

MASTER DEED ESTABLISHING A PLAN
OF OWNERSHIP FOR ANCHOR BAY ROGERS CITY LLC CONDOMINIUM

WHEREAS, Anchor Bay Rogers City LLC, a Michigan Limited Liability Company 8742 Gutchess Road, Alpena, Michigan 49707, hereinafter referred to as "Grantor", owns certain real property herein described: and

WHEREAS, said Grantor has improved said property by engineering thereon a conversion condominium site of existing structures consisting of three, eight unit multifamily structures to be known as Anchor Bay Condominiums in accordance with the plans and specifications prepared by D. L. Mac Neill and Associates, said plans being on record in Liber _____, on page _____, Presque Isle County Records, Michigan; and

WHEREAS, said Grantor hereby establishes by this Master Deed a plan for the individual ownership of the real property estate, consisting of the area or space contained in each of the "apartment units" in said multifamily structure, and the co-ownership by the individual and separate owners thereof, as tenants in common, of all of the remaining real property which is hereinafter defined and referred to herein as the "common areas and facilities"; said plan of ownership being permitted under, and to be governed by the provisions of the Condominium Act as enacted in the State of Michigan and now or hereafter amended;

NOW THEREFORE, said Grantor, the fee owner of the following described real property, to wit: Situated in the City of Rogers City, Presque Isle County, State of Michigan.

Lots 11, 12, 13, 14, 15 and 16 of Block 24 of the Original Plat of the Village, now City, of Rogers City, according to the recorded Plat thereof, Presque Isle County Records.

Hereby makes the following declaration as to division, covenants, restrictions, limitations, and uses to which the above described real property and improvements thereon, consisting of a twenty four (24) units contained in three multifamily structures and appurtenances, may be put; hereby specifying that said Declaration shall constitute covenants to run with the land and shall be binding on said Grantor, its successors and assigns, and all subsequent owners of all or any part of said real property and

improvements, together with their grantees, successors, heirs, executors, administrators, devisees, or assigns:

Creation of Freehold Estates

1. Said Grantor, in order to establish a plan of condominium ownership for the above described property and improvements, covenants and agrees that it divides said real property into the following separate freehold estates:
 - (a) The separately designated and legally described freehold estates consisting of the spaces or areas contained in the perimeter walls of each of the 24 apartment units in said 3 multifamily structures constructed on said property, said spaces being defined, and referred to herein, as "apartment spaces".
 - (b) A freehold estate consisting of the remaining portion of the real property, described and referred to herein as the "common areas and facilities", which definition includes the multifamily structure and the property upon which it is located, and specifically includes, but is not limited to, the land, roof, main walls, slabs, staircases, lobbies, halls, parking spaces, storage spaces, community and commercial facilities, swimming pool, pumps, water tanks, trees, pavement, balconies, pipes, wires, conduits, air conditioners, ducts, furnaces, washers and dryers, utility and furnace rooms, and public utility lines.

Undivided Interest in Common Areas Included in Unit Ownership

2. For purposes of this Master Deed, the ownership of each apartment space shall include the respective undivided interest in the common areas and facilities specified in Paragraph 5 hereof, and each apartment space, together with the undivided interest in the common areas and facilities, is defined and hereinafter referred to as "family unit".

Limited Common Areas and Facilities

3. A portion of the common areas and facilities is hereby set aside and Allocated for the restricted use of the respective apartment spaces, as hereinafter designated in Paragraph 7 of his Master Deed and shown on the condominium subdivision plan attached hereto, and said areas shall be known as "limited common areas and facilities".

Description of Each Unit

4. The 24 individual apartment spaces hereby established and which shall be individually conveyed are described as follows:

Building A: Units One through Eight
Building B: Units Nine through Fifteen
Building C: Units Sixteen through Twenty-Four

Allocation of Percentage Interest in Common Areas

5. The undivided interest in the common areas and facilities established in Paragraph 2 hereof that shall be included in and conveyed with each respective apartment space is as follows:

<i>Building A:</i>	<i>Unit No. 1:</i>	<i>4.166%</i>
	<i>Unit No. 2:</i>	<i>4.166%</i>
	<i>Unit No. 3:</i>	<i>4.166%</i>
	<i>Unit No. 4:</i>	<i>4.166%</i>
	<i>Unit No. 5:</i>	<i>4.166%</i>
	<i>Unit No. 6:</i>	<i>4.166%</i>
	<i>Unit No. 7:</i>	<i>4.166%</i>
	<i>Unit No 8:</i>	<i>4.166%</i>
<i>Building B:</i>	<i>Unit No. 9:</i>	<i>4.166%</i>
	<i>Unit No. 10:</i>	<i>4.166%</i>
	<i>Unit No. 11:</i>	<i>4.166%</i>
	<i>Unit No. 12:</i>	<i>4.166%</i>
	<i>Unit No. 13:</i>	<i>4.166%</i>
	<i>Unit No. 14:</i>	<i>4.166%</i>
	<i>Unit No. 15:</i>	<i>4.166%</i>
	<i>Unit No 16:</i>	<i>4.166%</i>
<i>Building C:</i>	<i>Unit No. 17:</i>	<i>4.166%</i>
	<i>Unit No. 18:</i>	<i>4.166%</i>
	<i>Unit No. 19:</i>	<i>4.166%</i>
	<i>Unit No. 20:</i>	<i>4.166%</i>
	<i>Unit No. 21:</i>	<i>4.166%</i>
	<i>Unit No. 22:</i>	<i>4.166%</i>
	<i>Unit No. 23:</i>	<i>4.166%</i>
	<i>Unit No 24:</i>	<i>4.166%</i>

