

DECLARATION OF COVENANTS
FOR USE AND ENJOYMENT
OF CONDOMINIUM INTERESTS

State of Michigan } Recorded 26th Day
County of Emmet } May A.D. 1978 At 1:30
P. M.
Julia E. Beer
REGISTER OF DEEDS

THIS DECLARATION is made this 26th day of May, 1978, by LITTLE TRAVERSE DEVELOPMENT COMPANY, a Michigan corporation, (hereinafter called "Declarant").

WITNESSETH:

WHEREAS, Declarant is the successor Developer of Harbor Cove, a condominium project, according to the Master Deed thereof, as recorded in Liber 266 at Page 859, and First Amendment to Master Deed recorded in Liber 275 at Page 983, Emmet County Records, and known as Emmet County Condominium Subdivision Plan No. 14, and is empowered to record and implement this Declaration under Article VI, Section 19 of the Condominium Bylaws for Harbor Cove, and

WHEREAS, Declarant may elect from time to time to submit to the terms of this Declaration one or more condominium units (hereinafter referred to as "Units") as it may, in its discretion, deem appropriate, and

WHEREAS, Declarant proposes to convey undivided interests in common in one or more of such Units referred to above, providing in each deed that the grantee shall have the exclusive right to occupy said Units during one or more of the Periods of Use set forth in Exhibit "A" hereto, and reserving to Declarant and its successors the exclusive right to occupy the said Units during all remaining Periods of Use and Periods of Service in said Units as set forth on Exhibit "A" hereto, and, for that purpose, has designated 50 Periods of Use and 2 Periods of Service as more particularly described on Exhibit "A" hereto, and

WHEREAS, by this Declaration, Declarant intends to establish a common plan for the use, enjoyment, repair, maintenance, restoration, remodeling and improvement of said Units and the interests therein so conveyed or reserved, and the payment of taxes, assessments and other expenses pertaining thereto.

NOW, THEREFORE, Declarant declares that those Units from time to time submitted to the terms of this Declaration are and shall hereafter be held, conveyed, hypothecated, encumbered, leased, rented, occupied and improved subject to the following limitations, restrictions, covenants and conditions, all of which are declared to be in furtherance of a plan established for the purpose of enhancing the value, desirability and enjoyment of the said Units and the interests so to be conveyed or reserved, all of which limitations, restrictions, covenants and conditions shall run with the Units and inure to the benefit of and be binding upon each interest so conveyed or reserved and all parties having or acquiring any right, title, interest or estate therein.

I. DEFINITIONS

(A) "Declarant" shall mean Little Traverse Development Co. or any successor in interest by merger or by express assignment of the rights of Declarant hereunder by instrument executed by Declarant and recorded in the Office of the Emmet County Register of Deeds.

(B) A "Unit" shall mean each condominium unit which Declarant, at its sole option, elects to submit to the terms of this Declaration, from time to time, pursuant to the provisions of Article XV.

(C) "Condominium Interest" shall mean an undivided real property interest in a specific Unit, together with the exclusive right to use and occupy such Unit during one or more Periods of Use as provided in this Declaration.

(D) "Period of Use" shall mean one of the periods designated in Exhibit "A", being a period established for the exclusive use of the Unit by an Owner.

(E) "Period of Service" shall mean one of the periods designated in Exhibit "A" being a period established for purposes of maintaining and providing necessary services to a Unit.

(F) "Owner" shall mean and include (1) the grantee or grantees named in each deed to a Condominium Interest, and (2) Declarant with respect to any Condominium Interest not conveyed.

(G) "Common Furnishings" shall mean furniture and furnishings for the Unit or other personal property from time to time owned, leased or otherwise held for use in common by all Owners.

(H) The "Agent" shall mean any Agent appointed by a Majority in Interest of Owners of All Units as hereinafter provided. Whenever a reference in this Declaration to an Agent becomes applicable and no Agent is then serving, the act required of the Agent shall be carried out in accordance with the decision of a Majority in Interest of Owners of All Units by some person designated by such Majority.

(I) "Association" shall mean Harbor Cove Association of which each owner in Harbor Cove is required to be a member.

(J) A "Majority in Interest of Owners of a Unit" shall mean an Owner or Owners owning in the aggregate more than 50% of the undivided interests in any Unit.

(K) A "Majority in Interest of Owners of All Units" shall mean an Owner or Owners owning in the aggregate more than 50% of the undivided interests in all Units.

II. PERIODS OF USE; PERIODS OF SERVICE

(A) Each Owner shall have the exclusive right to occupy the Unit in which he owns a Condominium Interest, including any rights and easements appurtenant thereto, during such of the Periods of Use as are set forth in the deed to his interest and to authorize others so to do. No Owner shall occupy such Unit, or exercise any other rights of ownership with respect to such Unit other than the rights herein provided to him.

(B) The Agent may exclusively occupy and utilize each Unit during its Period of Service in order to properly clean, service, maintain, repair and replace the Unit and the Common Furnishings contained therein.

