

Purchaser Information Booklet
For



A Residential Condominium Project
In
The City of Milan, Washtenaw County, Michigan

PURCHASER INFORMATION BOOKLET

FOR

MILAN CROSSING

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NOTE: Documents are separated by colored sheets; page numbers are internal to each document, not consecutive throughout the booklet

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NOTE: Documents are separated by colored sheets; page numbers are internal to each document, not consecutive throughout the booklet

INFORMATION BOOKLET
(A RESIDENTIAL CONDOMINIUM)
SECTION 84a RECEIPT AND STATEMENT

INFORMATION BOOKLET

Pursuant to Section 84a of the Michigan Condominium Act, as amended (the "Act"), we are furnishing to you at this time copies of the following Condominium Documents relating to Milan Crossing (the "Condominium"):

- _____ (a) Master Deed as recorded (including Condominium Bylaws and Subdivision Plan);
- _____ (b) Disclosure Statement and projected budget in compliance with Section 84a of the Act;
- _____ (c) Articles of Incorporation of Milan Crossing Condominium Association. The Bylaws of the Association are the same as those attached to the Master Deed for the Condominium; and
- _____ (d) Condominium Buyers Handbook prepared by the Michigan Department of Commerce.
- _____ (e) Purchase Agreement and Escrow Agreement.

As provided in Section 84 of the Act, your Purchase Agreement cannot become binding until the elapse of nine (9) business days after the date of receipt of the above-referenced documents, including the day of receipt if that day is a business day, unless you voluntarily elect to waive this withdrawal period or proceed to closing at an earlier date. During this period you should be sure to carefully read the accompanying documents which control the operation of the Condominium and explain the nature of the interest which you are purchasing and your relationship with the Condominium project, the Association, other Co-owners and the Developer.

In the event that your Purchase Agreement is amended (either before or after it has been signed) or any of the other Condominium Documents delivered are subsequently amended, such an amendment will not give you any right or time to withdraw in addition to that originally provided in your Purchase Agreement and in the Michigan Condominium Act.

CONDOMINIUM ACT (EXCERPT)

Act 59 of 1978

559.184 Section inapplicable to business condominium unit; withdrawal from signed purchase agreement; depositing and retaining funds in escrow; contents of purchase agreement; waiver of right of withdrawal; form. [M.S.A. 26.50(184)]

Sec. 84. (1) This section shall not apply to a business condominium unit.

(2) Except as provided in subsection (5), a signed purchase agreement shall not become binding on a purchaser and a purchaser may withdraw from a signed purchase agreement without cause and without penalty before conveyance of the unit and within 9 business days after receipt of the documents required in section 84a. The calculation of the 9 business day period shall include the day on which the documents required under section 84a are received if that day is a business day.

(3) Upon receipt of payment under a purchase agreement, the developer shall deposit all funds in an escrow account with an escrow agent. Funds due a developer from the closing of a unit sale need not be deposited in escrow if such funds are not required by other provisions of this act to be retained in escrow after such closing. After the expiration of the withdrawal period provided in subsection (2), the developer shall retain amounts in escrow or provide other adequate security as provided in section 103b to assure completion of only those uncompleted structures and improvements labeled under the terms of the condominium documents, "must be built".

(4) A purchase agreement shall contain all of the following:

(a) A statement that all funds paid by the prospective purchaser in connection with the purchase of a unit shall be deposited in an escrow account with an escrow agent and shall be returned to the purchaser within 3 business days after withdrawal from the purchase agreement as provided in subdivision (b). The statement shall include the name and address of the escrow agent.

(b) A statement that unless the purchaser waives the right of withdrawal, the purchaser may withdraw from a signed purchase agreement without cause and without penalty if the withdrawal is made before conveyance of the unit and within 9 business days after receipt of the documents required in section 84a including the day on which the documents are received if that day is a business day.

(c) A statement that after the expiration of the withdrawal period provided in subsection (2), the developer is required to retain sufficient funds in escrow or to provide sufficient security to assure completion of only those uncompleted structures and improvements labeled under the terms of the condominium documents, "must be built".

(d) The following paragraph:

"At the exclusive option of the purchaser, any claim which might be the subject of a civil action against the developer which involves an amount less than \$2,500.00, and arises out of or relates to this purchase agreement or the unit or project to which this agreement relates, shall be settled by binding arbitration conducted by the American arbitration association. The arbitration shall be conducted in accordance with applicable law and the currently applicable rules of the American arbitration association. Judgment upon the award rendered by arbitration may be entered in a circuit court of appropriate jurisdiction."

(e) A statement that the escrow agreement between the developer and the escrow agent is incorporated by reference.

(5) The right of withdrawal in subsection (2) may be waived in exceptional cases, by a purchaser who is provided all of the documents listed in subsection (4) and who knowingly and voluntarily waives in writing the purchaser's right to the protection provided by the right of withdrawal. The waiver form shall include an explanation of this section.

History: 1978, Act 59, Eff. July 1, 1978;—Am. 1982, Act 538, Imd. Eff. Jan. 17, 1983;—Am. 1983, Act 113, Imd. Eff. July 12, 1983.

condominium documents effected in the manner provided in the documents or provided by law does not afford the purchaser any right or time to withdraw in addition to that provided in section 84(2).

(3) At the time the purchaser receives the documents required in subsection (1) the developer shall provide a separate form that explains the provisions of this section. The signature of the purchaser upon this form is prima facie evidence that the documents required in subsection (1) were received and understood by the purchaser.

(4) Promptly after recording a master deed for a condominium project containing a business condominium unit, the developer shall provide to a prospective purchaser of a business condominium unit a copy of the recorded master deed for the project.

(5) With regard to any documents required under this section, a developer shall not make an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

(6) The developer promptly shall amend a document required under this section to reflect any material change or to correct any omission in the document.

