, Range 10 West, Peninsula Township, Grand Traverse County, Michigan, more fully  
 described as:

Commencing at the West quarter corner of said Section 31;  
 thence North 89°24'45" East, 1309.34 feet,  
 along the East and West quarter line of said Section 31 to a point on the West line of said  
 Government Lot 2;  
 thence continuing North 89°24'45" East, 391.45 feet,  
 along said East and West quarter line to the Northern corner common to Units 10 and 11,  
 Hidden Ridge, A Site Condominium;  
 thence South 20°35'15" East, 230.83 feet,  
 along the line common to said Units 10 and 11;  
 thence South 47°18'37" West, 38.54 feet,  
 to the Northwest corner of Unit 22 of said Hidden Ridge, A Site Condominium and to the

Point of Beginning;  
 thence South 00°23'57" West, 97.58 feet,  
 along the line common to Unit 22 and said Unit 22;  
 thence South 49°01'36" East, 140.74 feet,  
 to a point on the Eastern line of said Unit 22;  
 thence, along the said Eastern line and the Northern line of said Unit 22, the following courses:

Northwesterly, 89.01 feet,  
 along the arc of a 415.50 foot radius curve to the left, the central angle of  
 which is 12°4'33" and the long chord of which  
 bears North 06°31'16" East, 88.84 feet;  
 thence North 00°23'57" East, 35.28 feet;  
 thence Northwesterly, 40.88 feet,  
 along the arc of a 30.00 foot radius curve to the left, the central angle of  
 which is 78°04'10" and the long chord of which  
 bears North 38°38'08" West, 37.79 feet;  
 thence Northwesterly, 65.62 feet,  
 along the arc of a 416.50 foot radius curve to the right, the central angle of  
 which is 09°01'37" and the long chord of which  
 bears North 73°09'25" West, 65.85 feet;  
 thence Northwesterly, 30.72 feet,  
 along the arc of a 133.50 foot radius curve to the left, the central angle of  
 which is 11°12'24" and the long chord of which  
 bears North 75°14'19" West, 30.67 feet,  
 to the Point of Beginning.

Drainage Easement #5 within Units 28 & 29  
 Subject to an easement for the installation and maintenance of a drainage basin and  
 appurtenances thereto described as being in part of Government Lot 2, Section 31, Town  
 28 North, Range 10 West, Peninsula Township, Grand Traverse County, Michigan, more fully  
 described as:

Commencing at the West quarter corner of said Section 31;  
 thence North 89°24'45" East, 1309.34 feet,  
 along the East and West quarter line of said Section 31 to a point on the West line of said  
 Government Lot 2;  
 thence continuing North 89°24'45" East, 842.25 feet,  
 along said East and West quarter line to the Northern corner common to Units 6 and 8 of  
 Hidden Ridge, A Site Condominium;  
 thence South 27°49'53" West, 278.19 feet,  
 along the line common to said Units 5 and 8 and Unit 7 of said Hidden Ridge, A Site  
 Condominium, to a point on the Northern right-of-way line of Hidden Ridge, a private  
 roadway.

thence South 77°59'50" East, 74.23 feet,  
 to a point on the Eastern line of Unit 29 of said Hidden Ridge, A Site Condominium,  
 and to the Point of Beginning;  
 thence South 52°30'20" East, 159.67 feet,  
 thence South 08°59'16" East, 33.63 feet,  
 thence South 18°11'53" East, 120.66 feet,  
 thence South 72°33'07" East, 31.50 feet,  
 to a point on the Eastern line of Unit 29 of said Hidden Ridge, A Site Condominium,  
 thence along the Eastern line of said Units 25 and 26, the following two (2) courses:  
 North 17°56'33" East, 216.53 feet;  
 thence Northwesterly, 216.53 feet,  
 along the arc of a 116.50 foot radius curve to the left, the central angle of which  
 is 108°33'51" and the long chord of which  
 bears North 15°50'02" West, 168.77 feet,  
 to the Point of Beginning.

30 Foot Wide Drainage Easement  
 A 30 foot wide easement for drainage purposes the centerline of which is described as beginning  
 of the Eastern corner common to Units 28 and 29 of said Hidden Ridge, A Site Condominium,  
 thence South 89°24'45" West, 343.00 feet,  
 along the line common to said Units 28 and 29 extended across a common area to and  
 along the line common to Units 26 and 27 of said Hidden Ridge, A Site Condominium  
 and to the Point of Ending of said 30 foot wide easement centerline.

30 Foot Wide Sanitary Sewer Easement within Units 25, 26, 29 & 30  
 A 20 foot wide easement for the installation and maintenance of a sanitary sewer, the centerline  
 of which is described as beginning at the Eastern corner common to Units 29 and 30 of said  
 Hidden Ridge, A Site Condominium;  
 thence South 89°24'45" West, 379.71 feet,  
 along the line common to Units 29 and 30 extended across a common area to and  
 along the line common to Units 25 and 26 of said Hidden Ridge, A Site Condominium  
 to a point on the East right-of-way line of Hawk's View, a private roadway,  
 and to the Point of Ending of said 20 foot wide easement centerline.  
 The sidelines of said easement are to be extended or shortened to begin at the Eastern lines  
 of said Units 29 and 30 and to terminate on the East right-of-way line of Hawk's View.

20 Foot Wide Watermain Easement within Unit 5  
 A 20 foot wide easement for the installation and maintenance of a watermain, the Southern  
 line of which is described as beginning at the Eastern corner common to Units 4 and 5  
 of said Hidden Ridge, A Site Condominium;  
 thence North 62°10'07" West, 202.97 feet,  
 along the line common to said Units 4 and 5 to a point on the  
 Eastern right-of-way line of Peregrine Court turn-around and  
 to the Point of Ending of said 20 foot wide easement Southern line.

The Northern line of said 20 foot wide easement is to be extended or shortened to begin  
 at the Eastern line of said Unit 5 and to terminate at said Eastern right-of-way line of  
 Peregrine Court turn-around.  
 AND an easement for the installation and maintenance of public and private utilities described  
 as being the East 50 feet of the South 50 feet of Unit 5 of said Hidden Ridge, A Site Condominium.

## HIDDEN RIDGE, A SITE CONDOMINIUM COVER SHEET--EASEMENT DESCRIPTIONS

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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*Carla D. Stowe*  
 CARLA D. STOWE  
 PROFESSIONAL SURVEYOR  
 LICENSE NO. 258675



LIBER 16527-9991

EASEMENT DESCRIPTIONS.

Drainage Easement #7 within Commons  
Subject to an easement for the installation and maintenance of a drainage basin and  
appurtenances thereto described as being in part of Government Lot 2, Section 31, Town 28  
North, Range 10 West, Grand Traverse County, Michigan, more fully  
described as:

Commencing at the West quarter corner of said Section 31;

thence North 89°24'45" East, 1309.34 feet,  
along the East and West quarter line of said Section 31 to a point on the West line of said  
Government Lot 2;

thence South 00°25'15" West, 909.42 feet,  
along the West line of said Government Lot 4;

thence North 89°40'17" East, 1182.07 feet,  
to a point on the West right-of-way line of East Shore Road;

thence North 21°55'52" East, 8.99 feet,  
along said West right-of-way line;

thence, along the Southern right-of-way line of Hidden Ridge, a private roadway, the following  
courses:

Northwesterly, 67.35 feet,  
along the arc of a 50.00 foot radius curve to the left, the central angle of which

is 77°12'55" and the long chord of which

bears North 16°40'36" West, 62.40 feet;  
thence North 55°17'03" West, 147.13 feet,  
to the Point of Beginning;

thence, leaving said right-of-way line,

South 34°45'52" West, 80.73 feet,  
along the Southeastern line of Unit 31 of Hidden Ridge, A Site Condominium;

thence continuing South 34°42'37" West, 66.42 feet;

thence North 40°11'09" East, 32.05 feet,  
thence North 56°43'03" East, 21.97 feet;

thence North 27°43'24" East, 24.66 feet;  
thence Northwesterly, 28.61 feet,  
along the arc of a 25.00 foot radius curve to the right, the central angle of which

is 65°33'37" and the long chord of which

bears North 60°40'12" East, 27.07 feet;

thence South 86°32'59" East, 5.78 feet,  
thence North 47°40'46" East, 68.68 feet,  
to the Point of Beginning.

Drainage Easement #7 within Commons

Subject to an easement for the installation and maintenance of a drainage basin and  
appurtenances thereto described as being in part of Government Lot 2, Section 31, Town 28  
North, Range 10 West, Grand Traverse County, Michigan, more fully  
described as:

Commencing at the West quarter corner of said Section 31;

thence North 89°24'45" East, 1309.34 feet,  
along the East and West quarter line of said Section 31 to a point on the West line of said  
Government Lot 2;

thence South 00°25'15" West, 909.42 feet,  
along the West line of said Government Lot 2;

thence North 89°40'17" East, 1182.07 feet,  
to a point on the West right-of-way line of East Shore Road;

thence North 21°55'52" East, 8.99 feet,  
along said West right-of-way line;

thence, along the Southern right-of-way line of Hidden Ridge, a private roadway,  
the following courses:

Northwesterly, 67.35 feet,  
along the arc of a 50.00 foot radius curve to the left, the central angle of which

is 77°12'55" and the long chord of which

bears North 16°40'36" West, 62.40 feet;  
thence North 55°17'03" West, 147.13 feet,  
to the Point of Beginning;

thence continuing North 55°17'03" West, 47.51 feet,  
thence, leaving said right-of-way line

South 34°45'52" West, 31.10 feet,  
thence South 86°32'59" East, 5.78 feet,  
thence North 47°40'46" East, 68.68 feet,  
to the Point of Beginning.

Drainage Easement #7 within Commons  
Subject to an easement for the installation and maintenance of a drainage basin and  
appurtenances thereto described as being in part of Government Lot 2, Section 31, Town 28  
North, Range 10 West, Grand Traverse County, Michigan, more fully  
described as:

Commencing at the West quarter corner of said Section 31;

thence North 89°24'45" East, 1309.34 feet,  
along the East and West quarter line of said Section 31 to a point on the West line of said  
Government Lot 2;

thence South 00°25'15" West, 909.42 feet,  
along the West line of said Government Lot 2;

thence North 89°40'17" East, 1182.07 feet,  
to a point on the West right-of-way line of East Shore Road;

thence North 21°55'52" East, 8.99 feet,  
along said West right-of-way line;

thence, along the Southern right-of-way line of Hidden Ridge, a private roadway, the following  
courses:

Northwesterly, 67.35 feet,  
along the arc of a 50.00 foot radius curve to the left, the central angle of which

is 77°12'55" and the long chord of which

bears North 16°40'36" West, 62.40 feet;  
thence North 55°17'03" West, 147.13 feet,  
along the Southeastern line of Unit 31 of Hidden Ridge, a private roadway;

thence South 34°42'37" West, 66.42 feet,  
thence North 40°11'09" East, 32.05 feet,  
thence North 56°43'03" East, 21.97 feet,  
to the Point of Beginning.

30 Foot Wide Drainage Easement across Units 10, 11 and 12

Subject to a 30 foot wide easement for drainage purposes, the Southwesterly line of which is  
described as being in part of Government Lot 2, Section 31, Town 28 North, Range 10 West,  
Grand Traverse County, Michigan, more fully described as:

Commencing at the West quarter corner of said Section 31;

thence North 89°24'45" East, 1309.34 feet,  
along the East and West quarter line of said Section 31 to a point on the West line of said  
Government Lot 2;

thence South 00°25'15" West, 909.42 feet,  
along the West line of said Government Lot 4 to the Southwest corner of Unit 12 of  
Hidden Ridge, A Site Condominium and to the Point of Beginning of said 30 foot wide  
easement Southwesterly line;

thence South 58°35'57" East, 145.10 feet;  
thence South 69°11'09" East, 134.92 feet;

thence North 75°00'15" East, 70.00 feet;  
thence South 74°25'45" East, 63.75 feet;

thence South 00°35'15" East, 15.82 feet,  
to a point on the South line of Unit 11 of Hidden Ridge, A Site Condominium and Northerly  
right-of-way line of Hidden Ridge, a private roadway,

and to the Point of Ending of said easement Southwesterly line.

The Northerly line of said 30 foot wide easement is to be extended or shortened to meet at angle  
points, to begin at the West line of said Unit 12 and to terminate at the South line of Unit 10

HIDDEN RIDGE, A SITE CONDOMINIUM  
COVER SHEET—EASEMENT DESCRIPTIONS



*Garth D. Stowe*  
GARTH D. STOWE  
PROFESSIONAL SURVEYOR  
LICENSE NO. 25875

# EASEMENT DESCRIPTIONS:

29 Foot Wide Utility and Drainage Easement  
 Subject to a utility easement described as being in part of Government Lot 2, Section 31, Town 29 North, Range 10 West, Peninsula Township, Grand Traverse County, Michigan, more fully described as:  
 Commencing at the West quarter corner of said Section 31;  
 thence North 89°24'45" East, 1309.34 feet,  
 along the East and West quarter line of said Section 31 to a point on the West line of said Government Lot 2;  
 thence continuing North 89°24'45" East, 276.45 feet,  
 along said East and West quarter line to the Northwest corner of Unit 11 of Hidden Ridge, A Site Condominium;  
 thence South 80°35'15" East, 238.55 feet,  
 along the line common to said Unit 11 and Unit 12 of said Hidden Ridge, A Site Condominium, to a point on the Northern right-of-way line of Hidden Ridge, a private roadway, the Point of Beginning;  
 thence North 50°35'15" West, 24.29 feet,  
 along said common unit line;  
 thence South 78°57'46" East, 51.96 feet,  
 to a point on the Northern right-of-way line of Hidden Ridge, a private roadway;  
 thence Southwesterly, along said Northern right-of-way line to the Point of Beginning.