III. USE AND FAILURE TO VACATE UNIT AFTER USE

(A) Each Owner shall keep the Unit and all Common Furnishings in good condition and repair during his Period or Periods of Use, vacate the Unit at the expiration of such period or periods, remove all persons and property therefrom excluding only Common Furnishings, leave the Unit in good and sanitary condition and repair, and otherwise comply with such reasonable checkout and other procedures as may from time to time be contained in rules promulgated by the Agent or by a Majority in Interest of Owners of All Units. Only the Agent shall have the right to occupy the Unit during any Period of Service and only for the purpose of maintaining and repairing the Unit.

(B) Failure or refusal by an Owner or person authorized thereby to vacate the Unit in a timely manner shall subject the Owner to immediate removal from the immediate premises, without notice. Such failure or refusal to vacate shall render the responsible Owner liable

for all actual damages to the Agent or other Owners, as the case may be, incurred for costs of alternative accommodations, court costs, reasonable attorneys' fees connected with removal and all other reasonably foreseeable expenses caused thereby. In addition to such actual damages, the responsible Owner shall be liable to the Owner entitled to use the Unit during such unlawful occupancy for an amount equal to twenty-five times the daily fair rental value of such Unit for each day (or any part thereof) of unlawful occupancy which daily fair rental value shall, in any event, be a minimum of \$60. This provision is intended to be and shall be construed to be a liquidated damage provision and not a penalty inasmuch as damages resulting from a breach of this covenant will be significant yet difficult or impossible to measure with economic certainty. If a Unit is rendered uninhabitable because of an action or omission, whether negligent or intentional, of an Owner or person authorized thereby (other than for failure or refusal to vacate as provided in the preceding portions of this paragraph) and the uninhabitable period extends during a Period of Use other than that of the Owner who is responsible, then such responsible Owner shall be liable as in the case of unauthorized occupancy for the time during such other Period of Use that such Unit is uninhabitable.

IV. MANAGEMENT

(A) Management, maintenance and repair of the Unit (to the extent not performed by the Association), maintenance, repair and replacement of Common Furnishings, and administration of the affairs of Owners with respect to the use and occupancy of any Unit and payment of expenses and costs enumerated in this Declaration, shall be under the exclusive direction and control of an Agent appointed by a Majority in Interest of Owners of All Units. The Agent so appointed shall have exclusive possession of the Unit during the Periods of Service and is expressly authorized, in the Agent's discretion and on behalf of the Owners, to do any or all of the following to the extent not inconsistent with directions given by a Majority in Interest of Owners of All Units:

(1) To repair, maintain, repaint, remodel, furnish or refurnish any Unit or any part thereof; to establish reserves for anticipated costs, including the purchase or lease and replacement of Common Furnishings; and to lease and/or purchase and pay for materials, supplies, furniture, furnishings, labor or services which the Agent deems necessary or proper for the maintenance and operation of the Unit. The Agent shall not, however, make any discretionary capital expenditure which exceeds available reserves by more than \$250 without the prior approval of a Majority in Interest of Owners of a Unit.

(2) To pay all taxes and assessments, including Assessments by the Association, and other costs or charges affecting or relating to any Unit and to discharge, contest or protest liens or charges affecting any Unit.

(3) To obtain and pay the cost of recreational privileges and electrical, telephone, gas, cable television and other utility services for any Unit.

(4) To adopt from time to time and enforce uniform, reasonable rules relating to the possession, use and enjoyment of all Units by the Owners thereof. In pursuance hereof, the Agent may promulgate rules and regulations by which Owners may be enabled to trade, from time to time, occupancy rights under their respective Condominium Interests.

(5) To obtain and pay the cost of legal and accounting services necessary or proper in the maintenance and operation of the Unit and the enforcement of this Declaration.

(6) To obtain and pay the cost of: (i) insurance covering the Unit and the Common Furnishings against loss or damage by fire and other hazards customarily covered by fire insurance policies written with extended coverage; (ii) public liability insurance, insuring against liability for personal injury or property damage resulting from an occurrence in, on or about the Unit; and (iii) any other insurance deemed necessary or desirable by the Agent or by a Majority in Interest of Owners of All Units. The policies of insurance shall cover such risks, be written by such insurers, and in such amounts as the Agent shall deem proper.

(7) To exercise on behalf of the Owners the voting rights and other membership rights of any Unit in the Association. If the notice or agenda for any regular or special meeting of the members of the Association is available within sufficient time, the Agent shall promptly notify each Owner of the items to be discussed and presented at such meeting as shown by the notice or agenda and request that each Owner indicate in writing to the Agent his preference as to the vote on items disclosed by the notice or agenda. The Agent shall vote in such manner as may be directed by a Majority in Interest of Owners of a Unit or, in the absence of direction from a Majority in Interest of Owners of a Unit, shall vote as the Agent deems to be in the best interest of such Owners. Each Owner authorizes the Agent to act for him at any such meeting and, for this purpose, shall deliver to the Agent a proxy authorizing the Agent to act for such Owner at any such meeting whenever requested so to do.

