

MASTER DEED OF SUTTON PLACE NO. 2
(Pursuant to the Condominium Act, MCL 559.101 et seq.)

Lenawee County Condominium Subdivision Plan No. ____ containing

1. Master Deed establishing Sutton Place No. 2 Condominium;
2. form A to Master Deed: Condominium Bylaws;
3. form B to Master Deed: Condominium Subdivision Plan;
4. form C to Master Deed: Mortgagee's Consent to Submission to Condominium Ownership; and
5. form D to Master Deed: Affidavit of Mailing for Notices required by MCL 559.171.

This document is exempt from transfer tax under MCL 207.505(a) and .526(t).

This document drafted by and after recording return to:
Charles H. Gross
Attorney at Law
105 Brown St., Ste. 200
Tecumseh, MI 49286

TABLE OF CONTENTS

SECTION 1. ESTABLISHMENT OF CONDOMINIUM

1.1 Project

1.2 Establishment of Condominium

1.3 Project Description

1.4 Owner Rights

SECTION 2. LEGAL DESCRIPTION OF THE PROPERTY

2.1 Condominium Property

2.2 Beneficial Easement

SECTION 3. DEFINITIONS

3.1 Definitions

3.2 Applicability

SECTION 4. COMMON ELEMENTS

4.1 General Common Elements

4.2 Limited Common Elements

4.3 Maintenance Responsibilities

4.4 Assignment of Limited Common Elements

4.5 Power of Attorney

4.6 Boundary Relocation

4.7 Separability

SECTION 5. UNITS

5.1 Description of Units

5.2 Percentage of Value

5.3 Unit Modification

SECTION 6. EXPANDABILITY OF CONDOMINIUM

6.1 Future Development Area

6.2 Addition of Units

6.3 Expansion Not Mandatory

6.4 Amendments to Master Deed

6.5 Redefinition of Common Elements

6.6 Additional Provisions

SECTION 7. CONTRACTABILITY OF CONDOMINIUM

7.1 Limit of Unit Contraction

7.2 Withdrawal of Land

7.3 Contraction Not Mandatory

7.4 Amendments to Master Deed

7.5 Additional Provisions

SECTION 8. CONVERTIBLE AREAS

8.1 Conversion Not Mandatory

8.2 Amendments to Master Deed

8.3 Redefinition of Common Elements

8.4 Additional Provisions

SECTION 9. EASEMENTS

9.1 Easements for Maintenance and Repair

9.2 Easements Reserved by Developer

SECTION 10. AMENDMENT, TERMINATION, AND WITHDRAWAL

10.1 Preconveyance Amendments

10.2 Postconveyance Amendments

10.3 Project Termination

10.4 Withdrawal of Property

SECTION 11. ASSIGNMENT OF DEVELOPER RIGHTS

Form A—Condominium Bylaws of Sutton Place No. 2 Condominium

Form B—Condominium Subdivision Plan for Sutton Place No. 2 Condominium

Form C—Mortgagee's Consent to Submission to Condominium Ownership

Form D—Affidavit of Mailing for Notices Required by MCL 559.171

MASTER DEED OF SUTTON PLACE NO. 2 CONDOMINIUM

This Master Deed is signed and delivered on _____, 20____, by **DR PARK PROPERTIES, LLC**, a California Limited Liability Company, of 2985 Gady Rd., Adrian, Michigan (Developer), on the terms and conditions set forth below.

Section 1. ESTABLISHMENT OF CONDOMINIUM

1.1 Project. Developer is engaged in the development of a condominium project to be known as Sutton Place No. 2 Condominium (the Project), in Raisin Township, Lenawee County, Michigan, on a parcel of land as described in section 2.

1.2 Establishment of Condominium. Developer desires, by recording this Master Deed together with the Condominium Bylaws attached as form A and the Condominium Subdivision Plan attached as form B to establish the real property described in section 2 (the Property), together with the improvements located and to be located on the Property, as a condominium project (the Condominium) under the provisions of the Michigan Condominium Act (the Act). Developer declares that on the recording of this Master Deed, the Condominium shall be a Project under the Act and shall be held, conveyed, encumbered, leased, rented, occupied, improved, or in any other manner used subject to the provisions of the Act and to the covenants, conditions, restrictions, uses, limitations, and affirmative obligations in this Master Deed, all of which shall be deemed to run with the land and to be a burden on and a benefit to Developer; its successors and assigns; any persons who may acquire or own an interest in the Condominium; and their grantees, successors, heirs, personal representatives, administrators, and assigns.