29 Foot Wide and 30 Foot Wide Force Main Easement  
 Subject to an easement for the installation and maintenance of a sanitary sewer force main, and appurtenances thereto, the Easterly line of the 20 foot wide easement and the Northernly line of the 30 foot wide easement are described as being in part of Government Lot 2, Section 31, Town 29 North, Range 10 West, Peninsula Township, Grand Traverse County, Michigan, more fully described as:  
 Commencing at the West quarter corner of said Section 31;  
 thence North 89°24'45" East, 1309.34 feet,  
 along the East and West quarter line of said Section 31 to a point on the West line of said Government Lot 2;  
 thence South 80°35'15" West, 909.42 feet,  
 thence North 89°40'17" East, 1182.07 feet,  
 to a point on the West right-of-way line of East Shore Road;  
 thence North 21°55'52" East, 161.89 feet,  
 and to the Point of Beginning of said 20 foot wide easement Easterly line;  
 thence North 21°55'52" East, 161.89 feet,  
 along the Western right-of-way line of East Shore Road to a point on the Northernly boundary line of Hidden Ridge, A Site Condominium and to the Point of Beginning of said 30 foot wide easement Easterly line;  
 thence South 21°55'52" West, 35.39 feet,  
 along said Western right-of-way line to the Point of Beginning of said 30 foot wide easement Northernly line;  
 thence North 55°10'49" West, 240.52 feet,  
 to the Point of Ending of said 30 foot wide easement Northernly line.  
 The Westernly line of the 20 foot wide easement is to be extended or shortened to begin at the South boundary line of Hidden Ridge, A Site Condominium and to terminate on the Northernly boundary line of said Condominium; and the Southernly line of the 30 foot wide easement is to be extended or shortened to begin at said Westernly line of the 20 foot wide easement and to terminate opposite the Point of Ending of the 30 foot wide easement Northernly line.

20 Foot Wide Utility and Drainage Easement  
 A 30 foot wide easement for the installation and maintenance of a low and private utilities and for drainage purposes, the Easterly line of which is described as being in part of Government Lot 2, Section 31, Town 28 North, Range 10 West, Peninsula Township, Grand Traverse County, Michigan, more fully described as:  
 Commencing at the West quarter corner of said Section 31;  
 thence North 89°24'45" East, 1309.34 feet,  
 along the East and West quarter line of said Section 31 to a point on the West line of said Government Lot 2;  
 thence South 80°35'15" West, 909.42 feet,  
 along the West line of said Government Lot 2;  
 thence North 89°40'17" East, 1182.07 feet,  
 to a point on the West right-of-way line of East Shore Road;  
 thence North 21°55'52" East, 128.50 feet,  
 along the Northern right-of-way line;  
 thence North 55°10'49" West, 240.52 feet,  
 along the Northernly line of a 30 foot wide force main easement to the Point of Beginning of said 30 foot wide easement Easterly line;  
 thence North 15°13'25" East, 116.05 feet;  
 thence North 21°24'37" East, 258.20 feet;  
 thence North 26°12'32" East, 84.96 feet,  
 to a point on the line common to Units 4 and 5 of Hidden Ridge;  
 A Site Condominium and to the Point of Ending of said 30 foot wide easement Easterly line.  
 The Westernly line of said 30 foot wide easement is to be extended or shortened to meet at angle points, to begin at the Northwesternly line of said 30 foot wide force main easement and to terminate on said line common to Units 4 and 5  
 AND on easement for the installation and maintenance of public and private utilities described as being the East 50 feet of the South 50 feet of Unit 5 of Hidden Ridge, A Site Condominium.

## HIDDEN RIDGE, A SITE CONDOMINIUM

COVER SHEET -- EASEMENT DESCRIPTIONS

1/2" = 1' 1/2" 1/4" = 1' 1/4" 1/8" = 1' 1/8"

DATE 1-5-07

GARTH D. STOWE  
 PROFESSIONAL SURVEYOR  
 LICENSE NO. 25875  
 141 WEST EIGHT STREET



Garth D. Stowe

LIBER 1652 179932

BEARING BASIS  
RECORDED PLAT OF  
MURRAY HILLS NO. 7

SCALE: 1" = 60'  
21' 10' 50' 120' 180'

- LEGEND**
- MONUMENT SET
  - MONUMENT FOUND
  - IRON FOUND
  - IRON SET
  - DRAINAGE EASEMENT
  - BENCH MARK LOCATION

BENCH MARK:  
TOP OF WELL CASING—  
ELEV. 50.55 ± 0.02

I, GARTH D. STONE, REGISTERED LAND SURVEYOR OF THE STATE OF MICHIGAN, HEREBY CERTIFY: THAT THE SUBDIVISION PLAN KNOWN AS GRAND TRAVELERS COURT CONDOMINIUM SUBDIVISION PLAN, MAP 111-A, 4112 S. 3500' 1/2, IS A TRUE AND CORRECT REPRESENTATION OF THE SURVEY MADE UNDER MY DIRECTION, THAT THERE ARE NO EXISTING ENCROACHMENTS UPON THE LANDS AND PROPERTY HEREIN DESCRIBED; THAT THE REQUIRED MONUMENTS AND IRON MARKERS HAVE BEEN LOCATED IN THE GROUND AS REQUIRED BY RULES PROMULGATED UNDER SECTION 142 OF ACT NUMBER 59 OF THE PUBLIC ACTS OF 1978; THAT THE ACCURACY OF THIS SURVEY IS WITHIN THE TOLERANCES SET FORTH IN RULES OF THE BOARD OF LAND SURVEYORS OF THE STATE OF MICHIGAN, PUBLIC ACTS OF 1978; THAT THE BEARINGS AND DISTANCES ARE NOTED ON THE SURVEY PLAN AS REQUIRED BY THE RULES PROMULGATED UNDER SECTION 142 OF ACT NUMBER 59 OF THE PUBLIC ACTS OF 1978.

FLOOD PLAN CONTROL—  
ELEV. 594.5 N.S.V.D.—29

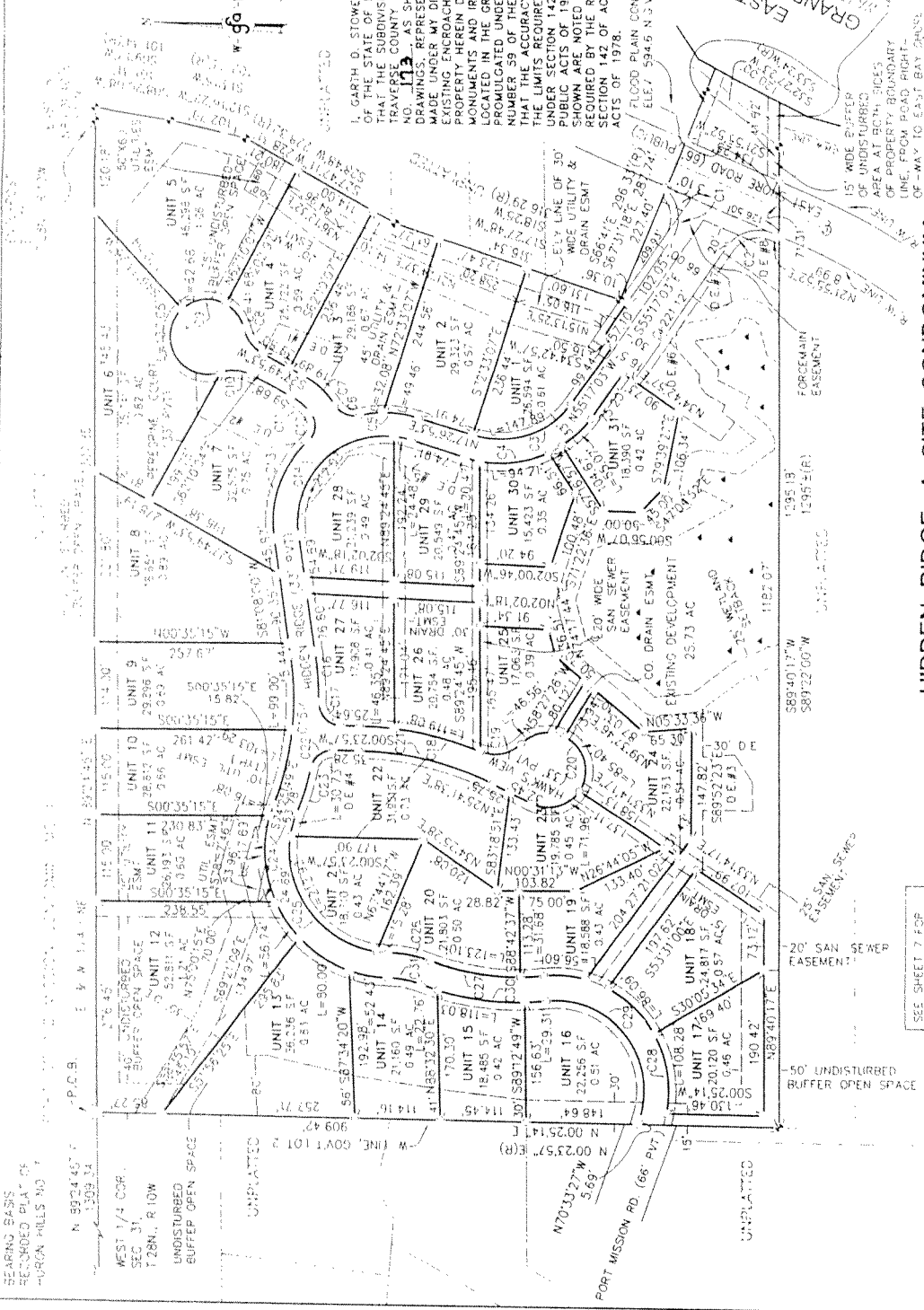
**GRAND TRAVELERS COURT  
EAST ARM  
GRAND TRAVELERS BAY**

15' WIDE BUFFER  
OF UNDISTURBED  
AREA AT BOTH SIDES  
OF PROPERTY BOUNDARY  
LINE, FROM ROAD RIGHT-  
OF-WAY TO EAST BAY CHANNEL

**HIDDEN RIDGE, A SITE CONDOMINIUM  
SURVEY PLAN**

DATE: 3-5-92  
GARTH D. STONE  
PROFESSIONAL SURVEYOR  
LICENSE NO. 15875  
EXPIRATION DATE 12-31-97

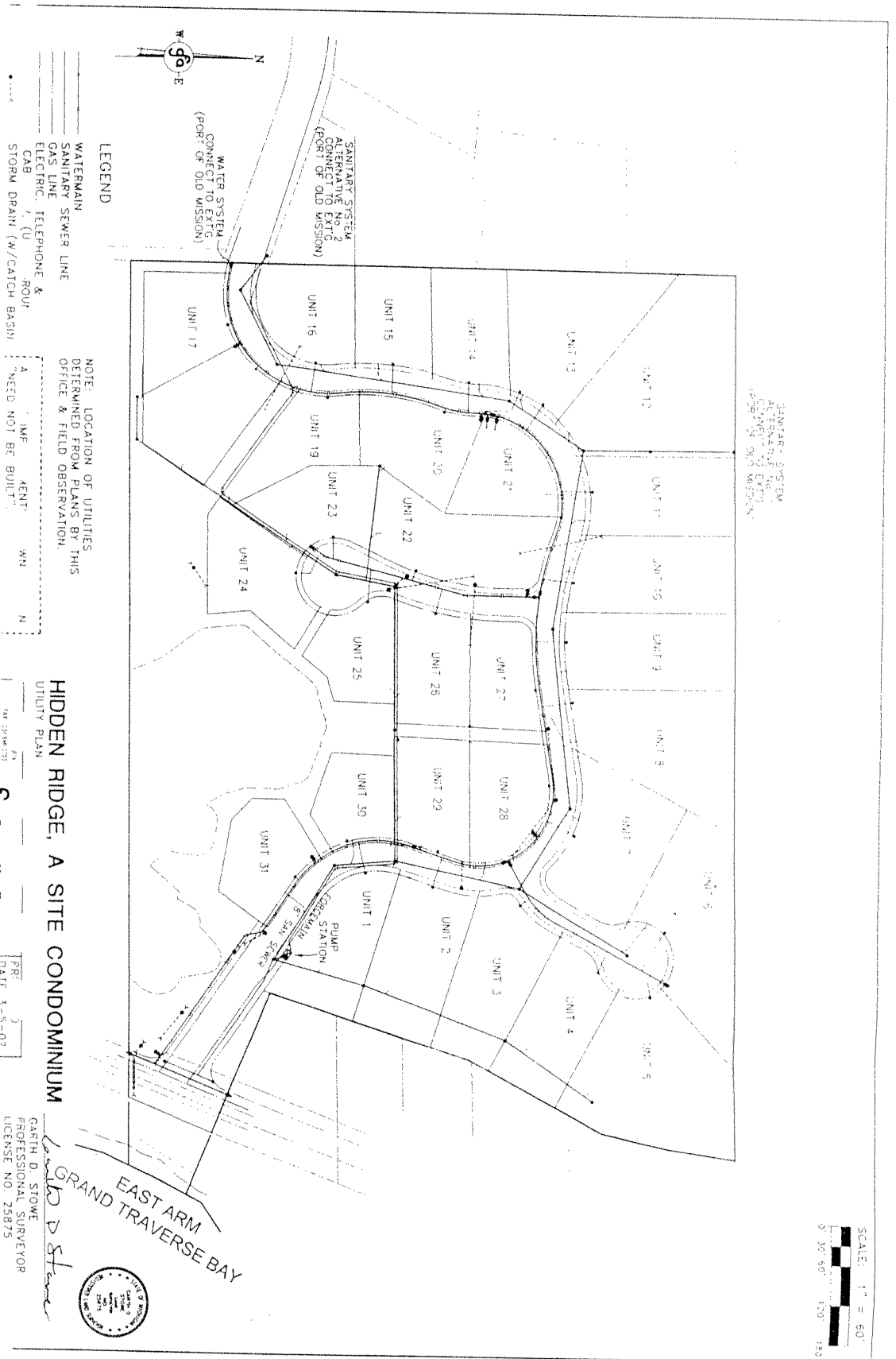
SEE SHEET 7 FOR  
STATEMENT OF AREA



LIBER 1652 13995







(For Bureau Use Only)