(8) To do all other acts or things necessary or appropriate to the ordinary and necessary operation and maintenance of any Unit or to preserve and protect such Unit in the event of any emergency.

(9) To delegate the authority and responsibilities of Agent hereunder to one or more sub-agents for such periods and upon such terms as the Agent deems proper.

(10) To collect, either in advance of disbursement or following disbursement if the Agent advances sums in payment of any of the foregoing, each Owner's share of the aforesaid costs and any other amounts properly expended by the Agent; to estimate any such expenditure in advance, and to bill the Owners accordingly; and to take proper steps to enforce any Owner's obligations hereunder.

(B) Decisions required or permitted under this Declaration may be made in writing or at any meeting convened pursuant to the following conditions. Notice of any meeting of the Owners of a Unit or the Owners of all Units shall be given in writing by the Agent at least thirty days in advance of such meeting. The notice of meeting shall contain an agenda for the meeting specifying the precise subjects which will be voted upon by the Owners. No Owner need be present to vote, but votes may be cast in written form signed by each Owner on a ballot or other similar writing clearly expressing the vote of an Owner on a specific question on the meeting agenda. Proxy voting at meetings shall not be permitted.

V. UNIT EXPENSES

(A) Each Owner shall pay:

(1) The cost of long distance telephone charges or telephone message unit charges and other special services determined by the Agent to be allocable to the occupancy of any Unit during such Owner's Periods of Use, the cost to repair any damage to such Unit or to repair or replace any property contained therein on account of loss or damage occurring during his periods of use, and the cost to satisfy any expense to any of the other Owners due to any intentional or negligent act or omission of such Owner, his family, guests, invitees, tenants or lessees or resulting from his breach of any provisions of this Declaration;

(2) A share of the following costs and expenses, to the extent not otherwise covered by Association assessments, which bears the same relationship to the whole as such Owner's undivided ownership interest in the Unit bears to the entire ownership: (a) real property taxes and similar assessments or charges; (b) insurance premiums for fire and extended coverage insurance and other casualty insurance from time to time payable with respect to the unit; (c) basic telephone charges and cost of all utility services, recreational privileges and other standard services; (d) all cost of ordinary repair, maintenance and replacement of the Unit and costs of lease, purchase, repair, replacement and maintenance of the Common Furnishings; (e) premiums for liability insurance; (f) the Agent's reimbursable administrative expenses and other costs and expenses herein authorized to be paid and not otherwise allocated; and (g) amounts necessary to establish adequate and proper reserves for all of the foregoing items;

(3) All Association assessments chargeable against the Unit which bear the same relationship to the whole as such Owner's undivided ownership interest in the Unit bears to the entire ownership; and

(4) Other costs and expenses elsewhere herein provided to be paid, including the Agent's compensation.

(B) All such payments shall be made through the Agent unless the Agent or a Majority in Interest of Owners of All Units otherwise directs. The Agent shall be under no obligation to, but may in its discretion, advance sums required to pay the obligations of any one or more of the Owners or to make the aforesaid payments or incur obligations within the Agent's authority, notwithstanding the failure of any one or more of the Owners to provide funds therefor. The Agent shall not be responsible for the acts or conduct of any of the Owners or for the breach of any of the obligations of any of the Owners hereunder. The Agent shall not be liable to any Owner in the absence of bad faith or negligence but shall hold the Owners harmless from and against any and all claims, expenses, liabilities, demands, causes of action, awards or judgments rendered against the Agent or the Owners arising out of or in connection with the negligent conduct of the Agent, its officers, employees or sub-agents.

(C) The Agent may in its discretion estimate the amounts to be paid by each Owner in advance and provide procedures for the payment thereof, in equal periodic installments or otherwise, and may require additional or supplemental payments of amounts properly payable by the Owners in addition to any such estimated payments and may include in any such estimated or supplemental payments provision for payment of the Agent's compensation. Each Owner shall pay to the Agent, within ten days after receipt of a statement therefor, the amount of any costs payable by the Owner hereunder including estimated costs and amounts required to establish and maintain reserves authorized hereunder. Each owner (excepting Declarant) shall also deposit and at all times maintain with Agent a security deposit in such amount as determined by Agent (but not exceeding \$100) for the faithful performance of such Owner's obligations hereunder and Agent may charge against and apply such portions of said security deposit to meet Owner's obligations as may be required in the event such Owner fails to meet his obligations in a timely fashion.

(D) Failure of any Owner to pay to the Agent the amounts required under this Article within thirty days after the same shall have become due shall render the Owner delinquent hereunder and liable to pay to the Agent a delinquent collection fee of \$100. Delinquent collection fees received by the Agent shall be credited and applied to reduce expenses for all Units which are subject to this Declaration.