1.3 Project Description. The Project is a residential site condominium. The Condominium units that may be developed in the Project, including the number, boundaries, dimensions, and area of each unit (Unit), are shown on the Condominium Subdivision Plan. Each of the Units is capable of individual use by reason of having its own entrance from and exit to a common element of the Project (a public road).

1.4 Owner Rights. Each owner of a Unit (Owner) in the Project shall have an exclusive property right to Owner's Unit and to the limited common elements that are appurtenant to Owner's Unit and shall have an undivided right to share with other Owners in the ownership and use of the general common elements of the Project as described in this Master Deed.

Section 2. LEGAL DESCRIPTION OF THE PROPERTY

2.1 Condominium Property. The land that is being submitted to Condominium ownership in accordance with the provisions of the Act is described on the first page of the attached Subdivision Plan.

2.2 Beneficial Easements. Easements are created and conveyed in this Master Deed to and for the benefit of the Project and the Units located in the Project, and the Project and the Units

located in the Project are benefited and burdened by the ingress, egress, utility, and other easements described or shown on form B.

Section 3. DEFINITIONS

3.1 Definitions. Certain terms used in this Master Deed are defined terms and have the meaning given them in the text where they are defined, and the same meaning shall be ascribed to the term in various other instruments regarding the Project such as, by way of example and not limitation, the Articles of Incorporation, Association Bylaws, and Rules and Regulations of the Sutton Place No. 2 Condominium Association, a Michigan nonprofit corporation, and various deeds, mortgages, land contracts, easements, and other instruments affecting the establishment or transfer of interests in the Project. As used in documents regarding the Project, unless the context otherwise requires:

- a. *Act or Condominium Act* means the Michigan Condominium Act, MCL 559.101 et seq.
- b. *Association or Association of Owners* means Sutton Place No. 2 Condominium Association, the Michigan nonprofit corporation of which all Owners shall be members, which shall administer, operate, manage, and maintain the Project.
- c. *Association Bylaws* mean the corporate bylaws of the Association organized to manage, maintain, and administer the Project.
- d. *Common Elements* mean the portions of the Project other than the Condominium Units, including all general and limited common elements described in section 4 of this Master Deed.
- e. *Condominium Bylaws* mean form A to this Master Deed, which are the bylaws that describe the substantive rights and obligations of the Owners.
- f. *Condominium Documents* mean this Master Deed with its forms, the Articles of Incorporation and Bylaws of the Association, the Rules and Regulations adopted by the board of directors of the Association, and any other document that affects the rights and obligations of a Owner in the Condominium.
- g. *Condominium Property or Property* means the land referenced in section 2, as that may be amended, together with all structures, improvements, easements, rights, and appurtenances on or belonging to the Condominium Property.
- h. *Condominium Subdivision Plan or Subdivision Plan* means form B to this Master Deed, which is the survey and other drawings depicting the real property and improvements to be included in the Project.
- i. *Condominium Unit or Unit* means the portion of the Project that is designed and intended for separate ownership and use, as described in this Master Deed.
- j. *Owner* means the person, firm, corporation, partnership, association, trust, other legal entity, or combination of entities that owns a Condominium Unit in the Project, including both the vendees and vendors of any land contract of purchase.
- k. *Developer* means DR Park Properties, LLC, a California Limited Liability Company, which has signed, delivered, and recorded this Master Deed, and its successors and assigns.
- l. *Development and Sales Period* means the period continuing for as long as Developer or its successors continue to own and offer for sale any Unit in the Project, excepting any Unit that was previously conveyed by Developer and then repurchased by Developer.

- m. *General Common Elements* mean the Common Elements described in section 4.1, which are for the use and enjoyment of all Owners in the Project.
- n. *Limited Common Elements* mean the Common Elements described in section 4.2, which are reserved for the exclusive use of the Owners of a specified Unit or Units.
- o. *Master Deed* means this document, together with the forms attached to it and all amendments that may be adopted in the future, by which the Project is being submitted to condominium ownership.
- p. *Percentage of Value* means the percentage assigned to each Unit by this Master Deed, which is determinative of the value of an Owner's vote at meetings of the Association and the proportionate share of each Owner in the Common Elements of the Project.
- q. *Project* or *Condominium* means Sutton Place No. 2 Condominium, a residential site condominium development of 117 Units established under the provisions of the Act.
- r. *Transitional Control Date* means the date on which a board of directors for the Association takes office pursuant to an election in which the votes that may be cast by eligible Owners unaffiliated with Developer exceed the votes that Developer may cast.