(7) In addition to other liabilities and penalties, a developer who violates this section is subject to section 115.

History: Add. 1982, Act 538, Imd. Eff. Jan. 17, 1983;—Am. 1983, Act 113, Imd. Eff. July 12, 1983.

DISCLOSURE STATEMENT

FOR

MILAN CROSSING

A Residential Condominium
in the City of Milan, Washtenaw County, Michigan

Developed by: Milan Crossing, LLC
16548 Cone Road
Milan, Michigan 48160

The effective date of this Disclosure Statement is March 22, 2004.

MILAN CROSSING IS AN EIGHTY-ONE (81) UNIT RESIDENTIAL CONDOMINIUM
LOCATED IN THE CITY OF MILAN, WASHTENAW COUNTY, MICHIGAN.

THIS DISCLOSURE STATEMENT IS NOT REQUIRED TO BE FILED, AND
CONSEQUENTLY HAS NOT BEEN FILED WITH THE CORPORATION, SECURITIES
AND LAND DEVELOPMENT BUREAU, MICHIGAN DEPARTMENT OF CONSUMER
AND INDUSTRY SERVICES, 6546 MERCANTILE WAY, LANSING, MICHIGAN 48913,
NOR HAS THE DEPARTMENT UNDERTAKEN TO PASS ON THE VALUE OR MERITS
OF THE DEVELOPMENT OR TO MAKE ANY RECOMMENDATIONS AS TO THE
PURCHASE OF UNITS IN THIS DEVELOPMENT.

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

IT IS RECOMMENDED THAT PROFESSIONAL ASSISTANCE BE SOUGHT PRIOR TO
PURCHASING A CONDOMINIUM UNIT.

DISCLOSURE STATEMENT

MILAN CROSSING

(A RESIDENTIAL CONDOMINIUM)

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DISCLOSURE STATEMENT

MILAN CROSSING

(A RESIDENTIAL CONDOMINIUM)

1. INTRODUCTION

Condominium development in Michigan is governed largely by Act 59 of the Michigan Public Acts of 1978, as amended, (together called the "Condominium Act" or "Act").

This Disclosure Statement, together with copies of the legal documents required for the creation and operation of this Condominium Project, are furnished to each purchaser pursuant to the requirement of Michigan law that the Developer of a Condominium Project disclose to prospective purchasers the characteristics of the Condominium Units which are offered for sale. The terms used in this Disclosure Statement have the same meaning as the same terms used in the Master Deed.

2. THE CONDOMINIUM CONCEPT

A Condominium is a method of subdividing, describing and owning real property. A Condominium Unit has the same legal attributes as any other form of real property under Michigan law and may be sold, mortgaged or leased, subject only to restrictions contained in the Condominium Documents or as otherwise may be applicable to the Project.

Each Owner receives a deed to the Owner's individual Condominium Unit. Each Owner owns, in addition to the Owner's Unit, an undivided interest in the common areas and facilities ("Common Elements") which comprise the Project. Title to the Common Elements is included as part of, and is inseparable from, title to the individual Condominium Units. Each Owner's proportionate share of the Common Elements is determined by the percentage of value assigned to the Owner's Unit in the Master Deed.

All portions of the Project not included within the Units constitute the Common Elements. Limited Common Elements are those Common Elements which are set aside for use by less than all Unit Owners. General Common Elements are all Common Elements other than Limited Common Elements. The Limited Common Elements are the driveways, walkways, porch, any patio or deck, air conditioners, garage doors and door openers, doors, windows, exterior building lighting, and interior walls, chimneys, ceilings, floors and surfaces.

The Project is administered generally by a non-profit corporation of which all Owners are members (the "Association"). The nature and duties of the Association are described more fully in Section 7 of this Disclosure Statement.

Except for the year in which the Project is established, real property taxes and assessments are levied individually against each Unit in the Project. The separate taxes and assessments cover the Unit and its proportionate share of the Common Elements. No taxes or assessments are levied independently against the Common Elements. The year in which the Project is established, the taxes and assessments for Units covered by the Master Deed are billed to the Association and are paid by the Owners of such Units in proportion to the percentage of value assigned to the Units owned by them.

In Milan Crossing, the Units consist of the air space enclosed within each of the dwelling Units. The Common Elements include the exterior structural components of the residential dwellings. Each Owner will be responsible for the cost of insurance, maintenance, repair and replacement of the Owner's Unit, all improvements, personal property, upgrades and additions within or serving the Owner's Unit including certain utility improvements and certain Limited Common Elements as described in the Master Deed. The Association is responsible for insurance, maintenance, repair and replacement of General Common Elements and certain Limited Common Elements as specified in the Master Deed.

Although the foregoing is generally accurate as applied to most residential Condominium developments, the details of each development may vary substantially. Accordingly, each purchaser is urged to review carefully all of the documents contained in Milan Crossing Purchaser Information Booklet, as well as any other documents that have been delivered to the purchaser in connection with this development. Any purchaser having questions pertaining to the legal aspects of the Project is advised to consult a lawyer or other professional advisor.

3. DESCRIPTION OF THE CONDOMINIUM PROJECT

3.1 Size, Scope and Physical Characteristics of Project. Milan Crossing is located in the City of Milan, Washtenaw County, Michigan. The Master Deed includes 81 Condominium Units. A more detailed description of the development is found in the Condominium Subdivision Plan which is attached to the Master Deed. Each Unit includes all the air space, improvements, upgrades and additions contained within the interior finished unpainted walls and ceilings and from the finished subfloor, and includes an attached garage and parking within the garage.

3.2 Utilities. Milan Crossing is served by public water, sanitary and storm sewers, gas, electric and telephone service. Gas and electric service is furnished by DTE Energy, cable television service is furnished by Comcast Cablevision, and telephone service is provided by SBC. All utilities will be metered to each Unit and paid for by the Owner of the Unit. After dedication to and acceptance by the City of Milan, the City will assume responsibility for maintenance of water and sewer mains.