Further, no Owner shall be entitled to occupy the Unit during his Period of Use or at any other time or authorize any other person to do so while any amounts required to be paid by such Owner under this Article remain unpaid. The Agent may exclude or remove an Owner who is delinquent in payment of amounts required hereunder and may take occupancy of such Owner's Unit during the Owner's Period of Use and may lease or rent such Unit to other Owners or to any other person. Rents or other income derived under such circumstances shall be accounted for by the Agent and applied to pay or reimburse Agent for any costs relative in any way to such Owner's delinquency and to the rental of the Unit and shall thereafter be applied in reduction of the delinquency. Any funds from such rentals remaining in the hands of the Agent after the delinquency is cured may be retained by the Agent and applied to reduce the assessments against the Owner which next fall due hereunder.

VI. THE AGENT

(A) The Agent shall serve during such period as may be determined by a Majority in Interest of Owners of All Units. The appointment of the Agent shall be evidenced by a written agreement executed by a Majority in Interest of Owners of All Units and by the Agent. During any period when no Agent is acting, a Majority in Interest of Owners of All Units shall have all of the rights herein conferred upon the Agent.

(B) The Agent shall be entitled to reasonable compensation from each Owner for its services as Agent and to reimbursement for the reasonable and necessary administrative costs of discharging its obligations hereunder including properly allocable salaries of administrative, secretarial and other personnel employed at the site.

VII. SEPARATE MORTGAGES

Each Owner shall have the right to mortgage or otherwise encumber his Condominium Interest. No Owner shall attempt to mortgage or otherwise encumber in any manner whatsoever the entire Unit or any part thereof except his Condominium Interest nor shall any Owner have the right or authority so to do. Any mortgage, deed of trust or other encumbrance of any Condominium Interest shall be subordinate to all of the provisions of this Declaration and in the event of foreclosure the provisions of this Declaration shall be binding upon any Owner whose title is derived through foreclosure by private power of sale, judicial foreclosure or otherwise.

VIII. WAIVER OF PARTITION

No Owner or other person or entity acquiring any right, title or interest in the Unit shall seek or obtain through any legal procedures, judicial partition of the Unit or sale of the Unit in lieu of partition at any date prior to the expiration of this Declaration. If, however, any Condominium Interest shall be owned by two or more persons as tenants-in-common or as joint tenants, nothing herein contained shall prohibit a judicial partition of the Condominium Interest or sale of the Condominium Interest in lieu of partition as between such co-tenants or joint tenants.

IX. ESTABLISHMENT OF CONDOMINIUM INTERESTS

Any Condominium Interest conveyed by Declarant, and any Condominium Interest from time to time retained by Declarant, shall consist of the right exclusively to occupy the Unit, and rights and easements appurtenant thereto, during one or more Periods of Use as herein provided. Once a Condominium Interest has been established by the execution and recording of a Deed from Declarant to an Owner, no Owner

shall subsequently sell, convey, hypothecate or encumber less than all of his interest in any Condominium Interest as set forth in such original Deed from Declarant; and any sale, conveyance, hypothecation or encumbrance by any Owner of less than all of his interest in a Condominium Interest as set forth in such Deed from Declarant shall be null, void and of no effect.

X. DAMAGE OR DESTRUCTION

(A) In the event of any damage or destruction to the Unit or the Common Furnishings, except as otherwise provided in this Declaration, the Agent shall forthwith cause such damage to be repaired and shall so apply any available insurance proceeds. If the damage is not covered by insurance, or if the available insurance proceeds are insufficient, the Agent shall assess and the Owners shall pay the cost thereof or deficiency in proportion to their undivided ownership interest in the Unit unless the damage was caused by the intentional or negligent act or omission of any Owner, his family, guests, invitees or lessees, in which event the cost of repair or deficiency shall be paid by such Owner.

(B) Any amounts allocable to the Unit and payable to the Owners as the result of any excess of insurance proceeds over the cost of repair or restoration of the Unit or the Common Furnishings or any part thereof shall be distributed to the Owners in proportion to their respective undivided ownership interest in the Unit or, in the discretion of Agent, added to any applicable reserve for repair, replacement or deferred maintenance with respect to the Unit.

XI. PROHIBITED ACTS

Except as otherwise provided in this Declaration, by direction of the Agent, by express consent of all Owners, or unless required to prevent damage or injury to persons or property in an emergency, no Owner shall make improvements, decorations or repairs to the Unit or the Common Furnishings or contract so to do or subject the Unit or the Common Furnishings to any liens for the making of improvements, decorations or repairs. No Owner shall create or permit to exist any nuisance in the Unit or commit waste with respect to the Unit or permit anything to be done or kept in the Unit which would increase the rate of insurance upon the Unit or the Common Furnishings. No Owner, guest, invitee or other occupant of the Unit shall maintain or permit to be maintained any animal in the Unit without the written consent of all other Owners of Condominium Interests in such Unit.