3.2 Applicability. Whenever any reference is made to one gender, it will be assumed to include both genders where the reference is appropriate; similarly, whenever a reference is made to the singular, it will be assumed to include the plural where the reference is appropriate.

Section 4. COMMON ELEMENTS

4.1 General Common Elements. The General Common Elements are:

- a. **Real Estate:** the Property referenced in section 2 of this Master Deed (except for that portion of the Property described in section 5.1 constituting a part of a Unit and any portion of the Property designated in form B as a Limited Common Element), including easement interests appurtenant to the Condominium, including but not limited to easements for ingress, egress, and utility installation over, across, and through non-Condominium property or individual Units in the Project;
- b. **Improvements:** the roadways; the common sidewalks (if any); and the lawns, trees, shrubs, and other improvements not located within the boundaries of a Unit (all structures and improvements located within the boundaries of a Unit shall be owned in their entirety by the Owner of the Unit within which they are located and shall not, unless expressly provided in the Condominium Documents, constitute Common Elements);
- c. **Electrical:** the electrical transmission system throughout the Project up to, but not including, the point of lateral connection for service to each residence now located or subsequently constructed within Unit's boundaries;
- d. **Gas:** the natural gas line network and distribution system throughout the Project, up to, but not including, the point of lateral connection for service to each residence now located or subsequently constructed within Unit boundaries;
- e. **Water:** the underground sprinkling system for the Common Elements and the water distribution system throughout the Project up to, but not including, the point of lateral connection for service to each residence now located or subsequently constructed within Unit boundaries;

- f. **Sanitary Sewer:** the sanitary sewer system throughout the Project, up to, but not including, the point of lateral connection for service to each residence now located or subsequently constructed within Unit boundaries;
- g. **Storm Drainage:** the storm drainage and water retention system throughout the Project;
- h. **Telephone:** the telephone wiring system throughout the Project up to, but not including, the point of lateral connection for service to each residence now located or subsequently constructed within Unit boundaries;
- i. **Telecommunications:** the cable television and other telecommunications systems installed throughout the Project up to, but not including, the point of lateral connection for service to each residence now located or subsequently constructed within Unit boundaries;
- j. **Project Entrance Improvements:** any entry signage and other improvements located at or near the entrance to the Project; and
- k. **Miscellaneous Common Elements:** all other Common Elements of the Project not designated as Limited Common Elements and not enclosed within the boundaries of a Condominium Unit, which are intended for common use or are necessary to the existence, upkeep, or safety of the Project.

Some or all of the utility lines, equipment, and systems (including mains and service leads) and the telecommunications systems described above may be owned by the local public authority or by the company that is providing the pertinent service. Accordingly, such utility or telecommunication lines, equipment, and systems shall be General Common Elements only to the extent of the Owners' interest in them, and Developer makes no warranty with respect to the nature or extent of that interest.

4.2 Limited Common Elements. The Limited Common Elements are

- a. **Utility Service Lines:** the pipes, ducts, wiring and conduits supplying service to or from a Unit for electricity, gas, water, sewage, telephone, television, and other utility or telecommunication services, up to and including the point of lateral connection with a General Common Element of the Project or utility line or system owned by the local public authority or company providing the service;
- b. **Subterranean Land:** the subterranean land located within Unit boundaries, from and below a depth of 20 feet as shown on form B, including all utility and supporting lines located on or beneath that land;
- c. **Subsurface Improvements:** the portion of any footing or foundation extending more than 20 feet below surrounding grade level;
- d. **Yard Areas:** the portion of any yard area designated as a Limited Common Element on the Condominium Subdivision Plan, which is limited in use to the Unit of which it is a part;
- e. **Delivery Boxes:** the mail and paper box that is located on a Unit or is permitted by the Association to be located on the General Common Elements to serve a Condominium Unit;
- f. **Gas Supply System:** the LP gas tank and the gas line network and distribution system located within or beneath Unit boundaries and serving only the residence constructed on that Unit;

- g. **Yard Lights:** the yard lights and bulbs installed on each yard area to illuminate the house number and driveway on that Unit;
- h. **Driveways and Walkways:** the portion of any driveway and walkway, if any, exclusively serving the residence constructed within a Unit, located between the Unit and the paved roadway; and
- i. **Miscellaneous:** any other improvement designated as a Limited Common Element appurtenant to a particular Unit or Units in the Subdivision Plan or in any future amendment to the Master Deed made by Developer or the Association.

If no specific assignment of one or more of the Limited Common Elements described in this section has been made in the Subdivision Plan, Developer (during the Development and Sales Period) and the Association (after the Development and Sales Period has expired) reserve the right to designate each such space or improvement as a Limited Common Element appurtenant to a particular Unit or Units by subsequent amendment to this Master Deed.