3.3 Streets; Private Access Drives; Access Easement. Developer has reserved the right to dedicate a right-of-way for the interior streets in the Project to the City of Milan as public streets. The streets to be dedicated to the City of Milan are Kay Street, Lee Street, Marvin Street and Wright Lane. The interior access drives known as Marvin Court and Gray Court will be private drives and all expenses of insurance, maintenance, repair and replacement of the private access drives, including snow removal, will be paid by the Association and assessed to the Co-Owners based on their percentage of value. Access to the Condominium from Dexter Street is over and across a joint access road that serves the Condominium and adjacent property owners as shown on Exhibit B to the Master Deed ("Access Easement"). The Access Easement may be dedicated to the City of Milan as a public road. Until such dedication and acceptance, the Association shall be responsible for the costs of insurance, maintenance, repair and replacement of the Access Easement, including snow removal, which costs shall be assessed to the Co-Owners based on their percentage of value. Except to the extent of dedication and acceptance of the streets and the Access Easement, the Association shall be responsible for insurance, maintenance and repair of the streets and Access Easement serving the Project, including snow removal, and the cost of such insurance, maintenance and repair will be assessed to the Owners.

3.4 Reserved Rights of the Developer

3.4.1 Conduct of Commercial Activities. The Developer has reserved the right, until all of the Units in the Project have been sold to maintain on the Condominium a sales office, a business office, model Units, storage areas, reasonable parking incident to the use of such areas, and such access to, from and over the Condominium as may be reasonable to enable development and sale of the entire Project. The Developer is obligated to restore the areas so used to habitable status upon termination of use.

3.4.2 Right to Amend. The Developer has reserved the right to amend the Master Deed and exhibits without approval from Owners and mortgagees for the purpose of correcting errors, including correction of Unit lines if any construction encroaches outside the Unit perimeter, and for any other purpose. Any such amendment that would materially change the rights of an Owner or mortgagee may be made only with the approval of sixty-six and two-thirds percent (66 2/3%) of the Owners and first mortgagees. The Developer has also reserved the right to amend the Master Deed to modify types and sizes of unsold Units, to amend the Bylaws, to correct arithmetic, survey or plan errors or deviations in construction, to clarify the Master Deed, to comply with the Act, rules or regulations, or requirements of governmental authorities or Lenders, to create or limit easements, and to record "As Built" drawings, even if such amendment is material, so long as the amendment does not change the method or formula used to determine the percentage of value of Units in the Project for other than voting purposes, or alter an Owner's Unit dimensions or any appurtenant Limited Common Elements, without that Owner's consent.

3.4.3 Easements

3.4.3.1 For Maintenance, Repair and Replacement. The Developer has reserved easements over the Condominium Project (including all Units and Common Elements) as may be required to perform any of Developer's maintenance, repair, decoration or replacement rights.

3.4.3.2 For Use of Utilities. The Developer has further reserved easements for utility purposes over the Project and the right to grant easements or dedicate utilities to appropriate governmental agencies or utility companies and transfer title of utilities to state, county or local governmental authorities.

3.4.3.3 For Use of Roads. The Developer has reserved easements and rights of use over the roads and any sidewalks in the Project for the purpose of ingress and egress to and from all or any portion of the Condominium.

3.4.4 Sole Right to Approve Improvements. No dwelling or other improvement in the Project may be constructed until the Developer approves the plans and specifications for the improvement.

3.4.5 Contraction and Conversion. Developer has reserved the right to contract the Condominium to withdraw land areas including the street rights-of-way upon dedication to City of Milan, Common Elements, or Units as set forth in Article 9 of the Master Deed. The consent of a Unit owner is required for contraction of a Unit owned by an owner other than the Developer. Developer has also reserved the right to convert the Project Units and Common Elements as set forth in Article 8 of the Master Deed. The maximum number of Units which may be contained within the Project is eighty-one (81) Units, and all structures and improvements will be compatible with residential uses.

3.5 General. In the Condominium Documents and in the Condominium Act, certain rights and powers are granted or reserved to the Developer to facilitate the development and sale of the Project as a Condominium, including the power to approve or disapprove a variety of proposed acts and uses and the power to secure representation on the Board of Directors of the Association.

3.6 Recreational Facilities. There are no recreational facilities in Milan Crossing. However, the Association is responsible for maintaining the pedestrian nodes, open space areas, storm water detention areas and drainage facilities in accordance with the Master Deed and Exhibits and applicable laws and ordinances.

3.7 Detention Areas. There shall be no use, occupancy or modification of any Storm Drainage or Detention Areas without the prior written approval of the Developer, this Association, the City of Milan and other applicable governmental authorities.

4. LEGAL DOCUMENTS

4.1 General. Milan Crossing was established as a Condominium Project pursuant to the Master Deed recorded in the Washtenaw County Records and contained in Milan Crossing Purchaser Information Booklet. The Master Deed includes the Bylaws as Exhibit A and the Condominium Subdivision Plan as Exhibit B.

4.2 Master Deed. The Master Deed contains the definitions of certain terms used in the Condominium Documents, the percentage of value assigned to each Unit in the Condominium Project, a general description of the Units and Common Elements included in the Project and a statement regarding the relative responsibilities for maintaining the Common Elements. Article 4 describes the General and Limited Common Elements, Article 5 describes the Units. Article 6 covers easements and Article 7 covers the provisions of amending the Master Deed. Article 9 provides for Contraction, Article 8 provides for conversion and Article 10 provides that the Developer may assign to the Association or to another entity any or all of its rights and powers granted or reserved in the Condominium Documents or by law.