**FILED**

Date Received

JUN 25 2001

Administrator  
BUREAU OF COMMERCIAL SERVICES

Corporation Identification Number 770-594

**ARTICLES OF INCORPORATION**

**For Use By Domestic Nonprofit Corporations**

Pursuant to the provisions of Act 162, Public Acts of 1982, the undersigned corporation executes the following Articles:

**ARTICLE I**

The name of the corporation is: **Hidden Ridge Condominium Co-owners Association** ✓

**ARTICLE II**

The purpose or purposes for which the corporation is organized are: **See attached Exhibit "A".**

**ARTICLE III**

The corporation is organized upon a: **Non-stock basis.**

1. If organized on a stock basis, the total number of shares which the corporation has authority to issue is \_\_\_\_\_. If the shares are, or are to be, divided into classes, the designation of each class, the number of shares in each class, and the relative rights, preferences and limitations of the shares of each class are as follows:
2.
  - a. If organized on a non-stock basis, the description and value of its real property assets are: (if none, insert "none");  
**None.**
  - b. The description and value of its personal property assets are: (if none, insert "none");  
**None.**
  - c. The corporation is to be financed under the following general plan:  
**Dues and assessments from members.**
  - d. The corporation is organized on a:  
**Membership basis.**

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#### ARTICLE IV

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1. The address of the registered office is:  
**2840 Cass Road, Traverse City, Michigan 49684**
  2. The mailing address of the registered office if different than above:
  3. The name of the resident agent at the registered office is:  
**Joseph L. Zimmers**
- 

#### ARTICLE V

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The name(s) and address(es) of all the incorporator(s) is (are) as follows:

Name

Residence or Business Address

John K. Gray

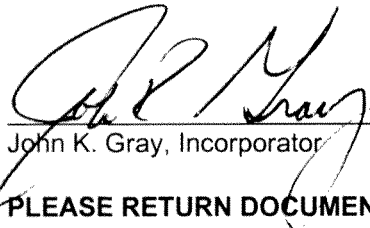
325 S. Union Street, Traverse City, MI

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Use space below for additional Articles or for continuation of previous Articles. Please identify any Article being continued or added. Attach additional pages if needed.

**See attached Exhibit "A" for Article II and Articles VI through XIII.**

I (We), the incorporator(s) sign my (our) name(s) this 18 day of June, 2001.

  
\_\_\_\_\_  
John K. Gray, Incorporator

**PLEASE RETURN DOCUMENT TO:**

**JOHN K. GRAY  
325 South Union Street  
Traverse City, MI 49684**

## EXHIBIT "A"

### ARTICLE II

The purposes for which the corporation is organized are:

- (a) Generally, to manage, administer and maintain the assets, property, common elements, easements, appurtenances, and affairs of Hidden Ridge, a condominium located in the Township of Peninsula, Grand Traverse County, Michigan.
- (b) To levy and collect assessments from the members of the corporation, with power to enforce and collect assessments by lien, foreclosure, or other proceedings.
- (c) To maintain insurance coverage with respect to the condominium and its affairs, and to collect and apply the proceeds of any such insurance.
- (d) To restore, repair, maintain, and rebuild all or any part of the property and common elements of the condominium.
- (e) To negotiate, settle, compromise, and adjust any threatened or actual taking by eminent domain and all or any part of the assets, property, and common elements of the condominium.
- (f) To negotiate, compromise, settle, sue for, defend against, and adjust any and all claims by or against the corporation of the assets, property, and common elements of the condominium.
- (g) To own, maintain, improve, buy, sell, lease, exchange, convey, assign, grant or acquire easements, and otherwise acquire or grant interests in any real or personal property for the benefit of the corporation, its members, or the condominium, including, without limitation, the acquisition and sale of individual units and time share units and time share estates in the condominium.
- (h) To make reasonable rules and regulations governing the use and enjoyment of the condominium property and units by members and their tenants, guests, employees, agents, invitees, and families; and to enforce such rules and regulations by all lawful means, including, without limitation, the imposition of fines, late charges, eviction proceedings, damage actions, and other proceedings.
- (i) To engage, employ, and contract with other persons and firms to assist with the management, operation, maintenance, and administration of the condominium.
- (j) To borrow money and give a promissory note, notes, or other evidence of such indebtedness, for any purpose or purposes of the corporation, with or without security, and with the power to secure repayment of the principal, interest, and other costs associated with such borrowing by mortgage or real estate, pledge, security agreement, assignment of rents or assessments to be received, or by other security devices and instruments.
- (k) To provide management and administrative services for the owners of interests in units in the condominium.
- (l) To enforce the terms, conditions, and other provisions of the Master Deed and condominium By-laws of the condominium, and any other covenants and restrictions that affect the

condominium, its property, the common elements, or the units included in the condominium.

- (m) To become a member in any association formed to include property owners in developments adjacent to or near the condominium, for the purpose of building or maintaining recreational, access, landscaping, or other facilities used or enjoyed in common by all or any portion of the property owners in the condominium adjacent or nearby developments.
- (n) To do anything required or permitted the corporation as administrator for the condominium under the Master Deed, the condominium By-laws, or the Condominium Act, as amended (Act 59 of 1978, as amended).
- (o) To exercise all the powers permitted non-profit corporations by the applicable laws of the State of Michigan, including statutory and common; to exercise all the powers necessary, appropriate, or convenient to carry out the purposes of the corporation; and to generally do anything, including, but not limited to, the entry into and performance of contracts of all kinds, in furtherance of the purposes of the corporation.

#### **ARTICLE VI**

The term of this corporation is perpetual.

#### **ARTICLE VII**

The qualifications of members, the manner of their admission to membership, the termination of membership, and the voting rights of members shall be as follows:

- (a) The initial member of the corporation is Hidden Ridge Development, LLC, a Michigan limited liability company, who is the developer of the condominium and has offices at 2840 Cass Road, Traverse City, MI 49584.
- (b) Each owner of a unit in the condominium, including the developer, shall be a member of the corporation, and no other persons or entities shall be entitled to membership.
- (c) Membership shall be established by (i) becoming a co-owner as defined in the Master Deed; and (ii) providing the corporation with evidence thereof satisfactory to the Board of Directors of the corporation. At such time as any person ceases to be a co-owner as defined in the Master Deed, his, her, or its membership shall automatically terminate.
- (d) Neither the membership nor the share of any member in the funds and assets of the corporation can be assigned, pledged or transferred in any manner, except as an appurtenance to a unit in the condominium.
- (e) The voting rights of members are governed by the provisions therefore in the Master Deed and the condominium By-laws.

#### **ARTICLE VIII**

The corporation shall be managed by a Board of Directors which shall be elected, qualified, serve, and exercise the authority of the corporation as provided in these Articles of Incorporation, the Master Deed, the condominium By-laws, and the By-laws of the corporation.

## ARTICLE IX

When a compromise, arrangement, or plan of reorganization of the corporation is proposed between this corporation and its creditors, or any class of them, or between this corporation and its members, or any class of them, a court of equity jurisdiction with the State of Michigan, on application of this corporation, a creditor, a member of the corporation, or a receiver appointed for the corporation, may order a meeting of the creditors or class of creditors or of the members or class of members to be affected by the proposed compromise, arrangement, or reorganization, to be summoned in such manner as the court directs. If a majority in number representing seventy-five (75%) percent in value of the creditors or class of creditors, or of the members or classes of members, to be affected by the proposed compromise, arrangement or reorganization, agrees to a compromise, arrangement or reorganization of this corporation as a consequence of the compromise or arrangement, the compromise or arrangement, and the reorganization, if sanctioned by the court to which the application has been made, shall be binding on all the creditors or class of creditors, or on all of the members or class of members, and also on this corporation.

## ARTICLE X

Any action required or permitted to be taken at annual or special meeting of members may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by members having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all members entitled to vote thereon were present and voted. Prompt notice of the taking of the corporation action without a meeting by less than unanimous written consent shall be given to members who have not consented in writing.

## ARTICLE XI

A contract or other transaction between this corporation and one or more of its directors or officers, or between this corporation and another corporation, firm or association of any type or kind, in which one or more of this corporation's directors or officers are directors or officers, or are otherwise interested, is not void or voidable solely because of such common directorship, officership or interest, or solely because such directors are present at the meeting of the board or committee thereof which authorizes or approves the contract or transaction, or solely because their votes are counted for such purpose if:

- (a) The contract or other transaction is fair and reasonable to this corporation when it is authorized, approved or ratified.
- (b) The material facts as to the director's or officer's relationship or interest and as to the contract or transaction are disclosed or known to the board or committee, and the board or committee authorizes, approves or ratifies the contract or transaction by a vote sufficient for the purpose without counting the vote of any common or interested director.
- (c) The material facts as to the director's or officer's relationship or interest as to the contract or transaction are disclosed or known to the members, and they authorize, approve or ratify the contract or transaction.

## ARTICLE XII

These Articles of Incorporation may be amended, altered, changed, or repealed only by the affirmative vote of at least seventy-five (75%) percent of those in interest, as provided in the condominium By-laws, of the entire membership of the corporation; provided, that in no event shall any amendment make changes in the qualifications for membership or the voting rights of members without the unanimous consent of the membership.

## ARTICLE XIII

No director of this corporation, as defined in MCLA 450.2110(2), shall be personally liable to the corporation or to its shareholders or its members for money damages for breach of the director's fiduciary duty as described in MCLA 450.2541. However, this provision limiting the personal liability of directors shall not eliminate or limit the liability of any such director for any of the following:

- (a) A breach of the volunteer director's duty of loyalty to the corporation and its shareholders or members;
- (b) Acts or omissions of the volunteer director not in good faith or that involve intentional misconduct or a knowing violation of the law.
- (c) A violation of Section 551(1) of the Non-Profit Corporation Act by a volunteer director.
- (d) A transaction from which the volunteer director derived an improper personal benefit.
- (e) An act or omission of the volunteer director occurring before the date this document is filed with the Michigan Department of Commerce.
- (f) An act or omission by the volunteer director that is grossly negligent.



(For Bureau Use Only)

**FILED**

Date Received

JUN 25 2001

Administrator  
BUREAU OF COMMERCIAL SERVICES

Corporation Identification Number 774-595

## ARTICLES OF INCORPORATION

### For Use By Domestic Nonprofit Corporations

Pursuant to the provisions of Act 162, Public Acts of 1982, the undersigned corporation executes the following Articles:

#### ARTICLE I

The name of the corporation is: **Hidden Ridge Beach Association** ✓

#### ARTICLE II

The purpose or purposes for which the corporation is organized are: **See attached Exhibit "A".**

#### ARTICLE III

The corporation is organized upon a: **Non-stock basis.**

1. If organized on a stock basis, the total number of shares which the corporation has authority to issue is \_\_\_\_\_. If the shares are, or are to be, divided into classes, the designation of each class, the number of shares in each class, and the relative rights, preferences and limitations of the shares of each class are as follows:
2.
  - a. If organized on a non-stock basis, the description and value of its real property assets are: (if none, insert "none");  
**None.**
  - b. The description and value of its personal property assets are: (if none, insert "none");  
**None.**
  - c. The corporation is to be financed under the following general plan:  
**Dues and assessments from members.**
  - d. The corporation is organized on a:  
**Membership basis.**

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**ARTICLE IV**

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1. The address of the registered office is:  
**2840 Cass Road, Traverse City, Michigan 49684**
2. The mailing address of the registered office if different than above:
3. The name of the resident agent at the registered office is:  
**Joseph L. Zimmers**

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**ARTICLE V**

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The name(s) and address(es) of all the incorporator(s) is (are) as follows:

Name

Residence or Business Address

John K. Gray

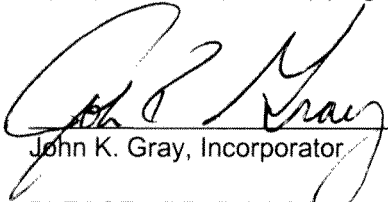
325 S. Union Street, Traverse City, MI

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Use space below for additional Articles or for continuation of previous Articles. Please identify any Article being continued or added. Attach additional pages if needed.