4.3 Maintenance Responsibilities. Responsibility for the cleaning, decoration, maintenance, repair, and replacement of the Common Elements will be as follows:

- a. **Limited Common Elements.** Each Owner shall be individually responsible for the routine cleaning, snow removal, maintenance, repair, and replacement of all Limited Common Elements appurtenant to the Owner's Unit.
- b. **Unit Improvements and Other Owner Responsibilities.** Unless otherwise stated in this Master Deed, Unit Owners shall be responsible for the maintenance, repair, and replacement of all structures and improvements and the maintenance and mowing of all yard areas situated within the boundaries of a Unit. Unit Owners shall also be responsible for snow removal of that portion of the General Common Element sidewalk (if any) crossing the Unit. If an Owner elects, with the prior written consent of the Association, to construct or install any improvements within a Unit or on the Common Elements that increase the costs of maintenance, repair, or replacement for which the Association is responsible, those increased costs or expenses may, at the option of the Association, be specially assessed against the Unit.
- c. **Association Oversight.** The exterior appearance of all structures, improvements, and yard areas (to the extent visible from any other Unit or from a Common Element) shall be subject at all times to the approval of the Association and to any reasonable aesthetic and maintenance standards prescribed by the Association in duly adopted rules and regulations. The Association may not disapprove the appearance of an improvement as long as it is maintained as constructed by Developer or constructed with Developer's approval.
- d. **Other Common Elements.** The cost of cleaning, decoration, maintenance, repair, replacement, and snow removal of all Common Elements other than that described above shall be the responsibility of the Association, except for the repair or replacement of a Common Element due to an act or the neglect of an Owner or an Owner's agent, invitee, family member, or pet.
- e. **Maintenance by the Association.** If an Owner fails, as required by this Master Deed, the Bylaws, or any rules or regulations promulgated by the Association, to properly and adequately decorate, repair, replace, or otherwise maintain the Owner's Unit, any

structure or improvement located within the Unit, or any appurtenant Limited Common Element, the Association (or Developer during the Development and Sales Period) shall have the right, but not the obligation, to undertake periodic exterior maintenance functions regarding improvements constructed or installed within any Unit boundary as it deems appropriate (including, without limitation, painting or other decoration, lawn mowing, snow removal, tree trimming, and replacement of shrubbery and other plantings). The Association (or Developer) will in no event be obligated to repair or maintain any such Common Element or improvement. Failure of the Association (or Developer) to take any such action shall not be deemed a waiver of the Association's (or Developer's) right to take any such action at a future date.

- f. **Assessment of Costs.** All costs incurred by the Association or Developer in performing any maintenance functions that are the primary responsibility of an Owner shall be charged to the affected Owner or Owners on a reasonably uniform basis and collected in accordance with the assessment procedures established by the Condominium Bylaws. A lien for nonpayment shall attach to Owner's Unit for any such charges, as with regular assessments, and may be enforced by the use of all means available to the Association under the Condominium Documents or by law for the collection of assessments, including, without limitation, legal action, foreclosure of the lien securing payment, and the imposition of fines.

4.4 Assignment of Limited Common Elements. A Limited Common Element may be assigned or reassigned by written application to the board of directors of the Association by all Owners whose interest will be affected by the assignment. On receipt and approval of an application, the board shall promptly prepare and execute an amendment to this Master Deed assigning or reassigning all rights and obligations regarding the Limited Common Elements involved and shall deliver the amendment to the Owners of the Units affected on payment by them of all reasonable costs for the preparation and recording of the amendment.

4.5 Power of Attorney. By acceptance of a deed, mortgage, land contract, or other document of conveyance or encumbrance, all Owners, mortgagees, and other interested parties are deemed to have appointed Developer (during the Development and Sales Period) or the Association (after the Development and Sales Period has expired) as their agent and attorney to act in connection with all matters concerning the Common Elements and their respective interests in the Common Elements. Without limiting the generality of this appointment, Developer or the Association will have full power and authority to grant easements over, to sever or lease mineral interests in, and to convey title to the land or improvements constituting the General Common Elements or any part of them; to dedicate as public streets any parts of the General Common Elements; to amend the Condominium Documents to assign or reassign the Limited Common Elements; and in general to sign and deliver all documents and to do all things necessary or convenient to exercise such powers.

4.6 Boundary Relocation. The boundaries of two or more adjacent Units may be relocated by amendment of the Master Deed in accordance with the provisions of MCL 559.148, provided that the expense of preparing the amendment is paid in full by the Owner or Owners desiring to relocate the boundaries.