XII. ENFORCEMENT OF RESTRICTIONS

(A) In the event that any Owner should fail to comply with any of the provisions of this Declaration, the Condominium Documents for Harbor Cove or the lawful regulations of the Association, the Agent or any other Owner or Owners may bring action for damages, or to enjoin the violation or specifically enforce the provisions of this Declaration, or to enforce the lien provided herein, including foreclosure of any such lien and the appointment of a receiver for any Owner to take possession of the Condominium Interest of any Owner. In any such legal proceeding, the prevailing party shall be entitled to costs and reasonable attorneys' fees. All sums payable hereunder by any Owner shall bear interest at 7% per annum from receipt of a statement therefor, or if advanced or incurred by any other Owner or by the Agent and provided herein to be repaid, from 10 days after repayment is requested.

(B) The aforesaid remedies shall be cumulative and in addition to all other remedies which may be available by law or in equity; provided, however, that no breach of any provision hereof by any Owner or by Agent or failure of any Owner or Agent to comply with any provision hereof shall permit or empower any other Owner to terminate any such provision or excuse any such breach or failure, and each Owner shall continue to perform and comply with and hold his Condominium Interest subject to all of the provisions of this Declaration notwithstanding any such breach or failure.

XIII. LIEN ON INTERESTS

Each Owner shall have a lien, in the nature of a mortgage with private power of sale, on the interest of each other Owner in the Unit and Common Furnishings (including the interest of the Owner in any rental proceeds or other income derived from the Unit in any way) as security for the prompt and faithful performance by such other Owner of the obligations under this Declaration and payment of costs of enforcement and reasonable attorneys' fees; provided, however, that as against any transferee or mortgagee of an Owner's interest acquiring all or any interest in such Owner's interest by deed or mortgage given by such Owner for valuable consideration and accepted by the transferee or mortgagee without notice of default in the payment or performance secured, no such lien shall be effective to secure any past due payment or performance in default at the time of recording such deed or mortgage except to the extent that notice of default in the payment or performance has been given at the time of recording such deed or mortgage by the prior recording of a notice of lien recorded within the immediately preceding 12 calendar months in the Office of the Emmet County Register of Deeds, which notice of lien describes the Condominium Interest affected and sets forth the name of the record Owner thereof and recites that the particular payment or performance is or may be in default. The lien herein created may be enforced by sale by any Owner, or by the Agent, as agent and attorney-in-fact for any Owner or Owners, and the delinquent Owner's interest in the Unit and Common Furnishings may be sold at a sale conducted in accordance with the provisions of Michigan law relating to sale of real estate pursuant to foreclosure by advertisement or by action. Any purchaser at any foreclosure sale shall obtain title subject to the provisions of this Declaration. Either the Agent or any Owner or Owners may bid at the foreclosure sale and may hold, lease, mortgage or convey any interest in the Unit or Common Furnishings acquired at such sale. The Agent shall be entitled to occupy the Unit during foreclosure proceedings and may lease or rent the Unit and apply any income derived thereby to defray expenses of foreclosure and to reduce the Owner's indebtedness hereunder and shall pay any excess income to the Owner after proceedings for foreclosure of the lien are complete. The aforesaid lien and right of foreclosure shall be in addition to and not in substitution for all other rights and remedies which the Owners or Agent may have hereunder.

XIV. PROTECTION OF INTERESTS

(A) No Owner shall permit his interest in the Unit or Common Furnishings to be subject to any lien (other than the liens of current real property taxes and special tax assessments), claim or charge, the enforcement of which may result in a sale or threatened sale of the interest of any other Owner in the Unit or Common Furnishings or any part of any thereof, or in any interference with the use or enjoyment thereof by any other Owner; and in the event that the sale of the entire Unit or Common Furnishings or the interest of any Owner or any part thereof, or the use and enjoyment of any thereof by any Owner be threatened by reason of any lien, claim or charge against the interest of any other Owner, or proceedings be instituted to effect any such sale or interference, any Owner or Owners acting on his or their own behalf or through the Agent, or the Agent acting on behalf of any one or more Owners, unless promptly indemnified to his or their satisfaction, may, but shall not be required to, pay or compromise the lien, claim or charge without inquiry into the proper amount or validity thereof and, in that event, the Owner whose interest was subjected to such lien, claim or charge shall forthwith repay the amount so paid or expended to the Owner or Owners or Agent, whomsoever shall have paid or compromised the lien, claim or charge, together with such reasonable attorneys' fees and related costs as he or they may have incurred.

(B) No Owner shall permit his interest in any funds from time to time in the possession of the Agent to be subjected to any attachment, lien, claim or charge or other legal process and each shall promptly restore any funds held by the Agent in respect of his Condominium Interest to the extent depleted by reason of the assertion of any such attachment, lien, claim, charge or other legal process and reimburse the Agent for all reasonable attorneys' fees or other costs incurred in respect thereof.

XV. UNITS SUBJECT TO THIS DECLARATION

Units shall be and become subject to and bound by this Declaration upon recordation in the Office of the Emmet County Register of Deeds of an instrument in the form attached hereto as Exhibit "B" signed by all parties in interest to the Unit. No person or persons may subject any condominium Unit to this Declaration without the approval of Declarant or any successor to whom such right of approval is specifically assigned.