**See attached Exhibit "A" for Article II and Articles VI through XIII.**

I (We), the incorporator(s) sign my (our) name(s) this 18 day of June, 2001.

  
\_\_\_\_\_  
John K. Gray, Incorporator

**PLEASE RETURN DOCUMENT TO:**

**JOHN K. GRAY  
325 South Union Street  
Traverse City, MI 49684**

## EXHIBIT "A"

### ARTICLE II

The purposes for which the corporation is organized are:

- (a) Generally, to manage, administer and maintain the assets, property, common elements, easements, appurtenances, and affairs of the limited common area - beach access of the Hidden Ridge condominium located in the Township of Peninsula, Grand Traverse County, Michigan.
- (b) To levy and collect assessments from the members of the corporation, with power to enforce and collect assessments by lien, foreclosure, or other proceedings.
- (c) To maintain insurance coverage with respect to the beach access area and its affairs, and to collect and apply the proceeds of any such insurance.
- (d) To restore, repair, maintain, and rebuild all or any part of the property and common elements of the beach access area.
- (e) To negotiate, settle, compromise, and adjust any threatened or actual taking by eminent domain and all or any part of the assets, property, and common elements of the beach access area.
- (f) To negotiate, compromise, settle, sue for, defend against, and adjust any and all claims by or against the corporation or the assets and property.
- (g) To make reasonable rules and regulations governing the use and enjoyment of the beach access property by members and their guests, employees, agents, invitees, and families; and to enforce such rules and regulations by all lawful means, including, without limitation, the imposition of fines, late charges, eviction proceedings, damage actions, and other proceedings.
- (h) To engage, employ, and contract with other persons and firms to assist with the management, operation, maintenance, and administration of the beach access area.
- (i) To borrow money and give a promissory note, notes, or other evidence of such indebtedness, for any purpose or purposes of the corporation, with or without security, and with the power to secure repayment of the principal, interest, and other costs associated with such borrowing by mortgage of real estate, pledge, security agreement, assignment of rents or assessments to be received, or by other security devices and instruments.
- (j) To provide management and administrative services for the owners of interests in the beach access area.
- (k) To enforce the terms, conditions, and other provisions of the Master Deed and condominium By-laws of the condominium, and any other covenants and restrictions that affect the beach access area.
- (l) To become a member in any association formed to include property owners in developments adjacent to or near the condominium, for the purpose of building or maintaining recreational, access, landscaping, or other facilities used or enjoyed in common by all or any portion of the property owners in the condominium adjacent or nearby developments.

- (m) To exercise all the powers permitted non-profit corporations by the applicable laws of the State of Michigan, including statutory and common; to exercise all the powers necessary, appropriate, or convenient to carry out the purposes of the corporation; and to generally do anything, including, but not limited to, the entry into and performance of contracts of all kinds, in furtherance of the purposes of the corporation.

## **ARTICLE VI**

The term of this corporation is perpetual.

## **ARTICLE VII**

The qualifications of members, the manner of their admission to membership, the termination of membership, and the voting rights of members shall be as follows:

- (a) The initial member of the corporation is Hidden Ridge Development, LLC, a Michigan limited liability company, who is the developer of the Hidden Ridge condominium and has offices at 2840 Cass Road, Traverse City, MI 49584.
- (b) Each owner of beach access rights, including the developer, shall be a member of the corporation, and no other persons or entities shall be entitled to membership.
- (c) Membership shall be established by (i) becoming a co-owner of beach access rights as defined in the Master Deed; and (ii) providing the corporation with evidence thereof satisfactory to the Board of Directors of the corporation. At such time as any person ceases to be a co-owner of beach access rights as defined in the Master Deed, his, her, or its membership shall automatically terminate.
- (d) Neither the membership nor the share of any member in the funds and assets of the corporation can be assigned, pledged or transferred in any manner, except as an appurtenance to a unit in the condominium.
- (e) The voting rights of members are governed by the provisions therefore in the Master Deed and the condominium By-laws, together with the By-laws of this corporation.

## **ARTICLE VIII**

The corporation shall be managed by a Board of Directors which shall be elected, qualified, serve, and exercise the authority of the corporation as provided in these Articles of Incorporation, the Master Deed, the condominium By-laws, and the By-laws of the corporation.

## **ARTICLE IX**

When a compromise, arrangement, or plan of reorganization of the corporation is proposed between this corporation and its creditors, or any class of them, or between this corporation and its members, or any class of them, a court of equity jurisdiction with the State of Michigan, on application of this corporation, a creditor, a member of the corporation, or a receiver appointed for the corporation, may order a meeting of the creditors or class of creditors or of the members or class of members to be affected by the proposed compromise, arrangement, or reorganization, to be summoned in such manner as the court directs. If a majority in number representing seventy-five (75%) percent in value of the creditors or class of creditors, or

of the members or classes of members, to be affected by the proposed compromise, arrangement or reorganization, agrees to a compromise, arrangement or reorganization of this corporation as a consequence of the compromise or arrangement, the compromise or arrangement, and the reorganization, if sanctioned by the court to which the application has been made, shall be binding on all the creditors or class of creditors, or on all of the members or class of members, and also on this corporation.

## **ARTICLE X**

Any action required or permitted to be taken at annual or special meeting of members may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by members having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all members entitled to vote thereon were present and voted. Prompt notice of the taking of the corporation action without a meeting by less than unanimous written consent shall be given to members who have not consented in writing.

## **ARTICLE XI**

A contract or other transaction between this corporation and one or more of its directors or officers, or between this corporation and another corporation, firm or association of any type or kind, in which one or more of this corporation's directors or officers are directors or officers, or are otherwise interested, is not void or voidable solely because of such common directorship, officership or interest, or solely because such directors are present at the meeting of the board or committee thereof which authorizes or approves the contract or transaction, or solely because their votes are counted for such purpose if:

- (a) The contract or other transaction is fair and reasonable to this corporation when it is authorized, approved or ratified.
- (b) The material facts as to the director's or officer's relationship or interest and as to the contract or transaction are disclosed or known to the board or committee, and the board or committee authorizes, approves or ratifies the contract or transaction by a vote sufficient for the purpose without counting the vote of any common or interested director.
- (c) The material facts as to the director's or officer's relationship or interest as to the contract or transaction are disclosed or known to the members, and they authorize, approve or ratify the contract or transaction.

## **ARTICLE XII**

These Articles of Incorporation may be amended, altered, changed, or repealed only by the affirmative vote of at least seventy-five (75%) percent of those in interest of the entire membership of the corporation; provided, that in no event shall any amendment make changes in the qualifications for membership or the voting rights of members without the unanimous consent of the membership.

## **ARTICLE XIII**

No director of this corporation, as defined in MCLA 450.2110(2), shall be personally liable to the corporation or to its shareholders or its members for money damages for breach of the director's fiduciary duty as described in MCLA 450.2541. However, this provision limiting the personal liability of directors shall not eliminate or limit the liability of any such director for any of the following:

- (a) A breach of the volunteer director's duty of loyalty to the corporation and its shareholders or members;
- (b) Acts or omissions of the volunteer director not in good faith or that involve intentional misconduct or a knowing violation of the law.
- (c) A violation of Section 551(1) of the Non-Profit Corporation Act by a volunteer director.
- (d) A transaction from which the volunteer director derived an improper personal benefit.
- (e) An act or omission of the volunteer director occurring before the date this document is filed with the Michigan Department of Commerce.
- (f) An act or omission by the volunteer director that is grossly negligent.

BY-LAWS OF  
HIDDEN RIDGE BEACH ASSOCIATION

**Article I**  
**By-laws**

The following By-laws shall govern the operation of the **Hidden Ridge Beach Association** of the **Hidden Ridge Condominium**. Members shall only be those co-owners who own beach access rights.

**Article II**  
**Meetings and Quorums**

1. Membership Meetings. The initial meeting of the members, in the absence of a special call by the board of directors, shall be held on the call of the developer. At this meeting, the directors elected at the first meeting of incorporators shall resign and a new board of directors shall be elected by the members as provided in these By-laws.
2. Annual Meetings of Members. After the initial meeting, an annual meeting of members shall be held each year at the date, time, and place that the board of directors designates. Notice of all annual meetings shall be given as provided in the condominium By-laws.
3. Delayed Annual Meeting of Members. If, for any reason, the annual meeting is not held on the designated day, the meeting may be called and held as a special meeting with the same proceedings as at an annual meeting.
4. Special Meetings of Members. The president, a majority of the directors of the board, or a group of members with at least twenty (20%) percent of the votes entitled to notice of the meeting may call special meetings of the members. Notice of special meetings shall be provided in the same manner as for annual meetings.
5. Organizational Meetings of the Board. At the same place and immediately following the annual meeting of members, the board, as constituted on the final adjournment of that annual meeting, shall convene to elect officers and transact any other business properly proposed. If a majority of the directors consent, the organizational meeting may be held at a different time and place.
6. Regular Meetings of the Board. In addition to its organizational meeting, the board may hold regular meetings at other times and places that it designates. Notice of regular meetings shall be given to each director personally or by mail, telephone, or telegraph at least five (5) days before the meeting.
7. Special Meetings of the Board. The president or any two directors may call special meetings of the board by giving written notice to each director of the time, place, and purpose of the meeting at least three (3) days before the meeting.

8. Notice and Mailing. All written notices required by these By-laws shall state the authority under which they are issued (e.g., "by the order of the president: or "by the order of the board of directors") and shall bear the written, printed, or typed name and signature of the secretary. Each such notice shall be deemed served when it has been deposited in the U.S. mail, with postage fully prepaid, plainly addressed to the address at the last address appearing in the membership record of the corporation.
9. Waiver of Notice. Notice of the time, place or purpose of any meeting of the members or of the board may be waived by telegram, cablegram, or other writing, either before or after the meeting has been held. Attendance at any meeting of the board constitutes a waiver of notice, unless a director attends for the purpose of objecting to the transaction of any business because the meeting has not been lawfully convened.
10. Quorums. A quorum of the members shall be 8 members of the Association. The majority of the directors in office or of the members of any committee shall constitute a quorum for the transaction of business. Members or directors present or represented at any such meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough persons to leave less than a quorum, and may adjourn the meeting for no more than thirty (30) days, without notice other than an announcement at the meeting, until a quorum is present or represented.

### **Article III**

#### **The Board of Directors**

1. Number and Terms. The business, property, and affairs of the corporation shall be managed by a board of directors composed of at least three but not more than five members. The number of persons composing each board shall be determined by a vote of the members before the establishment of the board. If a motion is not made and carried to increase or decrease the number of directors, the board shall consist of the same number of persons as composed the previous board of directors. In addition, the members may, by making and passing a resolution, provide that, in lieu of annually electing all directors, the directors be divided in to two or three classes, each to be as nearly equal in number as possible, with terms of office such that the terms of the directors in the first class will expire at the first annual meeting following their election, the terms of the second class will expire at the second annual meeting after their election, and the terms of the third class will expire at the third annual meeting after their election. At each annual meeting after such a classification of the board of directors, a number of directors equal to the number of the class whose term is expiring shall be elected to hold office until the second succeeding annual meeting if there are two classes or until the third succeeding annual meeting if there are three classes. However, until the initial meeting of the members, the directors named in the Articles of Incorporation and their successors shall serve.
2. Qualification. Except for members of the first board, each director shall be a co-owner of beach access rights or the spouse of a co-owner (or, if a co-owner is a trustee of a trust, a beneficiary of the trust or, if a co-owner or such a beneficiary is a corporation or a partnership, an officer, a partner, or an employee of the co-owner or beneficiary). If a director ceases to qualify during the director's term, that person shall cease to be a director,



and the director's place on the board shall be deemed vacant.

3. Vacancies. Vacancies on the board may be filled by the affirmative vote of a majority of the remaining directors, even if there remains less than a quorum of the board. Each person elected to fill a vacancy shall remain a director until a successor has been elected and qualified. The term of the newly elected director shall equal that remaining for the director whose death or resignation created the vacancy.
4. Resignation and Removal. A director may resign at any time, and such a resignation shall take effect when the association receives written notice or at a later time as stated in the notice of resignation. Any or all of the directors may be removed, with or without cause, by a vote of a majority of the members.
5. Action by Written Consent. If all the directors consent in writing to any action to be taken by the corporation, either before or after the action, the action shall be a valid corporate action as if it has been authorized at a meeting of the board.
6. Powers and Duties. In addition to the powers and duties imposed or permitted by law, by these By-laws, and by resolutions of the members of the association, the board of directors shall have all powers and duties necessary to administer the affairs of the association.
7. Rules and Regulations. The board of directors shall propose and adopt regulations for the use and enjoyment of the beach area, dock and shore stations. All rules and regulations imposed by the first board of directors before the initial meeting of members shall bind all subsequent members unless this provision is amended as provided in these By-laws.
8. Compensation. Directors shall receive no compensation for their services as directors unless expressly provided for in resolutions adopted by at least sixty (60) percent of all members.

#### **Article IV Officers**

1. Designation and Terms. The board shall elect a president, a secretary, and a treasurer and may also elect one or more vice presidents, assistant secretaries, and assistant treasurers as the needs of the business require. Each officer shall hold office for one year and until a successor is elected and qualified. No officer shall receive any compensation from the corporation for acting as an officer.
2. The President. The president shall be the chief executive officer of the corporation. The president shall preside over all meetings of the members and of the board and shall be an ex officio member of all standing committees.
3. The Secretary. The secretary shall attend all meetings of the members, of the board, and of the executive committee and shall preserve, in records of the corporation, true minutes of the proceedings of all such meetings. The secretary shall safely keep the seal of the corporation and shall have the authority to affix the seal to all documents in which its use

is required. The secretary shall give all notices required by statute, these By-laws, or resolutions and shall perform other duties that the board or the executive committee delegates to the secretary.