4.3 Bylaws. The Bylaws contain provisions relating to the operation, management and fiscal affairs of the Condominium and, in particular, set forth the provisions relating to assessments of Association members for the costs of operating the Condominium Project. Article 6 contains certain restrictions upon the ownership, occupancy and use of the Condominium Project. Article 6 also contains provisions permitting the adoption of rules and regulations governing the Common Elements. The Bylaws are the bylaws of the Condominium and the Association.

4.4 Condominium Subdivision Plan. The Condominium Subdivision Plan is a survey and plan depicting the physical location and boundaries of each of the Units and all of the Common Elements in the Project.

5. RIGHTS AND OBLIGATIONS BETWEEN THE DEVELOPER AND OWNERS

5.1 Before Closing. The obligations of Developer to Owners are set forth in the Master Deed, the Exhibits to the Master Deed and the Articles of Incorporation of the Association. The obligations of Developer and the purchaser of a Condominium Unit in the Project prior to closing are set forth in the Purchase Agreement and the accompanying Escrow Agreement. Those documents contain, among other provisions, the provisions relating to the disposition of earnest money deposits advanced by the purchaser prior to closing and the anticipated closing adjustments, and other important matters. The Escrow Agreement provides, pursuant to Section 103b of the Condominium Act, that the escrow agent shall maintain sufficient funds or other security to complete improvements shown as "MUST BE BUILT" on the Condominium Subdivision Plan until such improvements are substantially complete. Improvements that "MUST BE BUILT" in Milan Crossing include Units 1 through 9 and the public utility mains and street improvements to serve the Project as shown on Exhibit B. Units 10 through 81 and public utility leads to serve Units 10 through 81 NEED NOT BE BUILT. Patios and decks are optional and need not

be built. Funds retained in escrow pertaining to the Unit are not to be released to the Developer (except in the event of purchaser's default) until issuance of a Certificate of Occupancy, if applicable, and conveyance of title to the Condominium Unit to a purchaser and confirmation by the escrow agent that all improvements labeled "MUST BE BUILT" are substantially complete, or adequate security provided therefore.

5.2 At Closing. Each purchaser will receive by warranty deed or land contract followed by warranty deed, fee simple title to the purchaser's Unit, subject to no liens or encumbrances other than those provided by the Condominium Documents and those other easements, rights-of-way, restrictions and other matters as are specifically set forth in the Condominium Documents and title insurance commitment.

5.3 After Closing

5.3.1 General. Subsequent to the purchase of the Unit, relations between the Developer and the Owner are governed by the Master Deed and the Condominium Act, except to the extent that any provisions of the purchase agreement are intended to survive the closing.

5.3.2 Condominium Project Warranties. The Developer is warranting with respect to the Project that the streets and utility improvements that are labeled "must be built" on the Condominium Subdivision Plan have been or will be installed to serve Milan Crossing. Developer provides no other warranty of any sort with respect to the Units. As described in the attached Builder's Supplement and Purchase Agreement, the Project Builder will give a limited warranty pertaining to certain aspects of construction of the Project. Express warranties are not provided unless specifically stated in the Purchase Agreement

6. ESCROW AGREEMENT

The Developer has entered into an Escrow Agreement with Metropolitan Title Company which provides that all deposits made under Purchase Agreements for the purchase of a Unit be placed in escrow. The Escrow Agreement provides for the release of an escrow deposit to any purchaser who withdraws from a Purchase Agreement in accordance with the Purchase Agreement. Such a withdrawal is permitted by each Purchase Agreement if it takes place within nine (9) business days after the purchaser has received all of the Condominium Documents (unless the purchaser waives such withdrawal right), or if the Purchase Agreement is conditional upon obtaining a mortgage and purchaser is unable to do so. The Escrow Agreement also provides that a deposit will be released to the Developer if the purchaser defaults on any obligation under the Purchase Agreement after the Purchase Agreement has become binding upon the purchaser. The Escrow Agreement also provides that deposits will be released to the Developer when the Escrow Agent has received certification from an engineer or architect that any structures or improvements on the Condominium Plan that are labeled "MUST BE BUILT," are substantially complete.

7. THE CONDOMINIUM ASSOCIATION

The common affairs of the Co-Owners and all matters relating to the Common Elements of the Condominium will be managed by Milan Crossing Condominium Association, a Michigan non-profit corporation. As each individual purchaser acquires title to a Condominium Unit, the purchaser will also become a member of the Condominium Association. The manner in which the Association will be run by its members, its officers and its Board of Directors is set forth in the Condominium Documents which are included with each purchaser's information package. The Association is governed by its Board of Directors, the initial members of which are designees of the Developer.

Within one hundred twenty (120) days after closing the sale of twenty-five (25%) percent of the Units which may be created, one of the directors will be selected by non-developer owners; and within one hundred twenty (120) days after closing the sales of seventy-five (75%) percent of the Units which may be created, the non-developer owners will elect all of the directors, except that the Developer will have the right to designate at least one director as long as it owns at least ten (10%) percent of the Units which may be created in the project. Regardless of the number of Units conveyed, fifty-four (54) months after the first conveyance, non-developer owners may elect directors in proportion to the number of Units that they own.

The First Annual Meeting may be convened any time after fifty (50%) percent of the Units that may be constructed have been sold and must be held on or before the expiration of one hundred (120) days after seventy-five (75%) percent of the Units which may be created have been sold or within fifty-four (54) months after conveyance of the first Unit, whichever first occurs. At the First Annual Meeting, the members of the Association will elect directors, and the directors in turn will elect officers of the Association.

Voting rights are set forth in detail in Article 8 of the Condominium Bylaws, and these provisions should be carefully reviewed. All of the Co-Owners of a Unit are entitled to only one vote at meetings of the Association for each Unit owned, and the value of each vote is equal regardless of the percentage of value. Within one (1) year after the first conveyance of a Unit, or one hundred twenty (120) days after conveyance of one-third (1/3) of all the Units which may be created, whichever occurs first, an advisory committee of Co-Owners will be established to facilitate communication and aid transition of control of the Association to the Co-Owners.

