

**POM Condominium Association Phases I, II and III**  
**Common Element Agreement**

This Common Element Agreement (hereinafter "Agreement"), by and between the Port of Old Mission Condominium Association Phases I, II and III (hereinafter "Party" in the singular and "Parties" in the plural), a condominium association organized and existing under the laws of the State of Michigan, with its location in Peninsula Township, Grand Traverse County, Michigan, is hereby executed on and effective as of the 1st day of May 2006.

Whereas, each of the Parties is responsible for its own bounded geographical area and, Whereas, Port Mission Road, its shoulders and landscaped entrance (hereby "Common Element") are geographically utilized by and common to all three Parties and,

Whereas, the sharing of cost responsibility for the Common Element is delineated in each of the Parties' Port of Old Mission (hereinafter "POM") Consolidated Master Deed, Article VII, Easements, with their own formula and, in addition, desire to specify each Party's non-cost responsibilities related to the Common Element;

Now, therefore, the Parties enter into this Agreement on the terms hereinafter set forth.

**1. COST SHARING ARRANGEMENT FOR COMMON ELEMENT SNOW PLOWING, SANDING (INCLUDING REMOVAL), SPRING AND FALL CLEANUP AND GENERAL MAINTENANCE (E.G. ROAD SHOULDERS, LANDSCAPED ENTRANCE MULCH, GRASS REPAIR, SHRUB AND TREE REPLACEMENT/REMOVAL):**

75% of the total bill will be divided by all three Parties (75% is based on the square footage amount of road from Summit to Center) based on the unit occupancy of each Condominium Phase. Phase II will pay the contractor and bill Phase I and III accordingly:

Phase	23%
Phase II	54%
Phase III	23%

25% of the total bill will be divided between Phase II and Phase III (25% is based on the square footage amount of road from Summit to the east barrier) based on the unit occupancy of each Condominium Phase. Phase II will pay the contractor and bill Phase III accordingly:

Phase II	70%
Phase III	30%

**2. COST SHARING ARRANGEMENT SPECIFIC TO PORT MISSION ROAD REPAIRS / REPAVEMENT:**

a) The Parties will strive to secure financial participation from the POM Developer for initial road repair/repavement.

b) The Parties will strive to jointly agree upon the timing and need for road repairs/repavement. However, so long as two of the Parties agree upon the timing and need, the repair/repavement will commence and all three Parties will be bound to share in the cost as delineated in d) below.

c) Notwithstanding b) above, issues related to Port Mission Road repairs/repavement in excess of \$5,000 shall be decided by unanimous vote of the Parties hereto.

d) Cost sharing of road repairs/repavement will be in the same manner as snow plowing (Para. 1 above) with due regard given for the road location of the repair/repavement only, the length of time the Association has been in existence.

**3. NON-COST RESPONSIBILITIES SPECIFIC TO THE CENTER ROAD AND PORT MISSION ROAD LANDSCAPED ENTRANCE:**

a) Spring/Fall cleanup will be coordinated by Phase II and conducted with volunteers from all Parties.

b) Irrigation will be provided by Phase II.

c) Mowing will be done by Phase III.

d) The cost of electricity will use the same formula as snow plowing with Phase II billing the other Parties quarterly.

e) Christmas decorating will be done by Phase II.

**4. OCCUPANCY CALCULATION**

Occupancy (i.e. a Co-owner owned unit) is the numerator, comprised of the total occupied units of an individual phase, over the denominator, comprised of the total occupied units of all three phases and any other non-POM dwellings continuous to the development whose closet means of access to a public road is via Port Mission Road:

Phase	Units	Current % (automatic change as occupancy increases in Phase III)
I	36	23%
II	85	54% (includes two continuous non-POM dwellings)
III	37	23% (Phase III will total 49 units when complete)

5. LIABILITY INSURANCE:

After consultation with the appropriate insurance representatives, it is the understanding of the Parties that their existing and various liability insurance policies cover any liability eventuality, bodily or property, which might occur on the Common Element. The Parties hereby agree to maintain their various insurance policies to include coverage for their share of any accidental personal injury and property damage that may occur on the Common Element

6. CHANGES:

Changes to this Agreement may be accomplished at any time so long as each of the Parties' respective Board of Directors approve of the change and each of the Parties' respective Board Presidents re-execute and re-date the Agreement accordingly.

7. DISPUTES:

Any dispute concerning any term of this Agreement shall ultimately be resolved by a majority vote of the Parties hereto.

8. PRECEDENCE:

This Agreement takes precedence over and supersedes the cost sharing formula provided in the POM Consolidated Master Deed for the shared Port Mission Road.


9. TERM OF AGREEMENT:

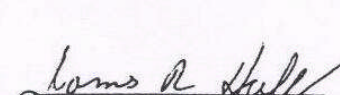
- a) This Agreement shall be for a term of two years from the effective date above stated.
- b) This Agreement shall automatically renew for additional two year terms unless and until any Party notifies the other Parties of its intention not to renew. If the Agreement is not renewed, the Parties' financial responsibilities relative to the Common Element shall be governed by the POM Consolidated Master Deed, Article VE, Easements. Renewed Agreements must be re-executed and re-dated by the Parties' respective Presidents.

10. SOLE AGREEMENT:

This Agreement constitutes the entire understanding and agreement of and between the Parties hereto with respect to the subject matter herein and supersedes all prior representations, oral or written.

In witness hereof, the duly authorized representatives of the Parties hereto hereby execute this Agreement

  
POM

  
POM II, MOA