XVI. TERMINATION

This Declaration shall cease to be of effect with respect to any individual Unit from and after the date of recording an instrument signed by all parties interested in all Condominium Interests in any such Unit in the Office of the Emmet County Register of Deeds in the form attached hereto as Exhibit "C," provided, however, that such recordation shall not operate to relieve any Owner of any obligation incurred hereunder prior to such recordation.

XVII. EXISTING RESTRICTIONS

Each Owner shall comply with, and hold his Condominium Interest subject to this Declaration and also subject to the provisions of the Condominium Documents for Harbor Cove, a condominium project of which the Unit is a part, which Condominium Documents are defined and referred to in the Master Deed for Harbor Cove recorded in Liber 266, Pages 859 through 895, Emmet County Records, as amended by the First Amendment to Master Deed recorded in Liber 275, Pages 983 through 990, Emmet County Records. Each Owner shall also hold his Condominium Interest subject to a certain Declaration of Easements, Covenants, Conditions and Restrictions affecting said condominium and other nearby property as recorded in Liber 275 at Pages 966 through 982, Emmet County Records.

XVIII. RIGHT OF FIRST REFUSAL

The Declarant shall have a right of first refusal to purchase each Condominium Interest existing pursuant to this Declaration upon the following terms and conditions. An Owner intending to make a sale of his Condominium Interest shall give written notice of such intention to the Declarant and shall furnish the name and address of the intended purchaser. At the time of giving such notice, such Owner shall also furnish copies of all instruments setting forth the terms and conditions of the proposed transaction. Within fifteen days after receipt of such notice of intention to sell, the Declarant shall notify such Owner as to whether it wishes to exercise its right of first refusal and shall do so in the form attached hereto as Exhibit "D". Failure of Declarant to notify an Owner of the nonexercise of its right of first refusal within fifteen days from the date of receipt of notice of sale from Owner shall constitute a release of the right of first refusal and Owner may thereafter proceed with the sale free and clear of such right. By exercise of the right of first refusal, Declarant shall be deemed to agree to purchase the Condominium Interest of the selling Owner upon terms as favorable to such selling

Owner as the terms furnished in the notice to Declarant of the proposed sale. Failure of any Owner to comply with this provision shall entitle Declarant to maintain an action for specific performance for conveyance of the Condominium Interest by the then holder thereof upon tender by Declarant of performance of the terms upon which the right of first refusal might have been exercised. No such action may be initiated, however, subsequent to the expiration of ninety days from the date of receipt by Declarant of actual knowledge of a sale transaction occurring in violation of this provision.

XIX. RULES AND REGULATIONS

The Agent may adopt and implement reasonable rules and regulations in furtherance of any provisions of this Declaration. Any such rules and regulations shall be distributed to all Owners of all Units and shall not become effective until the elapse of fifteen days from the date of such distribution. Any rules and regulations promulgated by the Agent may be rescinded by a Majority in Interest of Owners of a Unit or a Majority in Interest of Owners of All Units, whichever may be applicable.

XX. NOTICES

Notices provided for in this Declaration shall be in writing and shall be deemed sufficiently given when delivered personally or when deposited in the United States mail addressed to any Owner at the last address such Owner designates to the Agent for delivery of notices or, in the event of no such designation, at such Owner's last known address or, if there be none, to the address of the Unit.

XXI. SEVERABILITY

If any provision of this Declaration shall be held invalid, it shall not affect the validity of the remainder of this Declaration.

XXII. SUCCESSORS

The provisions of this Declaration shall be binding upon all parties having or acquiring any right, title or interest in the Unit or any part thereof and shall be for the benefit of each Owner and his heirs, successors and assigns. Each Owner (including Declarant) shall be fully discharged and relieved of liability on the covenants hereunder insofar as the same relate to each Condominium Interest upon ceasing to own any interest therein and paying all sums and performing all obligations hereunder in respect of such Condominium Interest to the time his ownership interest terminated.

XXIII. NO EXEMPTION

No Owner may exempt himself from liability for any obligations set forth herein by any waiver of the use or enjoyment of the Unit or by any other action.

XXIV. NO WAIVER

The failure to enforce any provision of this Declaration shall not constitute a waiver of the right to enforce such provision thereafter.

XXV. INTERPRETATION

The section titles at the beginning of each numbered section of this Declaration are for convenience only and the words contained therein shall not be considered to expand, modify or aid in the interpretation, construction or meaning of this Declaration. As used herein, the singular shall include the plural and the masculine or neuter gender shall include the other genders.