4.7 Separability. Except as provided in this Master Deed, Condominium Units shall not be separable from their appurtenant Common Elements, and neither shall be used in any manner inconsistent with the purposes of the Project nor in any other way that might interfere with or impair the rights of other Owners in the use and enjoyment of their Units or their appurtenant Common Elements.

Section 5. UNITS

5.1 Description of Units. A complete description of each Unit in the Project, with elevations referenced to an official benchmark of the U.S. Geological Survey sufficient to accurately relocate the space enclosed by the description without reference to any structure, is contained in the Subdivision Plan as surveyed by the Project's consulting engineers and surveyors. Each Unit shall include all the space within the Unit boundaries and above to a depth of 20 feet below and a height of 50 feet above the surface as shown on form B, together with all appurtenances to the Unit.

5.2 Percentage of Value. The total percentage value of the Project is 100, and the Percentage of Value assigned to each of the Condominium Units in the Project shall be equal to every other Unit. The determination that Percentages of Value for all Units should be equal was made after reviewing the comparative characteristics of each Unit, including those that may affect maintenance costs, and concluding that the Units should each have an equal Percentage of Value. The Percentage of Value assigned to each Unit shall be changed only in the manner permitted by section 9, expressed in an Amendment to this Master Deed and recorded in the register of deeds office in the county where the Project is located.

5.3 Unit Modification. The number, size, style, boundary, or location of a Unit or of any Limited Common Element appurtenant to a Unit may be modified from time to time by Developer or its successors without the consent of any Owner, mortgagee (except as provided in the Act), or other interested person, as long as the modifications do not unreasonably impair or diminish the appearance of the Project or the view, privacy, or other significant attribute of any Unit that adjoins or is proximate to the modified Unit or Limited Common Element. However, no Unit that has been sold or is subject to a binding Purchase Agreement shall be modified without the consent of the Owner or Purchaser and the mortgagee of the Unit. Developer may also, in connection with any modification, readjust Percentages of Value for all Units in a manner that gives reasonable recognition to the changes based on the method of original determination of Percentages of Value for the Project. All Owners, mortgagees of Units, and other persons interested or to become interested in the Project from time to time shall be deemed to have granted a power of attorney to Developer and its successors for any purpose that is similar in nature and effect to that described in section 4.5 of this Master Deed.

Section 6. EXPANDABILITY OF THE CONDOMINIUM

6.1 Future Development Area. The Project established by this Master Deed consists of condominium Units that may, at the election of Developer, be treated as the first phase of an expandable condominium under the Act to contain in its entirety a maximum of 117 Units.

Additional Units, if any, will be established on all or some portion of the land designated on form B as the future development area (the Future Development Area).

6.2 Addition of Units. The number of Units in the Project may, at the option of the Developer, from time to time within a period ending not later than six years after the initial recording of the Master Deed be increased by the addition of all or any portion of the Future Development Area and the establishment of Units in that area. Developer will determine the nature, location, size, types, and dimensions of the Units and other improvements to be located within the Future Development Area in its sole discretion. No Unit will be created within any part of the Future Development Area that is added to the Condominium that is not restricted exclusively to residential use.

6.3 Expansion Not Mandatory. None of the provisions of this section will in any way obligate Developer to enlarge the Project beyond the initial phase established by this Master Deed, and Developer may, in its discretion, establish all or a portion of the Future Development Area as a separate condominium project (or projects) or as any other form of development. There are no restrictions on Developer's election to expand the Project other than those explicitly provided in this section. There is no obligation on the part of the Developer to add to the Project all or any portion of the Future Development Area nor is there any obligation to add portions in any particular order or to construct any particular improvements on the added property.

6.4 Amendments to the Master Deed. An increase in the size of the Project by Developer will be given effect by an appropriate amendment or amendments to the Master Deed, which will not require the consent or approval of any Owner, mortgagee, or other interested person. Amendments will be prepared by and at the sole discretion of Developer and may proportionately adjust the Percentages of Value assigned by section 5.2 to preserve a total value of 100 percent for the entire Project. The precise determination of the readjustments in Percentages of Value (if any) will be made in the sole judgment of Developer. However, the readjustments will reflect a continuing reasonable relationship among Percentages of Value based on the original method of determining Percentages of Value for the Project.