8. BUDGET AND ASSESSMENTS

The budget required to conduct the business of the Association has been estimated by the Developer. A copy of the estimated budget for the first year of operation is attached to this Disclosure Statement. The initial Condominium assessments charged to members are based upon this budget; however, it must be kept in mind that this is an estimate only, and there can be no guarantee that the budget will be sufficient to meet the expenses of the Association. It is normal for Association expenses to increase on a

regular basis. The Association's only source of revenue to fund its budget is the assessment of its members. Each Co-owner must pay to the Association an annual assessment which is determined in part by dividing the projected budget by the member's percentage of value which is stated in the Master Deed. The annual assessment must be paid to the Association by each Co-Owner in 12 monthly installments in advance. In the event that the Association incurs expenses which are not anticipated in the budget, the Association may also levy special assessments to cover such expenses. Any special assessments would be allocated to the Co-Owners in accordance with the percentages of value stated in the Master Deed. The Developer will not pay Association assessments but will pay for the maintenance and insurance of its own Units.

9. RESTRICTIONS

Article 6 of the Condominium Bylaws contains comprehensive restrictions on the use of the Condominium Units and the Common Elements. It is impossible to paraphrase these restrictions without the risk of omitting some portion that may be of significance to a purchaser. Consequently, each purchaser should examine the restrictions with care to be sure that they do not infringe upon an important intended use.

The following is a list of certain of the most significant restrictions:

9.1 Residential Use. Units are to be used for private residential purposes only.

9.2 Leasing. No owner may lease a Unit for less than an initial term of six (6) months unless approved by the Association. An owner must disclose the intention to lease a Unit and provide a copy of the exact lease form to the Association at least ten (10) days before presenting a lease or otherwise agreeing to grant possession to a potential lessee. Developer may lease Units owned by it without compliance with these restrictions.

9.3 Other Restrictions.

9.3.1 No Owner may make alterations in exterior appearance or make structural modifications to any Unit (including interior walls through or in which there exist easements for support or utilities) or make changes in any of the Common Elements, limited or general, without the prior written approval of the Board of Directors including but not limited to, exterior painting or the erection of patios, decks, antennas, lights, aerials, awnings, doors, shutters or other exterior attachments or modifications.

9.3.2 Stormwater drainage facilities and detention areas may not be modified, occupied or used without approval of Developer and applicable governmental agencies.

9.3.3 Only domestic pets may be kept, and shall be limited to no more than two cats or one dog not exceeding 30 pounds.

9.3.4 No Co-Owner shall create a nuisance or annoyance.

9.3.5 Each driveway leading into a garage may only be used by the Co-Owner entitled to use the garage. No Co-Owner may leave personal property of any description such as play equipment or structures, bicycles, vehicles, chairs and benches unattended on or about the Common Elements.

9.3.6 No house trailers, motor homes, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, snowmobiles, snowmobile trailers, or recreational vehicles other than automobiles may be parked or stored upon the Common Elements, unless parked in an area specifically designated by the Board of Directors.

9.3.7 Each Co-owner may plant flowers, only, in the General Common Element lawn area in the rear of the Co-owner's Unit. Other than this limited right to plant flowers, only, no Co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the Common Elements unless approved by the Board of Directors in writing or unless permitted by the Master of Deed or the regulations of the Association.

9.3.8 The Association may impose reasonable regulations in addition to the regulations in the Condominium Bylaws.

None of the restrictions apply to the commercial activities or signs of the Developer or its designated builders

10. THE DEVELOPER AND OTHER SERVICE ORGANIZATIONS

10.1 The Developer's Background and Experience. This is the only Condominium Project undertaken by Developer. Developer's owners and manager have been involved in construction of the other single family and multi-family attached and detached homes and communities.

10.2 Builder. Heathco Homes, LLC is the licensed residential builder for Milan Crossing whose address is 16548 Cone Road, Milan, Michigan 48160, license no. 2101038849.

10.3 Management. As of the date of this statement, Developer has not entered into a contract with a management company to manage the condominium association. The bylaws permit the Association to enter into a management agreement, but professional management is not required by the Condominium Documents.

11. INSURANCE

11.1 Title Insurance. The Purchase Agreement provides that the Developer will furnish each purchaser a title commitment for an owner's title insurance policy issued by Metropolitan Title Company prior to closing, and that the policy itself will be provided within a reasonable time after closing. The Developer will pay the cost of the

title commitment and policy as required by section 94 of the Condominium Act. Each purchaser should review the title insurance commitment with a qualified advisor of his or her choice prior to closing to make certain that it conforms to the requirements of the Purchase Agreement.

11.2 Other Insurance. The Condominium Documents require that the Association carry fire and extended coverage for vandalism and malicious mischief and liability insurance and workers' compensation insurance, if applicable, with respect to all of the General Common Elements of the Project. The insurance policies have deductible clauses and, to the extent thereof, losses will be borne by the Association. The Board of Directors is responsible for obtaining insurance coverage for the Association. Each Co-Owner's pro rata share of the annual Association insurance premiums is included in the monthly assessments. The Association's insurance policies are available for inspection during normal working hours. A copy of the certificate of insurance with respect to the Condominium Project will be furnished to each Co-Owner upon request.

Each Owner must obtain fire, extended coverage, vandalism and malicious mischief insurance coverage at the Owner's expense upon the Owner's Unit and any and all improvements, personal property, utilities, upgrades and additions located within or upon such Unit, and the appurtenant Limited Common Elements which are the Owner's responsibility to maintain. It is also each Owner's responsibility to determine by personal investigation or from such Co-Owner's insurance advisors the nature and extent of insurance coverage needed (generally form H06), to obtain insurance coverage for the Owner's personal property and the upgrades, additions, utilities, fixtures, appliances, equipment and trim located within the Owner's Unit or elsewhere on the Condominium, including appurtenant Limited Common Elements which are the Co-Owner's responsibility to maintain, and for the Owner's personal liability for occurrences within the Owner's Unit or upon Limited Common Elements appurtenant to the Unit, and also for alternative living expense in the event of fire or other casualty. The Association shall have no responsibility for obtaining such coverages.