4. *The Treasurer.* The treasurer shall have custody of all corporate funds and securities and shall keep, in records of the corporation, full and accurate accounts of all receipts and disbursements. The treasurer shall deposit all monies, securities, and other valuable property of the corporation in such depositories the board designates. The treasurer shall disburse the funds of the corporation as the board orders, taking proper vouchers for such disbursements, and shall render to the president and directors at regular meetings of the board and whenever they request an account of all the treasurer's transactions and of the financial condition of the corporation.
5. *Vacancies.* Vacancies in any office may be filled by the affirmative vote of a majority of the remaining members of the board at any regular or special meeting. Each person appointed to fill a vacancy shall remain an officer for a term equal to that remaining for the officer whose death or resignation created the vacancy and until a successor is elected and qualified.
6. *Resignation and Removal.* An officer may resign at any time, and such a resignation shall take effect when the association receives written notice or at a later time as stated in the notice of resignation. Any or all of the officers may be removed, with or without cause, by the vote of a majority of the board of directors.

## **Article V**

### **Indemnification**

1. *Scope of Indemnification.* The corporation shall indemnify to the fullest extent authorized or permitted by the Michigan Non-profit Corporation Act any person, estate, or personal representative who is made or threatened to be made a party to an action, suit or proceeding (civil, criminal, administrative or investigative) because the party is or was a director or an officer of the corporation or serves or served in any other enterprise at the request of the corporation. Parties who are not directors or officers of the corporation may be similarly indemnified for services rendered to the corporation or at the request of the corporation to the extent authorized at any time by the board of directors of the corporation. The provisions of this article shall apply to directors and officers who have ceased to render such service and shall benefit their heirs, personal representatives, executors, and administrators. The right of indemnification provided in this Article shall not be exclusive, and the corporation may indemnify any person, by agreement or otherwise, on whatever conditions the board of directors of the corporation approves. Any agreement for the indemnification of a director, an officer, an employee, or another party may provide indemnification rights that are broader or otherwise different than those stated in the Michigan Non-profit Corporation Act, unless such rights are otherwise prohibited by law.
2. *Authorization of Indemnification.* Any indemnification under this Article (unless ordered by a court) shall be made by the corporation only after ten (10) days' written notice to all co-members of the facts surrounding the request for indemnification, when authorized in the

specific case on a determination that the indemnification of the director, officer, employee, or agent is proper in the circumstances because the party has met the applicable standard of conduct stated in this Article. Such a determination shall be made (a) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to the action, suit, or proceeding; (b) if such a quorum is not obtainable or, even if it is obtainable, if a quorum of disinterested directors so directs, by independent legal counsel (who may be the regular counsel of the corporation) in a written opinion; or (c) by the members.

3. Advancing Expenses. Expenses incurred in defending a civil or criminal action, suit, or proceeding described in provision 1 of this Article may be paid by the corporation in advance of the final disposition of the action, suit, or proceeding as authorized by the board of directors on receipt of an undertaking by or on behalf of the director, an officer, an employee, or an agent to repay the amount unless it is ultimately determined that the party is entitled to be indemnified by the corporation as authorized in this Article.
4. Insurance. The corporation may purchase and maintain insurance on behalf of any party who is or was a director, an officer, an employee, or an agent of the corporation or who is or was serving at the request of the corporation as a director, an officer, an employee, or an agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against the party and incurred by the party in such a capacity or arising out of the party's status as such, whether or not the corporation would have the power to indemnify the party against such liability under the provisions of this Article.
5. Mergers. For the purpose of this Article, references to the corporation include all constituent corporations absorbed in a consolidation or merger, as well as the resulting or surviving corporation, so that any person who is or was a director, an officer, an employee, or an agent of such a constituent corporation or who is or was serving at the request of such a constituent corporation as a director, an officer, an employee, or an agent of another corporation, partnership, joint venture, trust, or other enterprise shall stand in the same position under the provisions of this Article with respect to the resulting or surviving corporation as that party would if the party had served the resulting or surviving corporation in the same capacity.

## **Article VI**

### **General Provisions**

1. Liability of Members. The association and the board shall have the power to raise and the responsibility for raising, by special assessment or otherwise, any sums required to discharge its obligations under these By-laws. However, the liability of any member arising out of any contract made by the directors; for other acts of the directors, officers, or committees; or out of the indemnity provisions of Article V shall be limited to the proportion of the total liability divided by the number of members. Every agreement made by the directors, officers, committees, or managing agent on behalf of the members shall provide that the persons signing the agreement are acting only as agents for the members and shall have no personal liability under the agreement (except as members) and that each member's liability under the agreement shall be limited to the proportion of the total liability divided by the number of members.

2. The Signing of Documents. All checks, drafts, and orders for the payment of money shall be signed in the name of the corporation by whatever officers or agents the board designates. If the signing of any contract, conveyance, or other document of title has been authorized without the specification of the signing officers, the president or a vice president may sign in the name of the corporation without attestation, acknowledgment, or seal.
3. Fidelity Bonds. The association may required that all officers, employees, and others who are responsible for handling funds obtain adequate fidelity coverage to protect against dishonest acts, the cost of which shall be an administration expense.
4. The Seal. The seal of the corporation shall include the name of the corporation and the words "Corporate Seal, Michigan." The seal may be used by causing it or a facsimile to be impressed, affixed, or reproduced.
5. Fiscal Year. The fiscal year of the corporation shall be fixed by a resolution of the board.
6. Assessments and Collection. The Association shall have the right and power to assess for all costs and expenses and the ability to collect said assessments in the same manner as contained in the Condominium By-laws, which are incorporated herein by reference.

#### **Article VII** **Amendments of the By-laws**

These By-laws may be amended, added to, or repealed by a majority of the members of **Hidden Ridge Beach Association.**

## **HIDDEN RIDGE SITE CONDOMINIUM**

### **ESCROW AGREEMENT**

This Escrow Agreement (the "Escrow Agreement"), entered into on this 5th day of October, 2000, between **Hidden Ridge Development, LLC** ("Developer"), and **Corporate Title & Escrow, Inc.** ("Escrow Agent"):

#### **WITNESSETH:**

*Whereas*, Developer is constructing a project known as Hidden Ridge Site Condominium, which is to be established as a condominium project under applicable Michigan law; and

*Whereas*, Developer plans to sell units/lots in Hidden Ridge Site Condominium and will enter into a Purchase Agreement (an "Agreement") with each potential purchaser ("Purchaser"), in respect of units/lots at Hidden Ridge Site Condominium; and

*Whereas*, each Agreement will require that all amounts received from Purchaser shall be deposited with Escrow Agent and held in an escrow account in accordance with the Michigan Condominium Act, as amended (the "Act"); and

*Whereas*, Escrow Agent is willing to hold and release such amounts in accordance with the terms of this Escrow Agreement.

***NOW, THEREFORE***, it is agreed as follows:

1. Escrow Agent. Upon receipt of funds under an Agreement, Developer shall promptly deposit all funds received from Purchaser with Escrow Agent and shall deliver a copy of the executed Agreement to Escrow Agent and a receipt signed by the Purchaser for the proposed Master Deed and Disclosure Statement for Hidden Ridge - Site Condominium and the Condominium Buyer's Handbook. Such funds shall be deposited in an escrow account by Escrow Agent, and held or released by Escrow Agent in accordance with the terms of this Escrow Agreement. Escrow Agent shall keep an accurate recording reflecting all funds held in or released from the escrow account with respect to each Purchaser and Agreement. The standard form of the Purchase Agreement for this condominium project has been attached hereto and shall not be amended or modified in any manner which will in the opinion of Escrow Agent materially change its duties or increase its liabilities.

2. Release of Funds to Purchaser. The funds held by Escrow Agent with respect to each Purchaser and Agreement shall be released to Purchaser only upon the satisfaction of one or more of the following conditions.

A. If Purchaser has executed a preliminary reservation agreement, but has not executed a Purchase agreement, and Purchaser cancels the Agreement, Purchaser shall notify Escrow Agent of such cancellation, and all funds deposited pursuant to the Agreement and this Escrow Agreement shall be released to Purchaser.

B. If Purchaser has executed a Purchase Agreement, and Purchaser withdraws from the Agreement within the withdrawal period described therein, Purchaser shall notify Escrow Agent of such withdrawal, and all funds deposited pursuant to the Agreement and this Escrow Agreement shall be released to Purchaser.

C. If a mortgage contingency is provided for in the Agreement, and if, with or without the assistance of Developer, Purchaser fails or is unable to obtain a mortgage, Purchaser and Developer shall jointly notify Escrow Agent that a mortgage has not been obtained, and all funds deposited pursuant to the Agreement and this Escrow Agreement shall be released to Purchaser.

D. If Purchaser has executed a preliminary reservation agreement, but has not executed a Purchase Agreement, and Developer terminates Purchaser's reservation rights as a result of a default by Purchaser, or for any reason permitted by the preliminary reservation agreement, Developer shall notify Escrow Agent of the default, and all funds deposited pursuant to the Agreement and this Escrow Agreement shall be released to Purchaser.

E. If Developer determines not to establish Hidden Ridge Site Condominium as a condominium project, Developer shall notify Escrow Agent of its decision, and all funds deposited pursuant to the Agreement and this Escrow Agreement shall be released to Purchaser.

F. If Developer is unable to convey insurable title to Purchaser within sixty (60) days after the receipt by Purchaser of a title commitment in respect of Purchaser's Unit, Purchaser shall notify Escrow Agent of Developer's inability to convey insurable title, and all funds deposited pursuant to the Agreement and this Escrow Agreement shall be released to Purchaser.

G. If Developer terminates Purchaser's rights under a Purchase Agreement for any reason permitted by the Purchase Agreement other than the default of Purchaser, Developer shall notify Escrow Agent of the termination, and all funds deposited pursuant to the Agreement and this Escrow Agreement shall be released to Purchaser.

All funds released under this Paragraph 2 shall be returned to Purchaser within three (3) business days after Escrow Agent is notified of the satisfaction of any of the conditions described above. The term "business day" as used in this Escrow Agreement shall mean a day other than a Saturday, Sunday or legal holiday.

3. Release of Funds to Developer. The funds held by Escrow Agent with respect to a given Purchaser and Agreement shall be released to Developer to the extent provided below, only upon the satisfaction of the following conditions:

A. Purchaser defaults on any obligations under a purchase agreement after the agreement becomes binding, and remains in default for a period of ten (10) days after written notice of such default from Developer.

B. Upon conveyance of title to a unit covered by a purchase agreement from the owners to a subscriber (or upon execution of a Land Contract between the owners and the subscriber in fulfillment of a purchase agreement) Escrow Agent shall release to owners all sums held in escrow pursuant to such agreement, provided Escrow agent has confirmed:

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

ii. That, if the elements or facilities referred to in Subparagraph 3Bi above are not substantially complete, sufficient funds to finance substantial completion of such elements or facilities are being retained in escrow or that other adequate security has been arranged as provided in Paragraph 4 below.

Improvements of this type described in Subparagraph 3Bi above shall be substantially complete when certificates of substantial completion have been issued therefor by the Developer and by a licensed professional architect or engineer, as described in Paragraph 6, below.

C. Upon furnishing Escrow Agent with a certificate from a licensed professional architect or engineer evidencing substantial completion in accordance with the pertinent plans and specifications of a structure, improvement, facility or identifiable portion thereof for which funds or other security have been deposited in escrow, Escrow Agent shall release to owners the amount of such funds or other security specified by the issuer of the certificate as being attributable to such substantially completed item(s); provided, however, that if the amounts remaining in escrow after any such partial release would be insufficient in the opinion of the issuer of such certificate to finance substantial completion of any remaining incomplete items for which funds or other security have been deposited in escrow, only the amount in escrow in excess of such estimated cost to substantially complete shall be released by Escrow Agent to owners.

4. Substitute Security. Notwithstanding anything in this agreement to the contrary, owners may withdraw all or any part of the escrowed funds prior to the occurrence of any of the events set forth in Paragraph 3 above, provided that owners shall deliver to Escrow Agent, security having, in the judgment of the Escrow Agent, a value equal to the amount of the funds withdrawn, which security may include, without limitation, any irrevocable letter of credit, lending commitment, indemnification agreement or other resource of value which in the judgment of Escrow Agent is sufficient to assure repayment of the funds withdrawn.

5. Ultimate Disposition of Funds Received for the Completion of Incomplete Elements or Facilities. Not earlier than nine (9) months after closing the sale of the first unit in a phase of the Condominium Project for which escrowed funds have been retained or for which security has been provided for the substantial completion of the portions thereof labeled as "must be built", Escrow Agent shall, upon the request of Hidden Ridge Condominium Association or any interested co-owner, notify the owners of the amount of funds remaining in escrow for such purpose, and of the date determined under this paragraph upon which such funds can be released. In the case of a recreational facility or other facility intended for general common use, not earlier than nine (9) months after the date on which the facility was promised on the Condominium Documents to be completed by the owners/Developer, Escrow Agent shall, upon the request of Hidden Ridge Condominium Association or any interested co-owner, notify the owners of the amount of funds remaining in escrow for such purpose, and the date determined under this paragraph upon which such funds can be released. Three (3) months after receipt of a request pertaining to any of the funds described above, the funds that have not yet been released to owners may be held or disposed of by Escrow Agent as follows:

A. Escrow Agent may in its sole and absolute discretion undertake completion of any such improvements pursuant to and in accordance with the plans and specifications therefor as set forth in the Condominium Documents and/or incorporated into subscribers' purchase agreements, as the case may be, for the benefit of all interested parties, including the owners/Developer, and may administer and disburse escrowed funds or security held for construction of the same in such prudent and reasonable manner as may be reasonably necessary.