6.5 Redefinition of Common Elements. Amendments to the Master Deed made by Developer to expand the Condominium may also contain any further definitions and redefinitions of General or Limited Common Elements that Developer determines are necessary or desirable to adequately describe, serve, and provide access to the additional parcel or parcels being added to the Project. In connection with any amendments, Developer will have the right to change the nature of any Common Element previously included in the Project for any purpose reasonably necessary to achieve the intent of this section, including, but not limited to, the connection of roadways in the Project to any roadways that may be located on or planned for the Future Development Area and to provide access to any Unit that is located on or planned for the Future Development Area from the roadways located in the Project.

6.6 Additional Provisions. Amendments to the Master Deed made by Developer to expand the Condominium may also contain any provisions Developer determines are necessary or desirable (a) to make the Project contractible or convertible for portions of the parcel or parcels being added to the Project, (b) to create easements burdening or benefiting portions of the parcel or

parcels being added to the Project, and (c) to create or change restrictions or other terms and provisions affecting the additional parcel or parcels being added to the Project or affecting the balance of the Project as may be reasonably necessary in Developer's judgment to enhance the value or desirability of the Units to be located within the additional parcel or parcels being added.

Section 7. CONTRACTABILITY OF CONDOMINIUM

7.1 Limit of Unit Contraction. The Project established by this Master Deed consists of 117 Units and may, at the election of the Developer, be contracted to a minimum of 50 Units.

7.2 Withdrawal of Land. The number of Units in the Project may, at Developer's option, from time to time within a period ending not later than six years after the recording of this Master Deed be decreased by the withdrawal of all or any portion of the lands described in section 2.1. However, no Unit that has been sold or is the subject of a binding Purchase Agreement may be withdrawn without the consent of the Owner or purchaser and the mortgagee of the Unit. Developer may also, in connection with any contraction, readjust the Percentages of Value for Units in the Project in a manner that gives reasonable recognition to the number of remaining Units, based on the method of original determination of the Percentages of Value. Other than as provided in this section 7, there are no restrictions or limitations on Developer's right to withdraw lands from the Project or on the portion or portions of land that may be withdrawn, the time or order of the withdrawals, or the number of Units or Common Elements that may be withdrawn. However, the lands remaining shall not be reduced to less than that necessary to accommodate the remaining Units in the Project with reasonable access and utility service to the Units.

7.3 Contraction Not Mandatory. There is no obligation on the part of Developer to contract the Project, nor is there any obligation to withdraw portions of the Project in any particular order or to construct particular improvements on any withdrawn lands. Developer may, in its discretion, establish all or a portion of the lands withdrawn from the Project as a separate condominium project (or projects) or as any other form of development. Any development on the withdrawn lands will not be detrimental to the adjoining condominium project.

7.4 Amendments to the Master Deed. A withdrawal of lands from this Project by Developer will be given effect by appropriate amendments to the Master Deed, which will not require the consent or approval of any Owner, mortgagee, or other interested person. Amendments will be prepared by and at the sole discretion of Developer and may adjust the Percentages of Value assigned by section 5.2 to preserve a total value of 100 percent for the entire Project resulting from any amendment.

7.5 Additional Provisions. Any amendments to the Master Deed made by Developer to contract the Condominium may also contain provisions as Developer determines are necessary or desirable (a) to create easements burdening or benefiting portions or all of the parcel or parcels being withdrawn from the Project and (b) to create or change restrictions or other terms and provisions, including designations and definition of Common Elements, affecting the parcel or parcels being withdrawn from the Project or affecting the balance of the Project, as reasonably

necessary in Developer's judgment to preserve or enhance the value or desirability of the parcel or parcels being withdrawn from the Project.

Section 8. CONVERTIBLE AREAS

8.1 Conversion Not Mandatory. There is no obligation on the part of the Developer to convert any part of the Convertible Area, to convert portions of the area in any particular order, or to construct particular improvements on any converted Unit. Other than as provided in this section, there are no restrictions or limitations on Developer's right to create additional Units or on the portion or portions of the Convertible Area that may be converted, the time or order of the conversions, or the number of Units or Common Elements that may be converted.

8.2 Amendments to the Master Deed. An increase in the number of Units by exercise of the Developer's conversion rights will be given effect by appropriate amendments to the Master Deed, which will not require the consent or approval of any Owner, mortgagee, or other interested person. Amendments will be prepared by and at the sole discretion of Developer and may proportionately adjust the Percentages of Value assigned by section 5.2 to preserve a total value of 100 percent for the entire Project.

8.3 Redefinition of Common Elements. Conversion amendments to the Master Deed by Developer may contain further definitions and redefinitions of General or Limited Common Elements as Developer determines are necessary or desirable to adequately describe, serve, and provide access to the additional Units being added to the Project. In connection with any amendments, Developer will have the right to change the nature of any Common Element previously included in the Project for any purpose reasonably necessary to achieve the intent of this section.