12. POSSIBLE LIABILITY FOR ADDITIONAL ASSESSMENTS BY THE ASSOCIATION

It is possible for Co-Owners to become obligated to pay a percentage share of assessment delinquencies incurred by other Co-Owners. This can happen if a delinquent Co-owner defaults on a first mortgage and if the mortgagee forecloses. The delinquent assessments then become a common expense which is re-allocated to all the Co-Owners, including the first mortgagee, in accordance with the percentages of value in the Master Deed. Article 2, Section 2.6 of the Condominium Bylaws provides in part:

"Liability of Mortgagee. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit in the Project which comes into possession of the Unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the time such holder comes into

possession of the Unit except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit, and except for assessments that have priority over the first mortgage as provided in Section 108 of the Act."

13. PURPOSE OF DISCLOSURE STATEMENT

This Disclosure Statement and the Builder's Supplement to Disclosure Statement was prepared in compliance with the Michigan Condominium Act. This statement paraphrases various provisions of the Condominium Documents, including the Purchase Agreement, Escrow Agreement, and Master Deed. This statement only highlights certain provisions of such documents and by no means contains a complete statement of all of the provisions of those documents which may be important to purchasers. In an attempt to be more readable, this statement omits most legal phrases, definitions and detailed provisions of the other documents. This statement is not a substitute for the legal documents from which it draws information, and the rights of purchasers and other parties will be controlled by the other legal documents and not by this Disclosure Statement. All of the documents referred to in this statement should be carefully reviewed by prospective purchasers, and it is advisable to have professional assistance in making this review.

The Developer is required by law to prepare this statement. Developer has prepared this Disclosure Statement and Builder has prepared this Builder's Supplement to Disclosure Statement in good faith and in reliance on sources of information believed to be accurate in an effort to disclose material facts about Milan Crossing. However, the Developer and Builder disclaim liability to any purchaser for misstatements herein or in the Builder's Supplement to Disclosure Statement (or for omissions which make statements herein appear misleading) if such misstatements were made by the Developer or Builder in good faith, or were immaterial in nature, or were not relied upon by the purchaser, or did not result in any damages to the purchaser. The Developer is required to give each purchaser a copy of The Condominium Buyers Handbook. This handbook was prepared by the Michigan Department of Commerce, and the Developer accepts no responsibility for its contents.

Each purchaser is urged to engage a competent lawyer or other advisor in connection with the purchaser's decision to purchase a site. In accepting title to a site in Milan Crossing, each purchaser shall be deemed to have waived any claim or right arising out of or relating to any immaterial defect, omission or misstatement in this Disclosure Statement or in the Builder's Supplement to Disclosure Statement. In preparing this Disclosure Statement, the Builder's Supplement to Disclosure Statement, and the other condominium documents, Developer's counsel has not undertaken professional responsibility to the Association or to any owners or mortgagees for the completeness, accuracy, or validity of the Condominium Documents.

14. PROPOSED ANNUAL BUDGET (BASED ON 81 UNITS)

| | |
|--|-----------------|
| INCOME: | |
| Assessment Revenue (\$95 per unit per month) | \$92,340 |
| Late Fee Income | \$500 |
| Total Assessment Revenue | <u>\$92,840</u> |
| | |
| Maintenance: | |
| Grounds & Lawn Mtnc. | \$26,500 |
| Landscape Extras (trees, shrubs, mulch) | \$3,000 |
| Snow Removal | \$5,500 |
| Tree Shrub Care | \$2,500 |
| Sprinkler System Maintenance | \$1,500 |
| Total Grounds & Lawn | \$39,000 |
| | |
| Building Expense: | |
| General Building Maintenance | \$4,000 |
| Total Building Maintenance Expense | \$4,000 |
| | |
| Licenses, Taxes and Insurance: | |
| Property & Liability Ins. | \$5,500 |
| Workers Compensation | \$1,000 |
| Corporate Taxes/Licenses | \$2,500 |
| Total Lic., Taxes and Insur. Exp. | \$9,000 |
| | |
| Utility Expense: | |
| Electricity | \$2,000 |
| Water (Irrigation) | \$5,000 |
| Trash Removal | \$1,200 |
| Extermination | \$2,000 |
| Total Utility Expense | \$10,200 |
| | |
| Administrative Expense: | |
| Management Fee Expense | \$1,200 |
| Postage & Printing | \$200 |
| Office Supplies | \$100 |
| Accounting | \$1,000 |
| Legal Fees | \$1,500 |
| Bank Service Charge | \$150 |
| Miscellaneous | \$500 |
| Total Administrative Expense | \$4,650 |
| | |
| Total Operating Expenses | <u>\$66,850</u> |
| Replacement Reserve (10%) | \$6,685 |
| Total Expenditures including Reserves | <u>\$73,535</u> |

The Association Dues are \$1140 per year (\$95 per month) per Unit

NOTES TO BUDGET:

1. This budget is based 81 condominium units. Assessments are payable monthly unless otherwise determined by the Board of Directors. The Developer is not obligated to pay assessments on Units it owns but must pay expenses for maintaining completed Units. The Association may impose late charges on Co-Owners who fail to pay assessments when due. Co-Owners who are in arrears more than thirty (30) days may have a lien imposed upon their Unit and be subject to other penalties. For further information, please refer to the Master Deed and Bylaws.