B. Escrow Agent may release such funds or security in accordance with the terms of such written agreement, if any, as may be entered into by and between the owners/Developer and Hidden Ridge Condominium Association, provided that such agreement is entered into subsequent to the transitional control date of the Condominium Project.

C. With the consent of the owners/Developer and all other interested parties, Escrow Agent may initiate an arbitration proceeding under the Commercial Arbitration Rules of the American Arbitration Association pursuant to which proceeding the owners/Developer, Hidden Ridge Condominium Association and all other interested parties shall be named as parties. Escrow Agent shall continue to hold all sums in escrow pending the outcome of arbitration, but Escrow Agent shall not be a party to such arbitration. All issues relative to disposition of such escrow deposits or other security shall be decided by the arbitrator or arbitration panel and such decision shall be final and binding upon all parties concerned and judgment thereon may be rendered upon such award by any Circuit Court of the State of Michigan. Escrow Agent may in any event release all such escrow deposits in accordance with the arbitration decision or may commence an interpleader action with respect thereto as provided below.

D. Escrow Agent may initiate an interpleader action in any Circuit Court in the State of Michigan naming the owners/Developer, Hidden Ridge Condominium Association and all other interested parties as parties and deposit all funds or other security in escrow with the Clerk of



such Court in full acquittance of its responsibilities under this agreement.

6. Proof of Occurrences; Confirmation of Substantial Completion; Determination of Cost to Complete. Escrow Agent may require reasonable proof of any event, action or condition stating herein before releasing any funds held by it pursuant to any purchase agreement either to subscribed thereunder or to the owners. Whenever Escrow Agent is required hereto to confirm that a facility, element, structure, improvement or identifiable portion of any of the same is substantially complete in accordance with the pertinent plans and specifications therefor, it may base such confirmation entirely upon the certificate of a licensed professional architect or engineer to such effect. Likewise, all estimates and determinations of the cost to substantially complete any incomplete elements, facilities, structures and improvements for which escrowed funds are being specifically maintained under Subparagraph 3C above shall be made entirely by a licensed professional engineer or architect and the determination of all amounts to be retained or maintained in the escrow account for the completion of any such elements, facilities, improvements or structures shall be based entirely upon such determinations and estimates as are furnished by such engineer or architect. No inspections of the Condominium Project or any portion thereof by any representative of Escrow Agent shall be deemed necessary hereunder, nor must any cost estimates or determinations be made by Escrow Agent, and Escrow Agent may rely entirely upon certificates, determinations and estimates as described above in retaining and releasing all escrowed funds hereunder.

All funds released under this paragraph 3 shall be delivered to Developer within three (3) business days after all of the conditions causing the release have been satisfied.

7. Interest on Escrowed Funds. Escrow Agent shall deposit the escrowed funds held pursuant hereto in a non-interest-bearing account at a licensed financial institution as the Escrow Agent desires.

8. Proof of Conditions. Escrow Agent may, but need not, require reasonable proof of the occurrence of any of the events, actions, or conditions described herein before releasing any funds held by it pursuant to an Agreement and this Escrow Agreement.

9. Liability of Escrow Agent.

A. Escrow Agent, in the performance of its duties under this Escrow Agreement, shall be deemed an independent party not acting as the agent of Developer, any Purchaser, co-owner, or other interested party. Escrow Agent shall be relieved of all liability upon release, in accordance with this Escrow Agreement, of all amounts deposited with it hereunder. It is expressly understood that Escrow Agent's liability is limited by the terms and provisions set forth in this Escrow Agreement, and that by acceptance of this Escrow Agreement, Escrow Agent is acting in the capacity of a depository, and as such, is not responsible or liable for the sufficiency, correctness, genuineness, or validity of the instrument submitted to it, or the marketability of title to any unit reserved or sold under any Agreement.

B. Further, Escrow Agent is not a guarantor of performance by Developer under the condominium documents or any Purchase Agreement and Escrow Agent undertakes no responsibilities whatsoever with respect to the nature, extent, or quality of such performance thereunder or with regard to the conformity of such performance to the terms of such documents, to the plans and specifications for the project, to local or state laws or in any other particular. In addition, this Escrow Agreement, the Purchase Agreement, and all pertinent condominium documents have been prepared by Developer and/or its attorney, and Escrow Agent shall have no responsibility or liability with respect to such documents or their compliance with the Act.

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

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

11. Change in Circumstances. The disability, bankruptcy, insolvency, or absence of a Purchaser, Developer, or Escrow Agent, or any of them, shall not affect or prevent performance by the Escrow Agent of its obligations and instructions hereunder.

12. No Notification. If no notification has been received by Escrow Agent within three (3) years from the date of this Escrow Agreement, Escrow Agent may, after thirty (30) days written notice to Developer and Purchaser, deliver the escrowed assets to the clerk of the Circuit Court of Grand Traverse County, Michigan.

13. Conflicting Claims. If Escrow Agent received conflicting instructions or claims to the funds, securities, or documents held in escrow:

A. It may hold all funds, securities, and documents affected by the conflicting instructions or claims in this escrow and take no further action until otherwise directed, either by mutual written instructions from all interested parties or final order of a court of competent jurisdiction.

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


14. Copy of Escrow Agreement. Developer shall provide each Purchaser with a copy of this Escrow Agreement.

15. Effect of Agreement. This Escrow Agreement shall supersede all other Escrow Agreements heretofore made between the parties and shall be applicable to all funds held by Escrow Agent pursuant to such prior Escrow Agreements.

**IN WITNESS WHEREOF**, the parties hereto have caused this Escrow Agreement to be executed as of the date first above written.


DEVELOPER:

**Hidden Ridge Development, LLC**

  
\_\_\_\_\_  
JOSEPH L. ZIMMERS  
MEMBER

ESCROW AGENT:

**Corporate Title & Escrow, Inc.**

  
\_\_\_\_\_  
Karen L. Hansen  
ASSIST. V.P.

Prepared by:

John K. Gray, Esq.

Gray, Ford & Seaman, P.C.

325 South Union Street

Traverse City, MI 49684

# HIDDEN RIDGE SITE CONDOMINIUM

## PURCHASE (RESERVATIONS) AGREEMENT

**Hidden Ridge Development, LLC**, hereinafter referred to as "Developer," hereby agree to sell, and \_\_\_\_\_, hereinafter referred to as "Purchaser," hereby agrees to purchase, on the terms and subject to the conditions set forth in this Agreement, Unit No. \_\_\_\_\_ ("Unit"), at Hidden Ridge Site Condominium (the "Condominium"), a condominium located in the Township of Peninsula, Grand Traverse County, Michigan.

1. Purchase Price. The purchase price for the Unit, which is to be located as indicated by the designation "Unit \_\_\_\_\_" on the plan for Hidden Ridge Site Condominium, which Purchaser acknowledges he has examined, together with an undivided interest in the common elements appertaining thereto, shall be \$ \_\_\_\_\_ payable as indicated by "X" below (other unmarked terms of purchase do not apply):

CASH _____	The full purchase price upon execution and delivery of a Warranty Deed.
NEW MORTGAGE _____	The full purchase price upon execution and delivery of a Warranty Deed, contingent upon Purchaser's ability to obtain a standard first mortgage in the amount of \$ _____ in accordance with the terms and conditions set forth below.

To evidence his good faith, Purchaser has deposited with Developer the sum of \$ \_\_\_\_\_, which shall be held in escrow as provided in paragraphs 2 and 8 below. If the closing contemplated hereby occurs, Purchaser's deposit shall be applied to the purchase price.

If Purchaser elects to finance under mortgage, he shall make good faith application for a mortgage commitment at the interest rate and service charge then being offered by the proposed lender to comparable borrowers for comparable mortgages no later than ten (10) days after this Agreement becomes binding upon him pursuant to Section 4 below. If, after making all reasonable efforts, Purchaser fails, or is unable, to obtain a mortgage commitment within twenty (20) days after this Agreement becomes binding, this Agreement shall be null and void; provided, however, that Developer may, but need not, assist in obtaining mortgage financing for Purchaser on terms not less favorable than those above mentioned (or agree to accept a purchase money mortgage on like terms) within a like time period, and Purchaser shall be obligated to accept and execute such mortgage and pay the cost of obtaining it, in which case this Agreement shall remain in full force and effect. On or before the 20th day after this Agreement becomes binding, Purchaser agrees to advise Developer in writing whether he has obtained a mortgage commitment. Any building and improvements now located on the unit/lot are included in the purchase hereunder.

2. Escrow of Funds. Developer and Purchaser hereby agree that all amounts received by Developer under this Agreement shall be deposited in an escrow account with Corporate Title & Escrow, Inc., of Traverse City, Michigan ("Escrow Agent"), in accordance with the Michigan Condominium Act, as amended, and pursuant to the terms of an Escrow Agreement between Developer and Escrow agent, a copy of which is attached hereto and the terms of which are incorporated by reference herein. If Purchaser withdraws from this Agreement in accordance with Paragraph 4 below, all amounts deposited with Escrow Agent under this Agreement shall be returned to Purchaser within three (3) business days in full satisfaction of all rights of Purchaser and Developer hereunder, shall be terminated.

3. Plan and Purpose. Hidden Ridge Condominium Association has been established by the Developer as a Michigan non-profit corporation for the purpose of administering the condominium and operating and maintaining the common elements of the condominium. Each co-owner will be a member of the association and will be subject to its By-laws and regulations. A representative of the person or persons owning each unit/lot will be entitled to one vote on the affairs of the association, the value of which shall equal the percentage allocated to the unit owned by such co-owner in the Master Deed. Purchaser hereby agrees to abide by the terms, provisions, declarations, covenants, and condominium subdivision plan of Hidden Ridge Site Condominium, and the Articles of Incorporation, By-laws, and Rules and Regulations, if any, of the condominium association (hereinafter collectively called the "Condominium Documents"), the contents of which are as Developer, in their sole discretion, has determined appropriate, but which are in compliance with the Michigan Condominium Act, as amended.

4. Withdrawal. Unless Purchaser waives the right of withdrawal, Purchaser may withdraw from this Agreement without cause and without penalty if the withdrawal is made by written notice to Developer before the conveyance of title to the Unit described in Paragraph 2 above, and within nine (9) business days after the Document Receipt Date. A copy of such written notice of withdrawal shall be mailed or delivered to Escrow agent at 414 E. Front Street, Traverse City, Michigan 49684. If Purchaser does not withdraw, this Agreement shall become binding upon Purchaser, and Purchaser shall have no further right of withdrawal, except as expressly provided herein, upon the elapse of nine (9) business days after the Document Receipt Date. This Agreement shall not become binding upon Developer until the requirements of Section 6 below have been fulfilled or waived. The calculation of the above stated withdrawal period shall include the Document Receipt Date if such date is a business day. The "Document Receipt Date" is the date upon which Purchaser acknowledges in writing that he received from Developer the documents referred to in Section 84(a) of the Michigan Condominium Act, as amended. The term "business day" as used in this Agreement means a day other than a Saturday, Sunday or legal holiday.

5. Conveyance of Title. Developer agrees to convey to Purchaser good and marketable title to the Unit by Warranty Deed, subject to: (1) easements, covenants and restrictions of record; (2) encroachments, if any; (3) general real estate taxes for the year of conveyance after pro-ration of same at closing; (4) liens and other matters over which Corporate Title & Escrow, Inc., or its designee, agrees to insure; (5) all governmental limitations, acts of Purchaser and the condominium

documents; and (6) all installments of any special or supplemental assessment that are not at the time of the conveyance due and payable. Purchaser agrees to consummate the purchase of the Unit from Developer within ten (10) days after Developer has notified Purchaser in writing that it is prepared to tender title and possession. It is understood that Purchaser will, at the time title is conveyed to him, pay all mortgage costs and such other closing costs as are customarily paid by the Purchaser of comparable real estate in this jurisdiction. Insurance charges, if any, will be pro-rated to the date of closing. Taxes shall be pro-rated on a calendar year basis per local custom.

6. Cancellation Rights. It is understood that Purchaser's credit is subject to approval by Developer and by any proposed mortgagee. In the event Developer or such mortgagee determines that Purchaser does not have adequate credit for participation in this project, then all amounts deposited with Escrow Agent under this Agreement shall be returned to Purchaser in full satisfaction of any rights of Purchaser, and thereupon this Agreement and all rights and liabilities of Purchaser and Developer hereunder shall be terminated.

7. Assignment. Developer may, in its sole discretion, release the obligations of Purchaser under this Agreement in the event Purchaser shall secure another purchaser who is satisfactory to Developer. This Agreement is not otherwise assignable by Purchaser.