XXVI. AMENDMENT

This Declaration may be amended by written instrument executed by Owners holding of record seventy-five percent (75%) or more of the undivided interests in all of the Units; provided, however, that no such amendment may affect or alter the right of any Owner exclusively to occupy the Unit, and the rights and easements appurtenant thereto, during such Owner's established Period or Periods of Use unless each Owner shall expressly so consent. Exhibit "A" to this Declaration may also be amended unilaterally by Declarant without consent of any Owner or any other person at any time and from time to time with respect to the duration of any Period of Use or Period of Service which does not alter or affect the right of any Owner to occupy his Unit exclusively during his Period or Periods of Use. Subject to the foregoing provision, any amendment shall be binding upon every Owner and every Condominium Interest whether the burdens thereon are increased or decreased.

IN WITNESS WHEREOF, the undersigned has executed this Declaration on the date and year first above set forth.

LITTLE TRAVERSE DEVELOPMENT COMPANY
BY: Alexander M. Butcher
Alexander M. Butcher, President

STATE OF MICHIGAN)
) SS.
COUNTY OF EMMET)

The foregoing instrument was acknowledged before me this 26th day of May, 1978, by Alexander M. Butcher, President of Little Traverse Development Company, a Michigan corporation, on behalf of the corporation.

Jeannette L. Aspenleiter
Jeannette L. Aspenleiter Notary Public
Emmet County, Michigan
My Commission Expires: 1-4-81

THIS INSTRUMENT DRAFTED BY:

William T. Myers of
DYKEMA, GOSSETT, SPENCER, GOODNOW & TRIGG
35th Floor, 400 Renaissance Center
Detroit, Michigan 48243

EXHIBIT "A" TO DECLARATION
OF COVENANTS FOR USE AND
ENJOYMENT OF CONDOMINIUM INTERESTS

ESTABLISHMENT OF PERIODS OF USE
AND PERIODS OF SERVICE

The Periods of Use and Periods of Service in accordance with which ownership interests in any Unit subject to this Declaration have been allocated for each year during which this Declaration is in effect are as follows:

PERIODS OF USE

<u>Period No.</u>	<u>Period Duration</u>	<u>Undivided Ownership Interest</u>
1	Second Friday in January (except in those years when the first day of the year falls on a Saturday or Sunday in which event the Period shall commence on the first Friday in January) at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
2	Last day of Period No. 1 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
3	Last day of Period No. 2 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
4	Last day of Period No. 3 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
5	Last day of Period No. 4 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
6	Last day of Period No. 5 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
7	Last day of Period No. 6 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
8	Last day of Period No. 7 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
9	Last day of Period No. 8 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
10	Last day of Period No. 9 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
11	Last day of Period No. 10 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%

PERIODS OF USE
Continued

<u>Period No.</u>	<u>Period Duration</u>	<u>Undivided Ownership Interest</u>
12	Last day of Period No. 11 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
13	Last day of Period No. 12 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
15	Last day of Period No. 14 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
16	Last day of Period No. 15 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
17	Last day of Period No. 16 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
18	Last day of Period No. 17 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
19	Last day of Period No. 18 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
20	Last day of Period No. 19 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
21	Last day of Period No. 20 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
22	Last day of Period No. 21 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
23	Last day of Period No. 22 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
24	Last day of Period No. 23 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
25	Last day of Period No. 24 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
26	Last day of Period No. 25 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
27	Last day of Period No. 26 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%

PERIODS OF USE
Continued

<u>Period No.</u>	<u>Period Duration</u>	<u>Undivided Ownership Interest</u>
28	Last day of Period No. 27 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
29	Last day of Period No. 28 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
30	Last day of Period No. 29 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
31	Last day of Period No. 30 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
32	Last day of Period No. 31 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
33	Last day of Period No. 32 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
34	Last day of Period No. 33 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
35	Last day of Period No. 34 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
36	Last day of Period No. 35 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
37	Last day of Period No. 36 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
38	Last day of Period No. 37 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
39	Last day of Period No. 38 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
40	Last day of Period No. 39 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
41	Last day of Period No. 40 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
42	Last day of Period No. 41 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%

PERIODS OF USE
Continued

<u>Period No.</u>	<u>Period Duration</u>	<u>Undivided Ownership Interest</u>
43	Last day of Period No. 42 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
45	Last day of Period No. 44 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
46	Last day of Period No. 45 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
47	Last day of Period No. 46 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
48	Last day of Period No. 47 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
49	Last day of Period No. 48 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
50	Last day of Period No. 49 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
51	Last day of Period No. 50 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
52	Last day of Period No. 51 at 6:00 p.m. through the following Friday at 10:00 a.m.	2%
TOTAL:		100%

PERIODS OF SERVICE

<u>Period No.</u>	<u>Period Duration</u>
14	Last day of Period No. 13 at 6:00 p.m. through the following Friday at 10:00 a.m.
44	Last day of Period No. 43 at 6:00 p.m. through the following Friday at 10:00 a.m.
General	Each Friday of the year from 10:00 a.m. through 6:00 p.m.