2. The amount of insurance is the cost of the Association policies as required by the Condominium Bylaws. For a further discussion of insurance coverage and the type of insurance each Co-Owner should secure, see the Disclosure Statement and Bylaws.

3. Included within the budget is a general operating reserve to cover unanticipated expenses or increased costs of labor or supplies. A reserve for major repairs and replacement of common elements has been set at approximately ten (10%) percent of the yearly Association budget based upon estimates made by persons employed by the Developer.

4. There are no real estate taxes assessed separately against the general common elements or the Project. Each Co-Owner is responsible for real estate taxes assessed against his or her Unit which includes a proportionate share of the common elements of the project. Real estate taxes for the first year of the project will not be assessed separately until the tax records are changed and, as a result, the first taxes to become due may have to be paid through the Association as an expense of administration to be spread among the Co-Owners based on their percentage of value.

MILAN CROSSING
BUILDER'S SUPPLEMENT
TO
DISCLOSURE STATEMENT

I. Builder's Background and Experiences.

Builder, Heathco Homes, LLC, a Michigan limited liability company, whose address is 16548 Cone Road, Milan, Michigan 48160, is a licensed residential builder. Builder and/or its management team have home building experience, including building single and multi-family attached and detached homes within the State of Michigan..

II. Rights and Obligations Between Builder and Owners.

A. Before Closing. The respective obligations of the Builder and the purchaser of a Unit in Milan Crossing prior to closing are set forth in the Purchase Agreement, which agreement should be closely examined by all purchasers.

B. After Closing.

- (1) **Limited Warranty.** Express warranties are not provided unless specifically stated in the Purchase Agreement. The only warranty provided by Builder is attached to the Purchase Agreement ("Limited Warranty"). Prior to closing the purchaser must carefully inspect the Unit. In the event any defects in material or workmanship exist which are covered by the Limited Warranty, a written list of such defects must be made and presented to Builder prior to closing. Builder shall not be required to correct defects which are covered by the Limited Warranty prior to closing but shall do so as promptly as possible after the closing at Builder's own expense. After the closing, Builder's obligation to correct defects in the home shall be strictly limited to those defects which are covered by the Limited Warranty and were listed by the purchaser in writing prior to the closing and those defects which are covered by the Limited Warranty and which are latent and could not have been discovered by the purchaser prior to closing. The Limited Warranty on purchaser's Unit shall extend for a period of one year after closing. The Limited Warranty applies only to the Unit purchased, not to any general common elements of Milan Crossing such as roads, detention basins or utilities. Written notice of any defect in the Unit or any limited common element must be given to Builder within the applicable one-year period in order to be covered by the Limited Warranty. Builder's obligations under the warranty are limited to repair and replacement. As to items not of Builder's manufacture, such as any air conditioner, water heater, refrigerator, range,

dishwasher or other appliances, Builder will assign to purchaser the manufacturer's warranty, without recourse. Builder makes no warranty on such items. THE LIMITED WARRANTY DESCRIBED HEREIN IS THE ONLY WARRANTY APPLICABLE. ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING UNDER STATE LAW OR THE MAGNUSONMOSS WARRANTY ACT, INCLUDING BUT NOT LIMITED TO ALL IMPLIED WARRANTIES OF FITNESS, MERCHANTABILITY OR HABITABILITY, ARE DISCLAIMED AND EXCLUDED.

III. Purposes of Builder's Supplement to Disclosure Statement.

This Builder's Supplement to Disclosure Statement paraphrases various provisions of the Construction Agreement, Limited Warranty and other documents required by law. It is not a complete statement of all the provisions of those documents which may be important to purchasers. In an attempt to be more readable, this Builder's Supplement omits most legal phrases, definitions and detailed provisions of the other documents. Certain of the terms used herein are defined in the Michigan Condominium Act, as amended. This Builder's Supplement is not a substitute for the legal documents which it draws information from, and the rights of purchasers and other parties will be controlled by the other legal documents and not by this Builder's Supplement to Disclosure Statement.

Builder has prepared this Builder's Supplement to Disclosure Statement in good faith, in reliance upon sources of information believed to be accurate and in an effort to disclose material facts about this transaction. Builder disclaims liability to any purchaser for misstatements in the Builder's Supplement to Disclosure Statement (or for omissions which make statements herein appear misleading) if such misstatements were made by Builder in good faith, or were immaterial in nature, or were not relied upon by the purchaser, or did not result in any damages to the purchaser.

Each purchaser is urged to engage a competent lawyer or other advisor in connection with the purchaser's decision to purchase a site. In accepting title to a site in Milan Crossing, each purchaser shall be deemed to have waived any claim or right arising out of or relating to any immaterial defect, omission or misstatement in this Builder's Supplement to Disclosure Statement. In preparing this Builder's Supplement to Disclosure Statement, and the other condominium documents, Builder's counsel has not undertaken professional responsibility to the association or to any owners or mortgagees for the completeness, accuracy, or validity of the condominium documents.

The Michigan Department of Commerce publishes The Condominium Buyers Handbook which has been delivered to you. The Builder assumes no obligation, liability, or responsibility as to the statements contained therein or omitted from The Condominium Buyers Handbook.



OFFICIAL SEAL

01/23/2004

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Washtenaw Co., MI
Peggy M. HainesCLERK
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Peggy M Haines, Washtenaw DMR 5522702

227
72**MASTER DEED****MILAN CROSSING****(A Residential Condominium)****WASHTENAW COUNTY CONDOMINIUM****SUBDIVISION PLAN NO. 444**

This Master Deed is made and executed on January 21, 2004 by Milan Crossing, LLC, a Michigan limited liability company ("Developer"), whose address is 16548 Cone Road, Milan, Michigan 48160, pursuant to the provisions of the Michigan Condominium Act (Act 59 of the Public Acts of 1978, as amended) (the "Act").