8. Default. If Purchaser shall default in any of his obligations under this Agreement and such default shall continue for ten (10) days following written notice from Developer, then, at the option of the Developer, all rights of Purchaser under this Agreement shall immediately terminate. If Purchaser's rights are terminated after this Agreement becomes binding upon him in accordance with Paragraph 4 above, any amount paid toward the purchaser price may be retained by the Developer as liquidated damages; provided, however, that such liquidated damages shall in no event exceed ten (10%) percent of the total purchase price specified in Paragraph 1 hereof. In lieu of accepting such liquidated damages, Developer may pursue such other legal and equitable remedies as may be available to it, such as the right (which is hereby granted) to have this agreement specifically enforced or to recover damages. If Purchaser's rights terminate before this Agreement becomes binding upon him, in accordance with Paragraph 4 above, or if Developer or Purchaser terminates this Agreement pursuant to the provisions of Section 6 above, all sums paid by Purchaser shall be returned to him, and all rights and liabilities of Purchaser and Developer under this Agreement shall be terminated.

9. Unless otherwise stipulated herein, the Developer hereby certifies that there are no lawsuits pending against the property, nor health department or zoning violations or condemnation proceedings now in effect against the property or any unpaid bills resulting from improvements made to the property within the last ninety (90) days which may give rise to the filing of a mechanic's lien. Developer further certifies that there are no functional defects in the property to be sold of which he is aware. Unless otherwise specified herein, Purchaser acknowledges that he has examined the above described property, building(s) and out buildings and agrees to accept them in their present condition.

10. Arbitration of Claims. At the exclusive option of Purchaser, any claims which might be the subject of a civil action against Developer which involves an amount less than \$2,500 and arises out of or relates to this Purchaser Agreement or the Unit or the project to which this Agreement relates, shall be settled by binding arbitration conducted by the American Arbitration Association. The arbitration shall be conducted in accordance with applicable law and the currently applicable rules of the American Arbitration Association. Judgement upon the award rendered by arbitration may be entered and enforced in a circuit court of appropriate jurisdiction.

11. Oral Representations Not To Be Relied Upon. This Agreement constitutes the entire agreement between the parties, and there are not other agreements, oral or written, relating to this transaction. No oral representations or statements shall be considered a part hereof. This Agreement may not be amended, modified, or changed except by written agreement signed by both Developer and Purchaser.

12. Notices. All notices required or permitted hereunder and all notices of change of address shall be in writing and shall be deemed sufficient if personally delivered or sent by ordinary first class mail or by registered or certified mail, postage prepaid, addressed to the recipient party at the address shown below such party's signature to this Agreement. For purposes of calculating time period under the provisions of this Agreement, notice shall be deemed effective upon mailing or personal delivery, whichever is applicable.

13. Usage of Terms. The pronouns and relative words herein used are written in the masculine and singular only. If the purchase is joint or by a woman or a business entity, such words shall be read as if written in plural or as appropriated in the circumstances.

14. Partial Invalidity. The invalidation of any portion of this Purchase Agreement shall not affect the validity of the remainder.

15. Binding Effect. This Agreement shall supersede any and all previous agreements between Developer and Purchaser with respect to the Unit and bind Developer and Purchaser, and their respective heirs, personal representatives, administrators, executors, assigns and successors.

This Agreement is executed by the parties on the \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

DEVELOPER:

**Hidden Ridge Development, LLC**

PURCHASER:

Purchaser, as of the date first above written acknowledges receipt of copies of the following:

Recorded Master Deed	_____
Purchase Agreement	_____
Escrow Agreement	_____
Condominium Buyer's Handbook	_____
Disclosure Statement	_____
Association By-laws	_____

Prepared By:

*John K. Gray*

*Gray, Ford & Seaman, P.C.*

*325 South Union Street*

*Traverse City, MI 49684*



**WAIVER**

The undersigned, for good caused acknowledged by the undersigned, hereby waives the nine (9) day waiting period from receipt of the condominium documents as provided by the Condominium Act prior to closing of the purchase of Unit #\_\_\_\_, **Hidden Ridge**. The undersigned represents and warrants that he/she is familiar with this project, and has knowingly and intentionally and of his/her own volition waived the nine (9) day waiting period as provided by the Condominium Act.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Dated: \_\_\_\_\_

Unit #\_\_\_\_\_

STATE OF MICHIGAN  
 GRAND TRAVERSE COUNTY  
 RECORD  
 28 JUN 2002 8:56:13 AM  
 PEGGY HAINES  
 REGISTER OF DEEDS

**FIRST AMENDMENT TO THE  
 MASTER DEED OF  
HIDDEN RIDGE**

**Hidden Ridge Development, LLC**, a Michigan Limited Liability Company, of 2840 Cass, Traverse City, Michigan 49686 ("Developer"), being the Developer of Hidden Ridge, a site condominium project established pursuant to the Master Deed thereof, recorded on the 3rd day of March, 2002 at Liber 1652, Pages 941 - 997, of the Grand Traverse County Register of Deeds office, State of Michigan, and known as Grand Traverse County Condominium Subdivision Plan No. 173, with the authority reserved to the Developer within said Master Deed, hereby amends the Master Deed of Hidden Ridge as follows:

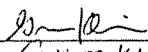
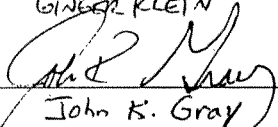
1. The Condominium Subdivision Plan attached to the above-referenced Master Deed as Exhibit B is hereby amended with attached Exhibit B-1 hereto. The amended Condominium Subdivision Plan delineates the assignable limited common element, known as the Beach Access Rights property.
2. Except as herein amended, the Master Deed of Hidden Ridge, being Grand Traverse County Condominium Subdivision Plan No. 173, shall remain in full force and effect.

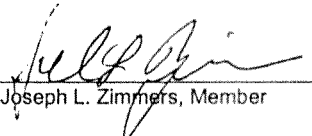
Dated this 25<sup>th</sup> day of June, 2002.

In the Presence of:

DEVELOPER:

**Hidden Ridge Development, LLC**

  
 \_\_\_\_\_  
 GINGER KLEIN  
  
 \_\_\_\_\_  
 John K. Gray

  
 \_\_\_\_\_  
 Joseph L. Zimmers, Member

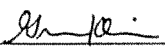
STATE OF MICHIGAN                     )  
   )ss.  
 COUNTY OF GRAND TRAVERSE        )

On this 25<sup>th</sup> day of June, 2002, before me, a Notary Public in and for said County, personally appeared **Joseph L. Zimmers, Member of Hidden Ridge Development, LLC**, to me known to be the same person(s) described in and who executed the foregoing instrument and acknowledged that he/she executed the same as his/her free act and deed.

(OUT OF STATE REQUIRES  
 NOTARY SEAL)

PREPARED BY:

John K. Gray  
 Gray, Ford & Seaman, P.C.  
 325 S. Union Street  
 Traverse City, MI 49684

  
 \_\_\_\_\_  
 , Notary Public  
 Grand Traverse County, State of Michigan  
 My Commission Expires:

GINGER KLEIN  
 NOTARY PUBLIC GR TRAVERSE CO., MI  
 MY COMMISSION EXPIRES Feb 14, 2008

# REPLAT NO. 1 GRAND TRAVERSE COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 173 EXHIBIT B TO THE MASTER DEED OF HIDDEN RIDGE, A SITE CONDOMINIUM PENINSULA TOWNSHIP, GRAND TRAVERSE COUNTY, MICHIGAN

## DEVELOPER:

MISSION BAY DEVELOPMENT  
2840 CASS ROAD  
TRAVERSE CITY, MICHIGAN 49684

## PROPERTY DESCRIPTION:

That part of Government Lot 2, Section 31, Town 28 North, Range 10 West, Peninsula Township, Grand Traverse County, Michigan, more fully described as:  
Commencing at the West quarter corner of said Section 31;  
thence North 89°24'45" East, 1309.34 feet,  
along the East and West quarter line of said Section 31 to a point on the West line of said Government Lot 2 and to the Point of Beginning;  
thence continuing North 89°24'45" East, 1307.85 feet,  
along said East and West quarter line to the center post of said Section 31;  
thence North 89°01'40" East, 17.00 feet,  
(previously recorded as East);  
thence South 08°20'08" West, 101.31 feet,  
(previously recorded as South 09°17'00" West, 101.34 feet);  
thence South 12°16'22" West, 102.79 feet,  
(previously recorded as South 13°15'00" West, 102.73 feet);  
thence South 27°47'11" West, 228.31 feet,  
(previously recorded as South 28°48'00" West, 228.32 feet);  
thence South 17°27'48" West, 316.34 feet,  
(previously recorded as South 18°25'00" West, 316.29 feet);  
thence South 6°31'18" East, 287.74 feet,  
(previously recorded as South 6°41'00" East) to a point on a traverse line along the shore of the East Arm of Grand Traverse Bay;  
thence South 32°27'23" West, 120.00 feet,  
(previously recorded as South 33°24'00" West) along said traverse line;  
thence South 89°40'17" West, 1295.18 feet,  
(previously recorded as South 89°22'00" West, 1295 feet, more or less) to a point on said West line of Government Lot 2;  
thence North 00°25'14" East, 909.42 feet,  
(previously recorded as North 00°23'57" East) along said West line of Government Lot 2 to the Point of Beginning.

Said parcel contains 25.73 acres.

Including riparian rights to the East Arm of Grand Traverse Bay.

Subject to the right-of-way for East Shore Road.

NOTE: HIDDEN RIDGE, A SITE CONDOMINIUM  
IS A MULTIPHASE CONDOMINIUM PROJECT.  
THE ASTERISK (\*) INDICATES AMENDED OR NEW  
SHEETS WHICH ARE REVISED DATED: 6-20-02  
THESE PROPOSED SHEETS WITH THIS SUBMISSION  
ARE TO REPLACE OR BE SUPPLEMENTAL SHEETS  
TO THOSE PREVIOUSLY RECORDED.

## SHEET INDEX:

- \* 1 COVER SHEET
- 2 COVER SHEET--EASEMENT DESCRIPTIONS
- 3 COVER SHEET--EASEMENT DESCRIPTIONS
- 4 COVER SHEET--EASEMENT DESCRIPTIONS
- 5 COVER SHEET--EASEMENT DESCRIPTIONS
- 6 SURVEY PLAN
- 7 SURVEY PLAN CONTINUED--CURVE DATA & EASEMENT DETAILS
- \* 8 SITE PLAN
- 9 UTILITY PLAN



HIDDEN RIDGE, A SITE CONDOMINIUM  
COVER SHEET



GARY B. WILSON  
PROFESSIONAL SURVEYOR



GARY D. WILSON  
PROFESSIONAL SURVEYOR  
LICENSE NO. 25881  
1123 WEST FRONT STREET  
TRAVERSE CITY, MICHIGAN

FH 231 848 5874 FAX 231 848 2763 WWW.gourdiefraser.com	PROPOSED DATE 6-20-02 SHEET 0
--	-------------------------------------

ofa Gourdie·Fraser

PROPOSED  
DATE 6-20

2005C-00018

STATE OF MICHIGAN  
GRAND TRAVERSE COUNTY  
RECORD

04/06/2005 02:27:04PM

Parcel # 28-11-031-026-00 By SK  
STATE OF MICHIGAN, County of Grand Traverse, at Traverse City, I hereby  
certify that there are no Tax liens or Titles held by the State of any individual against the within  
description, and all taxes on same are paid for five years previous to the date of the instrument as appears  
by the records in my office. This does not cover taxes in the process of collection by  
Township, City or Village 4/5/05 Grand Traverse County, Treasurer

PAGE 1 OF 9 TXID 20489

PEGGY HAINES  
REGISTER OF DEEDS

**SECOND AMENDMENT**  
**TO THE MASTER DEED OF HIDDEN RIDGE**

Trd to TC-04-2813

**Hidden Ridge Development, LLC**, a Michigan Limited Liability Company, of 2400 Northern Visions Drive, Traverse City, MI 49684 ("Developer"), being the Developer of Hidden Ridge, a site condominium project established pursuant to the Master Deed thereof, recorded on the 3<sup>rd</sup> day of March, 2002, at Liber 1652, Pages 943-997, First Amendment recorded June 28, 2002, at Liber 1702, Pages 274-276 of the Grand Traverse County Register of Deeds Office, State of Michigan, and known as Grand Traverse County Condominium Subdivision Plan No. 173, with the authority reserved to the Developer within said Master Deed, and with the consent of all co-owners, hereby amends the Master Deed of Hidden Ridge as follows:

1. Article II of the Condominium Master Deed is hereby amended to read as follows:

**Legal Description**

The land on which the condominium project is located and which is established by this Master Deed is situated in the Township of Peninsula, County of Grand Traverse, and State of Michigan, and described as follows, viz:

That part of Government Lot 2, Section 31, Town 28 North, Range 10 West, Peninsula Township, Grand Traverse County, Michigan, more fully described as: Commencing at the West quarter corner of said Section 31; thence North 89°24'45" East, 1309.34 feet, along the East and West quarter line of said Section 31 to a point on the West line of said Government Lot 2 and to the Point of Beginning; thence continuing North 89°24'45" East, 1307.85 feet, along said East and West quarter line to the center post of said Section 31; thence North 89°01'40" East, 17.00 feet (previously recorded as East); thence South 08°20'08" West, 101.31 feet (previously recorded as South 09°17'00" West, 101.34 feet); thence South 12°16'22" West, 102.79 feet (previously recorded as South 13°15'00" West, 102.73 feet); thence South 27°47'11" West, 228.31 feet (previously recorded as

South 28°48'00" West, 228.32 feet); thence South 17°27'48" West, 316.34 feet (previously recorded as South 18°25'00" West, 316.29 feet); thence South 67°31'18" East, 287.74 feet (previously recorded as South 66°41'00" East), to a point on a traverse line along the shore of the East Arm of Grand Traverse Bay; thence South 32°27'23" West, 120.00 feet (previously recorded as South 33°24'00" West), along said traverse line; thence South 89°40'17" West, 1295.18 feet (previously recorded as South 89°22'00" West, 1295 feet, more or less), to a point on said West line of Government Lot 2; thence North 00°25'14" East, 909.42 feet (previously recorded as North 00°23'57" East), along said West line of Government Lot 2 to the Point of Beginning. Said parcel contains 25.73 acres. Including riparian rights to the East Arm of Grand Traverse Bay; and subject to the right-of-way for East Shore Road.