EXHIBIT "B" TO DECLARATION OF
COVENANTS FOR USE AND
ENJOYMENT OF CONDOMINIUM INTERESTS

Creation of Condominium Interests

The following described condominium Units are hereby subjected to the Declaration of Covenants for Use and Enjoyment of Condominium Interests for creation of condominium interests as recorded in Liber 275 at Pages 966 through 982, Emmet County Records.

Apartment(s) Number(s) Fourteen (14) and Nineteen (19)

Harbor Cove, a condominium project, according to the Master Deed thereof recorded in Liber 266 at Page 859, and First Amendment to Master Deed thereof recorded in Liber 275 at Pages 983 through 990, Emmet County Records, and known as Emmet County Condominium Subdivision Plan No. 14.

Henceforth, unless terminated in accordance with the provisions of said Declaration, the foregoing described Apartment(s) shall be conveyed, held, hypothecated and encumbered only in accordance with the terms and provisions of said Declaration, subject always to the Master Deed and all Amendments thereto.

WITNESSETH:

LITTLE TRAVERSE DEVELOPMENT COMPANY,
a Michigan corporation

Mary Newman
Mary Newman

BY: Alexander M. Butcher
Alexander M. Butcher, President

Jeannette L. Aspenleiter
Jeannette L. Aspenleiter

STATE OF MICHIGAN)
) SS.
COUNTY OF Emmet)

The foregoing instrument was acknowledged before me this 26th day of May, 1978, by Alexander M. Butcher the President of Little Traverse Development Company, a Michigan corporation, on behalf of the corporation.

Jeannette L. Aspenleiter
Jeannette L. Aspenleiter Notary Public
Emmet County, Michigan
My Commission Expires: 1-4-81

THIS INSTRUMENT DRAFTED BY:

William T. Myers of
DYKEMA, GOSSETT, SPENCER, GOODNOW & TRIGG
35th Floor, 400 Renaissance Center
Detroit, Michigan 48243

WHEN RECORDED, RETURN TO DRAFTER.

EXHIBIT "C" TO DECLARATION
OF COVENANTS FOR USE AND
ENJOYMENT OF CONDOMINIUM INTERESTS

Termination of Effect of
Declaration of Covenants for Use
and Enjoyment of Condominium Interests

Pursuant to Article XVII of the Declaration of Covenants for Use and Enjoyment of Condominium Interests (hereinafter called the "Declaration") as recorded in Liber 275 at Pages 966 through 982, Emmet County Records, the undersigned hereby declares that the Declaration shall cease, as of the date set forth below, to be of effect with respect to the Apartment(s) described as follows:

Apartment(s) Number(s) _____

Harbor Cove, a condominium project, according to the Master Deed thereof recorded in Liber 266 at Page 859, Emmet County Records, and First Amendment to Master Deed thereof, recorded in Liber 275 at Pages 983 through 990, Emmet County Records, and known as Emmet County Condominium Subdivision Plan No. 14.

This instrument is executed this _____ day of _____, 19____.

WITNESSETH:

LITTLE TRAVERSE DEVELOPMENT COMPANY,
a Michigan corporation

BY: _____

STATE OF MICHIGAN)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1978, by _____ the _____ of Little Traverse Development Company, a Michigan corporation, on behalf of the co-partnership.

Notary Public
County, Michigan
My Commission Expires: _____

THIS INSTRUMENT DRAFTED BY:

William T. Myers of
DYKEMA, GOSSETT, SPENCER, GOODNOW & TRIGG
35th Floor, 400 Renaissance Center
Detroit, Michigan 48243

WHEN RECORDED, RETURN TO DRAFTER.

EXHIBIT "D" TO DECLARATION
OF COVENANTS FOR USE AND
ENJOYMENT OF CONDOMINIUM INTERESTS

Exercise (or Non-Exercise)
of Right of First Refusal

The undersigned, pursuant to Article XIX of the Declaration of Covenants for Use and Enjoyment of Condominium Interests (hereinafter called the "Declaration"), hereby gives notice of intent to: (strike whichever of the following does not apply)

- (1) Exercise
- (2) Not exercise

its right of first refusal to purchase the following described condominium interests:

Period of Use No. _____ of Apartment No. _____, Harbor Cove, a condominium project, according to the Master Deed thereof, recorded in Liber 266 at Page 859, Emmet County Records, and First Amendment to Master Deed thereof, recorded in Liber 275 at Pages 983 through 990, Emmet County Records, and known as Emmet County Condominium Subdivision Plan No. 14.

WITNESSETH:

LITTLE TRAVERSE DEVELOPMENT COMPANY,
a Michigan corporation

BY: _____

STATE OF MICHIGAN)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1978, by _____ the _____ of Little Traverse Development Company, a Michigan corporation, on behalf of the co-partnership.

Notary Public
County, Michigan
My Commission Expires: _____

THIS INSTRUMENT DRAFTED BY:

William T. Myers of
DYKEMA, GOSSETT, SPENCER, GOODNOW & TRIGG
35th Floor, 400 Renaissance Center
Detroit, Michigan 48243

WHEN RECORDED, RETURN TO DRAFTER.