The above respective undivided interests, established and to be conveyed with the respective apartment spaces as indicated above, cannot be changed except upon agreement of two thirds of the unit co-owners, and the recording of an amendment hereto, duly signed and acknowledged by the co-owners, and said Grantor, its successors, assigns, and grantees, covenant and agree that the undivided interests in the common areas and facilities, and the fee titles to the respective apartment spaces conveyed or encumbered with its respective apartment space even though the description in the instrument of conveyance or encumbrance may refer only to the fee title to the apartment space.

Allocation of Percentage Interests for Assessments and Voting

6. The proportionate shares of the separate owners of the respective family units in the profits and common expenses of the common areas and facilities, as well as the proportionate representation for voting purposes in the Association of Owners established herein, is based on the percentage assigned in paragraph 5 of this Master Deed.

Description of Limited Common Areas Allocated to Each Unit

7. The limited common areas and facilities as described, located, and shown on the condominium subdivision plan, shall be allocated for the restricted uses of the respective family units as follows:

Building A:, Units One through Eight: That portion of the parking area on the Northeast side of Building A, No. 1; Laundry facility, hallways and stair cases within.

Building B:, Units Nine through Fifteen: That portion of the parking area on the Northeast side of Building B, No. 2; Laundry facility, hallways and stair cases within.

Building C:, Units Sixteen through Twenty Four: That portion of the parking area on the Northeast side of Building C, No. 3; Laundry facility, hallways and stair cases within.

Exhibits

8. The condominium subdivision plan of said property, recorded at Liber _____ of plats, Pages _____, Presque Isle County Records made a part hereof, shall be "Exhibit A". The bylaws of the Anchor Bay Condominium Owners' Association, attached hereto and made a part thereof, shall be "Exhibit B" hereto.

Rights, Obligations, and Duties of Unit Owners

9. Said Grantor, its successors, and assigns, by this Master Deed and all future owners of the family units, by their acceptance of their deeds, covenant and agree as follows:

- a. That the common areas and facilities shall remain undivided; and no owner shall bring any action for partition, it being agreed that this restriction is necessary in order to preserve the rights of the owners with respect to the operation and management of the condominium.
- b. That the apartment spaces shall be occupied and used by the respective owners only as a private dwelling for the owner, his family, tenants, and social guests, and for no other purpose.

- c. The owner of the respective apartment spaces shall not be deemed to own the undecorated and/or unfinished surfaces of the perimeter walls, floors, and ceilings surrounding his respective apartment space, nor shall said owner be deemed to own pipes, wires, conduits, or other public utility lines running through said respective apartment spaces, which are utilized for or serve more than one apartment space, except as tenants in common with the other family unit owners as heretofore provided in Paragraph 5 hereof. Said owner, however, shall be deemed to own the walls and partitions which are contained in said owner's respective apartment space, and also shall be deemed to own the inner decorated and/or finished surfaces of the perimeter walls, floors, and ceilings, including but not limited to plaster, paint, and wallpaper.
- d. The owners of the respective apartment spaces agree that if any portion of the common areas and facilities encroaches upon the apartment spaces, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. In the event the multifamily structure is partially or totally destroyed, and then rebuilt, the owners of apartment spaces agree that minor encroachment of parts of the common areas and facilities due to construction shall be permitted and that a valid easement for said encroachment and the maintenance thereof shall exist. The owners further covenant and agree that there shall exist in every unit a valid easement for the installation, maintenance, and servicing of all utilities required or permitted by the Association, including, but not limited to, light, heat, power, water, and communications.
- e. That an owner of a family unit shall automatically, upon becoming the owner of a family unit or units, be a member of the Anchor Bay Condominium Owners' Association, herein referred to as the "Association", and shall remain a member of said Association until such time as his ownership ceases for any reason, at which time his membership in said Association shall automatically cease.
- f. That the owners of family units covenant and agree that the administration of the condominium shall be in accordance with the provisions of this Master Deed and the Bylaws of the Association which are made a part hereof and attached as "Exhibit B"
- g. That each owner, tenant, or occupant of a family unit shall comply with the provisions of his Master Deed, the Bylaws, and decisions and resolution shall be grounds for an action to recover sums due, for damages, or for injunctive relief.

- h. That this Master Deed shall not be revoked except upon unanimous consent of four fifths of unit co-owners, and the mortgagees of all of the family units; nor shall this Master Deed be changed or amended except upon two-thirds consent of the co-owners and the mortgagees of all the family units.
- i. That no owner of a family unit may exempt himself from liability for his contribution towards the common expenses by waiver of the use or enjoyment to any of the common areas and facilities or by the abandonment of his family unit.