8.4 Additional Provisions. Any amendments to the Master Deed by Developer for conversion purposes may also contain provisions Developer determines are necessary or desirable (a) to create easements burdening or benefiting portions of the Units being added to the Project and (b) to create or change restrictions or other terms and provisions affecting the additional Units being added to the Project or affecting the balance of the Project as may be reasonably necessary in Developer's judgment to enhance the value or desirability of the Units.

Section 9. EASEMENTS

9.1 Easements for Maintenance and Repair. If any portion of a Unit or Common Element encroaches on another Unit or Common Element due to the shifting, settling, or moving of a building or due to survey errors or construction deviations, reciprocal easements shall exist for the maintenance of the encroachment for as long as the encroachment exists and for the maintenance of the encroachment after rebuilding in the event of destruction. There shall also be permanent easements in favor of the Association (or Developer during the Development and Sale Period) for the maintenance and repair of Common Elements for which the Association (or Developer) may from time to time be responsible or for which it may elect to assume responsibility, and there shall be easements to, through, and over those portions of the land (including the Units) as may be reasonable for the installation, maintenance, and repair of all

utility services furnished to the Project. Public utilities shall have access to the Common Elements and to the Units at reasonable times for the installation, repair, or maintenance of those services; and any costs incurred in the opening or repairing of any Common Element or other improvement to install, repair, or maintain common utility services to the Project shall be an expense of administration assessed against all Owners in accordance with the Condominium Bylaws.

9.2 Easements Reserved by Developer. Developer reserves nonexclusive easements for the benefit of itself and its successors and assigns, which may be used at any time or times,

- a. to use, improve, or extend all roadways, drives, and walkways in the Project for the purpose of ingress and egress to and from any Unit or real property owned by it and to and from all or any portion of the land described in section 2 and
- b. to use, tap, tie into, extend, or enlarge all utility lines and mains, public and private, located on the land described in section 2

for the benefit of real property in which Developer owns an interest that adjoins the Project. The easements described in this section are subject to payment by the Owners of the benefited property of a reasonable share of the cost of maintenance and repair of the improvements constructed on the easements.

Section 10. AMENDMENT, TERMINATION, AND WITHDRAWAL

10.1 Preconveyance Amendments. If there is no Owner other than Developer, Developer may unilaterally amend the Condominium Documents or, with the consent of any interested mortgagee, unilaterally terminate the Project. All documents reflecting an amendment to the Master Deed or the Condominium Bylaws or a termination of the Project shall be recorded in the register of deeds office in the county where the Project is located.

10.2 Postconveyance Amendments. If there is an Owner other than Developer, the recordable Condominium Documents may be amended for a proper purpose as follows:

- a. **Nonmaterial Changes.** An amendment may be made without the consent of any Owner or mortgagee if the amendment does not materially alter or change the rights of any Owner or mortgagee of a Unit in the Project, including, but not limited to, (i) amendments to modify the types and sizes of unsold Condominium Units and their appurtenant Limited Common Elements; (ii) amendments correcting survey or other errors in the Condominium Documents; or (iii) amendments to facilitate conventional mortgage loan financing for existing or prospective Owners and enable the purchase of such mortgage loans by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, or any other agency of the federal government or the state of Michigan.
- b. **Material Changes.** An amendment may be made even if it will materially alter or change the rights of the Owners with the consent of not less than two-thirds of the Owners and, to the extent required by law, mortgagees. However, an Owner's Unit dimensions or Limited Common Elements may not be modified without that Owner's consent nor may

the method or formula used to determine the percentage of value of Units in the Project for other than voting purposes be modified without the consent of each affected Owner and mortgagee. Rights reserved by Developer, including without limitation rights to amend for purposes of contraction or modification of units, shall not be amended without the written consent of Developer as long as Developer or its successors continue to own and to offer for sale any Unit in the Project.

- c. **Compliance with Law.** Amendments may be made by Developer without the consent of Owners and mortgagees, even if the amendment will materially alter or change the rights of Owners and mortgagees, to achieve compliance with the Act, administrative rules, or orders adopted by the courts pursuant to the Act or with other federal, state, or local laws, ordinances, or regulations affecting the Project.
- d. **Reserved Developer Rights.** Developer may also unilaterally make a material amendment without the consent of any Owner or mortgagee for the specific purposes reserved by Developer in this Master Deed. During the Development and Sales Period, this Master Deed and forms A and B shall not be amended nor shall provisions be modified in any way without the written consent of Developer or its successors or assigns.
- e. **Costs of Amendments.** A person causing or requesting an amendment to the Condominium Documents shall be responsible for costs and expenses of the amendment, except for amendments based on a vote of the Owners, the costs of which are expenses of administration. The Owners shall be notified of proposed amendments under this section not less than 10 days before the amendment is recorded.