Also:

Part of Government Lot 2, Section 31, Town 28 North, Range 10 West, Peninsula Township, Grand Traverse County, Michigan, more fully described as: Commencing at the West quarter corner of said Section 31; thence North 89°24'45" East, 1309.34 feet, along the East and West quarter line of said Section 31; thence South 00°25'14" West, 909.42 feet; thence North 89°40'17" East, 886.33 feet to the Point of Beginning; thence continuing North 89°40'17" East, 408.85 feet to a point on a traverse line along the shore of the East Arm of Grand Traverse Bay; thence South 31°21'34" West, 117.52 feet along said traverse line; thence South 89°40'17" West, 348.42 feet; thence North 00°25'14" East, 100.01 feet to the Point of Beginning. (Previously described in Liber 2056, Page 575)

Said Parcel contains 0.87 acres and is subject to the right-of-way for East Shore Road.

Together with and subject to riparian rights to the East Arm of Grand Traverse Bay and all easements as described on the attached Subdivision Site Plan and re-plat thereof ("Exhibit B"), which are incorporated herein by reference.

Subject to and together with other easements or restrictions of record, if any.

2. In light of the addition of the above property, all co-owners within the **Hidden Ridge Development** will now have beach rights. The following provisions of the Master Deed and Bvlaws are hereby deleted:

Master Deed – Article III, Section 17

Master Deed – Article IV, Section 2C

Bylaws – Article VI B, Section 18

Exhibit 1 of the Master Deed  
[Assignment of Limited Common Area Rights Beach Access]

Articles of Incorporation – Hidden Ridge Beach Association

Hidden Ridge Beach Association Bylaws

The following is hereby added to the Bylaws attached to the Master Deed of Hidden Ridge:

Article VI B, Section 18     Beach Area.

(a) The beach area shall be considered "general common area", as designated on attached Exhibit B – Replat No. 1. All co-owners shall have equal rights to use of the beach area and all use of the beach area shall be in compliance with the regulations of Peninsula Township.

(b) The Hidden Ridge Co-owners Association shall be authorized to

establish rules and regulations for the use by all co-owners of the beach area. Said rules and regulations may address any and all issues related to the use of the beach area including parking, docks, shore stations, hours of use, beach fires, etc.

3. Amended Subdivision Plan. The Condominium Subdivision Plan, Exhibit "B" to the Master Deed of **Hidden Ridge Site Condominium**, is amended by the Condominium Subdivision Plan attached hereto as **Exhibit "B"** which is labeled Replat No. 1 of Grand Traverse County Condominium Subdivision Plan No. 173.

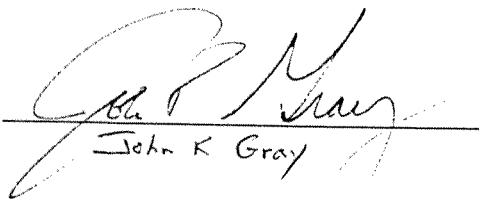
4. Except as herein amended, the remainder of the Master Deed of **Hidden Ridge Site Condominium** shall remain in full force and effect.


Dated: 3-31, 2005


In the Presence of:

DEVELOPER:

**Hidden Ridge Development, LLC**

  
John K. Gray

  
Ginger Klein

  
Joseph L. Zimmers, President of  
Z & Z Enterprises of Traverse City, Inc.,  
Member



STATE OF MICHIGAN                    )  
  )ss.  
COUNTY OF GRAND TRAVERSE        )

On this 31st day of March, 2005, before me, a Notary Public in and for said County, personally appeared **Joseph L. Zimmers**, President of Z & Z Enterprises of Traverse City, Inc. and Member of Hidden Ridge Development, LLC and , to me known to be the same person(s) described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.

(OUT OF STATE REQUIRES  
NOTARY SEAL)

Ginger Klen  
Ginger Klen Notary Public  
Grand Traverse County, State of Michigan  
My Commission Expires: 2/14/06  
Acting in Grand Traverse County

PREPARED BY:

John K. Gray  
Gray, Ford & Seaman, P.C.  
325 S. Union Street  
Traverse City, MI 49684  
(231) 947-7160

NOTE: THE ASTERISK (\*) INDICATES AMENDMENTS OR SUPPLEMENTAL SHEETS WHICH ARE REVISED OR ARE NEW SHEETS DATED LATE FEBRUARY 10, 2005. THESE SHEETS WITH THIS SUBMISSION ARE TO REPLACE BE SUPPLEMENTAL A SHEETS TO THE PREVIOUS SUBMISSION.

[illegible]

That part of Government Lot 2, Section 31, Town 28 North, Range 10 West, Peninsula Township, Grand Traverse County, Michigan, more fully described as:

Commencing at the West quarter corner of said Section 31; thence North 89°24'45" East, 1309.34 feet, along the East and West quarter line of said Section 31 to a point on the West line of said Government Lot 2 and the point of Beginning; thence continuing North 89°24'45" East, 1307.95 feet, along said East and West quarter line to the center point of said Section 31; thence North 89°01'40" East, 17.00 feet, (previously recorded as East); thence South 08°20'05" West, 101.33 feet, (previously recorded as South 09°11'00" West, 101.34 feet); thence South 2°16'22" West, 102.78 feet, (previously recorded as South 3°15'00" West, 102.73 feet); thence South 27°42'12" West, 228.31 feet, (previously recorded as South 28°46'00" West, 228.32 feet); thence South 17°27'18" East, 356.34 feet, (previously recorded as South 17°27'00" West, 315.29 feet); thence South 67°31'18" East, 287.74 feet, (previously recorded as South 66°45'00" East, 287.74 feet) to a point on a traverse line along the shore of the East Arm of Grand Traverse Bay; thence South 32°23'23" West, 120.00 feet, (previously recorded as South 32°24'02" West) along said traverse line; thence South 95°40'17" West, 1255.18 feet, (previously recorded as South 89°22'00" West, 1255 feet, more or less) to a point on said West line of Government Lot 2; thence North 00°26'42" East, 209.42 feet, (previously recorded as North 00°23'53" East); along said West line of Government Lot 2 to the point of Beginning.


41.50:  
Part of Government Lot 2, Section 31, Town 26 North, Range 10 West, Peninsula Township, Grand Traverse County, Michigan, more fully described as:  
Commencing at the West quarter corner of said Section 31; thence North 89°25'14" East, 1309.34 feet, along the East and West quarter line of said Section 31; thence South 00°25'14" West, 809.42 feet, thence North 89°40'17" East, 686.33 feet to the Point of Beginning; thence continuing North 95° 40' 17" East, 428.85 feet to a point on a traverse line containing a acre of the East Arm of Grand Traverse Bay; thence South 31° 21' 34" West, 117.42 feet along said traverse line; thence South 53° 40' 17" West, 348.42 feet; thence North 00° 25' 14" East, 106.01 feet to the Point of Beginning. (Previously described in User 2056, Page 875).

Said Parcel contains 0.87 acres.

Including riparian rights to the East Arm of Grand Traverse Bay.

Subject to the right-of-way for East Shore Road.



COVER SHEET	Sheet: 1*
EXPLORE: MARCH 10, 2005	NO.
 <b>Wells Mansfield, Inc.</b> 2740000 One - 1/2 Mile SW of Mansfield, AR 72078 Phone: 817-251-1010 Fax: 817-251-1011 Email: info@wells-mansfield.com	
EXPLORE: MARCH 10, 2005	NO.
EXPLORE: MARCH 10, 2005	NO.

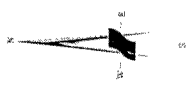
COVER SHEET	Size: 11
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**LEGEND**

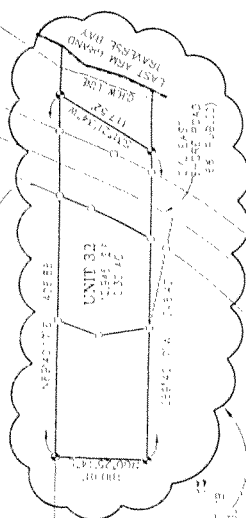
- Survey Boundary Monument
- Survey Boundary Monument
- Residual
- Measure

**GRAPHIC SCALE**

0 10 20 30



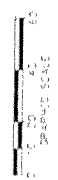
N 89° 24' 42" E 135.934'  
 89° 24' 42" E 135.934'  
 89° 24' 42" E 135.934'



**SURVEYOR**  
*Michael J. Burt*  
 VTC-AE, K. 45588  
 PROFESSIONAL SURVEYOR NO. 45588  
 WELLS MANFIELD, INC.  
 212 VETERANS DRIVE  
 FAIRFAX, VIRGINIA 22031

# **HIDDEN RIDGE, A SITE CONDOMINIUM**

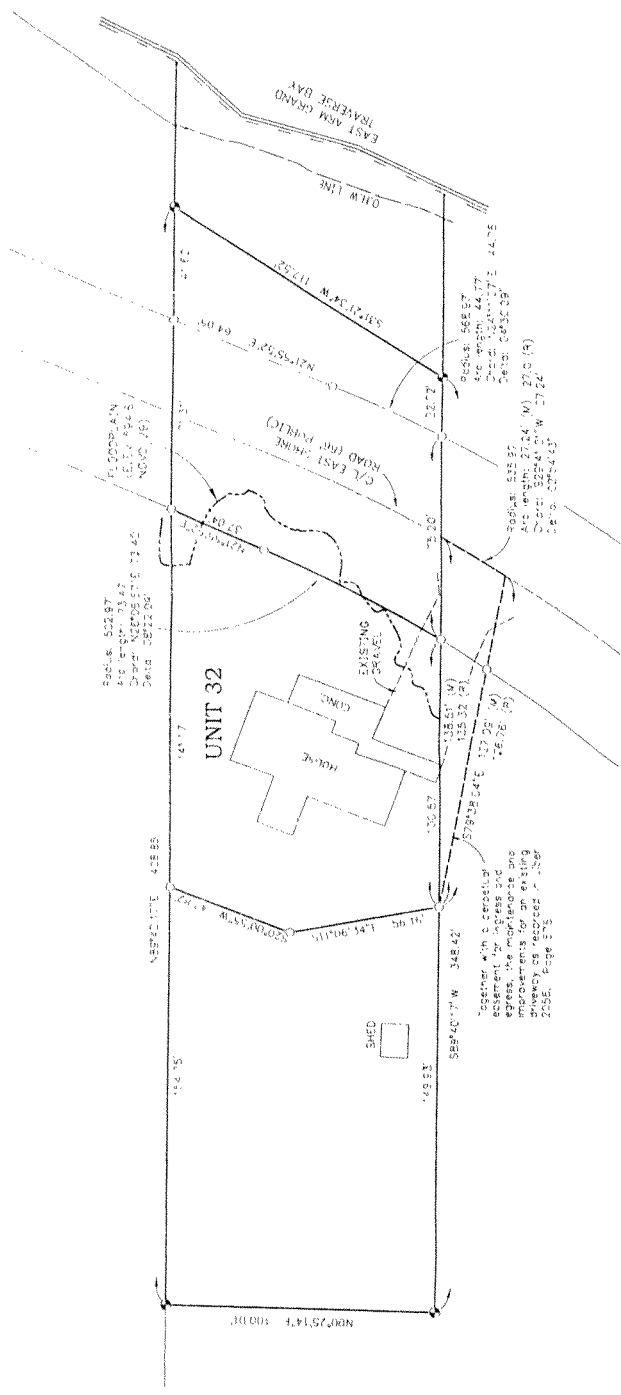
<b>SURVEY PLAN</b>	Sheet: <b>7A*</b>
PROJECTED: 10/1/2013	NO
DESIGNED: 10/1/2013	NO
WELLS MANFIELD, INC.	2013
212 VETERANS DRIVE, FAIRFAX, VA 22031	2013



LEGEND

- Survey Boundary Monument
- Survey Boundary Monument
- Record
- Metes and Bounds

10



SURVEYOR

*Paul E. Hunt*

V.O.-4E, K. 20552  
PROFESSIONAL SURVEYOR NO. 48865  
WELLS MANSFIELD, INC.  
1000 W. 10TH ST., SUITE 200  
TAMPA, FL 33604-1000

HIDDEN RIDGE,  
A SITE CONDOMINIUM

SURVEY PLAN	Sheet: 7B*
RECORDED	NO. 2055
WELLS MANSFIELD, INC.	DATE: 10/15/2005
1000 W. 10TH ST., SUITE 200	BY: [Signature]
TAMPA, FL 33604-1000	DATE: 10/15/2005