Lien for Unpaid Assessments

10. All sums assessed by the Association but unpaid for the share of common expenses chargeable to any family unit shall constitute a lien on such family unit prior to all other liens, except only: (1) tax liens on the family unit in favor of any assessing unit or special district; and (2) sums unpaid on a first mortgage of record, except that past due assessments which are evidenced by a notice of lien, recorded as specified in the Condominium Act, have priority over a first mortgage recorded subsequent to the recording of the notice of lien. Such lien may be foreclosed by suit by the manager or Board of Directors, acting on behalf of the owners of the family units, in like manner as a mortgage of real property, as provided in the Condominium Act. The manager or Board of Directors, acting on behalf of the owners of the family units, shall have power to bid on the unit at foreclosure sale, and to acquire and hold, lease, mortgage, and convey the same. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the securing the same.

Past Due Assessments Where Title Acquired by Foreclosure

11. Where the mortgagee of a first mortgage of record or other purchaser of a family unit obtains title to the unit as a result of foreclosure of the first mortgage, such acquirer of title, and his successors and assigns, shall not be liable for the share of the common expenses or assessments by the Association chargeable to such family unit which became due prior to the acquisition of title to such family unit by such acquirer. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the family units including such acquirer, and his successor and assigns.

No Rental for Transient or Hotel Purposes

12. The respective family units shall not be rented by the owners thereof for transient or hotel purposes, which shall be defined as: (a) rental for any period less than thirty (30) days; or (b) any rental if the occupants of the family unit are provided for customary hotel services, such as room service for food and beverage, maid service, furnishing laundry and linen, and bellboy service. Other than the foregoing obligations,

the owners of the respective family units shall have the absolute right to lease the same provided that said lease is made subject to the covenants and restrictions contained in this Master Deed, and is further subject to the Bylaws attached hereto.

Procedure in the Event of Total or Severe Damage

13. In the event the property which is subject to this Master Deed is totally or substantially damaged or destroyed, the repair, reconstruction, or disposition of the property shall be as provided by an agreement approved by Sixty Six percent (66%) of the votes of the co-owners pursuant to the terms of the bylaws attached hereto.

Past Due Assessments Where Title Acquired By Voluntary Conveyance

14. In a voluntary conveyance of a family unit, the grantee of the unit shall be jointly and severally liable with the grantor for all unpaid assessments by the Association against the latter for his share of the common expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the Grantor the amounts paid by the Grantee therefore. However, any such Grantee shall be entitled to a statement from the manager or Board of Directors of the Association, as the case may be, setting forth the amount of the unpaid assessments against the grantor due the Association and such Grantee shall not be liable for, nor shall the family unit conveyed be subject to a lien for, any unpaid assessments made by the Association against the Grantor in excess of the amount therein set forth.

Acts of Association Binding on Unit Owners

14. All agreements and determinations lawfully made by the Association in accordance with the voting percentages established in the Condominium Act, this Master Deed, or in the Bylaws, shall be deemed to be binding on all owners of family units, and their successors and assigns.

Insurance

16. The Board of Directors of the Association of Owners, or the management agent or manager shall obtain and continue in effect blanket property insurance in form and amounts satisfactory to mortgagees holding first mortgages covering common elements and common facilities. Co-owners shall obtain casualty and liability insurance to the extent of their insurable interest in their respective family units.

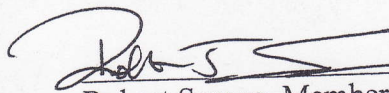
Assessments for Insurance Premiums

17. Insurance premiums for any blanket insurance coverage shall be a common expense to be paid by monthly assessments levied by the Association of Owners; and such payments shall be held in a separate escrow account of the Association of Owners and used solely for the payment of the blanket property insurance premiums as such premiums become due.

Covenants of Grantor

18. So long as said Grantor, and its successors and assigns, owns one or more of the family units established and described herein, said Grantor, and its successors and assigns shall be subject to the provisions of this Master Deed and the Bylaws, and said Grantor covenants to take no action which would adversely affect the rights of the Association with respect to assurances against latent defects in the property or other right assigned to the Association, the members of such Association and their successors in interest, as their interests may appear, by reason of the establishment of the condominium.

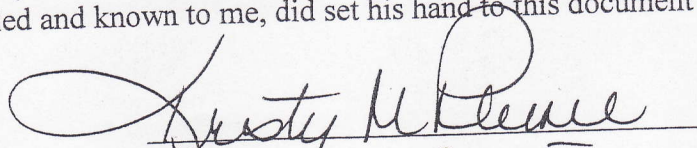
IN WITNESS WHEREOF, Grantor: by its duly authorized member/manager, has executed this Master Deed this 12 day of February, 2007, at Alpena, Michigan.



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

County of Alpena)
)ss.
State of Michigan)

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


KRISTY M. PLUME

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

Prepared by:

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