10.3 Project Termination. If there is a Owner other than Developer, the Project may be terminated only with consent of Developer and not less than 80 percent of the Owners and mortgagees, in the following manner:

- a. **Termination Agreement.** Agreement of the required number of Owners and mortgagees to termination of the Project shall be evidenced by the Owners' execution of a Termination Agreement, and the termination shall become effective only when the Agreement has been recorded in the register of deeds office in the county where the Project is located.
- b. **Real Property Ownership.** On recordation of a document terminating the Project, the property constituting the Condominium shall be owned by the Owners as tenants in common in proportion to their respective undivided interests in the Common Elements immediately before recordation. As long as the tenancy in common lasts, each Owner and their heirs, successors, or assigns shall have an exclusive right of occupancy of that portion of the property that formerly constituted their Condominium Unit.
- c. **Association Assets.** On recordation of a document terminating the Project, any rights the Owners may have to the net assets of the Association shall be in proportion to their respective undivided interests in the Common Elements immediately before recordation, except that common profits (if any) shall be distributed in accordance with the Condominium Documents and the Act.
- d. **Notice to Interested Parties.** Notification of termination by first-class mail shall be made to all parties interested in the Project, including escrow agents, land contract vendors, creditors, lienholders, and prospective purchasers who have deposited funds.

10.4 Withdrawal of Property.

- a. **Withdrawal by Developer.** Notwithstanding anything in this Master Deed to the contrary, if Developer has not completed development and construction of the Units or improvements in the Project that are identified as “need not be built” during a period ending 10 years after the date of commencement of construction by Developer of the Project, Developer has the right to withdraw from the Project all undeveloped portions of the Project not identified as “must be built” without the prior consent of any Owners, mortgagees of Units in the Project, or any other person having an interest in the Project. If this Master Deed contains provisions permitting the expansion, contraction, or rights of convertibility of Units or Common Elements in the Project, the time period is the greater of (i) the 10-year period set forth above or (ii) 6 years after the date Developer exercised its rights regarding either expansion, contraction, or rights of convertibility, whichever right was exercised last. The undeveloped portions of the Project withdrawn shall also automatically be granted easements for utility and access purposes through the Project for the benefit of the undeveloped portions of the Project, subject to the payment of a reasonable pro rata share of the costs of maintaining the easements.
- b. **Withdrawal by Association.** If Developer does not withdraw the undeveloped portions of the Project from the Project or convert the undeveloped portions of the Project to “must be built” before the time periods set forth in section 10.4(a) expire, the Association, by an affirmative two-thirds majority vote of Owners in good standing, may declare that the undeveloped land shall revert to the general common elements and all rights to construct Units on the undeveloped land shall cease. When such a declaration is made, the Association shall provide written notice of the declaration to Developer or its successor by first-class mail at its last known address. Within 60 days after receipt of the notice, Developer or its successor may withdraw the undeveloped land or convert the undeveloped condominium units to “must be built.” However, if the undeveloped land is not withdrawn or the undeveloped Condominium Units are not converted within 60 days, the Association may file the notice of the declaration with the register of deeds. The declaration takes effect on recording by the register of deeds. The Association shall also file notice of the declaration with the local supervisor or assessing officer.

Section 11. ASSIGNMENT OF DEVELOPER RIGHTS

Developer may assign any or all of the rights and powers granted to or reserved by Developer in the Condominium Documents or by law, including without limitation the power to approve or to disapprove any act, use, or proposed action, to any other entity or person, including the Association. Any such assignment or transfer shall be made by an appropriate document in writing and shall be duly recorded in the register of deeds office in the county where the Project is located.

This Master Deed has been signed by Developer and shall be effective as of the date stated on page 1.

DEVELOPER

DR Park Properties, LLC, a California
Limited Liability Company

By: William Nicholson
Its:

STATE OF MICHIGAN)
LENAWEE COUNTY)

Acknowledged Lenawee County, Michigan, on _____, 20____, by William Nicholson,
_____, on behalf of DR Park Properties, LLC, a California Limited Liability
Company.

Notary public, State of Michigan, County of Lenawee
My commission expires:
Acting in the County of Lenawee