RECITALS**WASHTENAW COUNTY TREASURER
TAX CERTIFICATE NO. 18475JK**

Developer desires by recording this Master Deed, together with the Bylaws attached as Exhibit A and together with the Condominium Subdivision Plan attached as Exhibit B (both of which are incorporated by reference and made a part of this Master Deed), to establish the real property described in Article 2 below, together with the improvements located and to be located thereon, and the appurtenances thereto, as a residential Condominium Project under the provisions of the Act.

Developer does, upon recording this Master Deed, establish Milan Crossing as a Condominium Project under the Act and declares that Milan Crossing (referred to as the "Condominium," the "Project" or the "Condominium Project") shall, after such establishment, be held, conveyed, hypothecated, 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 set forth in this Master Deed and Exhibits A and B hereto, all of which shall be deemed to run with the land and shall be a burden and a benefit to



Developer, its successors and assigns, and any persons acquiring or owning an interest in the Condominium, their grantees, successors, transferees, heirs, personal representatives and assigns.

The Project consists of 81 Units which are contained within 4 six Unit buildings, 1 five Unit building, 12 four Unit buildings, and 2 two Unit buildings. Each Unit is capable of individual use because it has access to a public road, private road or Common Element of the Condominium. Each Unit Owner will hold an absolute and undivided title to such Owner's Unit and an undivided inseparable right to share with other Co-Owners the Common Elements of the Condominium.

In furtherance of the establishment of the Condominium Project, it is provided as follows:

ARTICLE 1

TITLE AND NATURE

The Condominium Project shall be known as Washtenaw County Condominium Subdivision Plan No. 444. The engineering and architectural plans for the Project are on file with the City of Milan. The Condominium Project is established in accordance with the Act. The Units contained in the Condominium, including the number, boundaries, dimensions and area of each Unit, are set forth completely in the Condominium Subdivision Plan attached as Exhibit B hereto. Each individual Unit has been created for residential purposes and each Unit is capable of individual use. Each Co-Owner in the Condominium Project shall have an exclusive right to such Co-Owner's Unit except to the extent of any Common Elements located thereon, and shall have an undivided and inseparable rights to share with the other Co-Owners the Common Elements of the Condominium Project as are designated by the Master Deed. Nothing in this Master Deed shall be construed to impose upon Developer any contractual or other legal obligation to build, install or deliver any structure or Improvement which is labeled on the Condominium Subdivision Plan attached as Exhibit "B" as "need not be built."

ARTICLE 2

LEGAL DESCRIPTION

The land which is submitted to the Condominium Project is established by this Master Deed and is particularly described as follows:

LEGAL DESCRIPTION - "MILAN CROSSING"

Land situated in the City of Milan, County of Washtenaw, State of Michigan, is described as follows:

Commencing at the Northeast Corner of Section 35, T4S, R6E, City of Milan, Washtenaw County, Michigan; thence S00°15'50"W 786.31 feet along the East line of said Section 35 and the centerline of Carpenter Road (100.00 feet wide); thence N87°26'40"W 270.17 feet for a PLACE OF BEGINNING; thence S00°15'50"W 179.06 feet; thence N88°36'44"W 30.06 feet; thence S00°15'50"W 179.67 feet; thence N89°46'40"W 150.00 feet; thence S00°15'50"W 174.85 feet; thence N89°45'30"W 848.74 feet along the North line of "Supervisor's Plat No. 10" as



recorded in Liber 10, Page 43, Washtenaw County Records; thence N01°02'04"E 574.36 feet along the East line of "Meadowbrook" Condominium, as recorded in Liber 4310, Page 709, Washtenaw County Records; thence S87°26'40"E 1021.89 feet to the Place of Beginning, being part of the Northeast ¼ of said Section 35, containing 12.18 acres of land, more or less, being subject to easements, conditions, restrictions and exceptions of record, if any.

Parcel No. 19-19-35-125-008 and 19-35-125-007



Together with and subject to the following:

1. Terms and Conditions contained in Building & Use Restrictions and Easement Agreement, as disclosed by instrument recorded in Liber 3860, page 668, and as amended in Liber 3860, page 669.

2. Covenants, conditions, restrictions and other provisions but omitting restrictions, if any, based on race, color, religion, sex, handicap, familial status or national origin as contained in instrument recorded in Liber 273, page 536 and Liber 2987, page 607.

3. Terms and Conditions contained in Roadway and Easement Agreement, as disclosed by instrument recorded in Liber 2982, page 688, and re-recorded in Liber 2987, page 625, and as amended in Liber 3191, page 479.

4. Terms and Conditions contained in Utilities and Signage Easement Agreement, as disclosed by instrument recorded in Liber 2987, page 616 and as amended in Liber 3191, page 479.

5. Terms and Conditions contained in Easement for Construction, Improvement, Use, Maintenance, Replacement and Repair of Public Utilities, as disclosed by instrument recorded in Liber 3675, page 585.

6. Building and Use Restrictions as set forth in Deeds recorded in Liber 4293, page 931 and Liber 4306, page 381.

7. Sanitary sewer easement and pump station as shown on Exhibit B.

8. Liens for taxes and assessments that are not yet due and payable.

9. All governmental limitations.

10. Terms and Conditions of the Milan Crossing Residential Planned Unit Development Agreement between the City of Milan and Developer dated October 21, 2003 which has or will be recorded in the Washtenaw County Records ("PUD Agreement").

ARTICLE 3

DEFINITIONS

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

Section 3.1. Act. The "Act" means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended.

Section 3.2. Association. "Association" means Milan Crossing Condominium Association which is the non-profit corporation organized under Michigan law of which all Co-owners shall be members, which corporation shall administer, operate, manage and maintain the Condominium.

Section 3.3. By-laws. "By-laws" means Exhibit A hereto, being the By-laws setting forth the substantive rights and obligations of the Co-owners and required by Section 3(8) of the Act to be recorded as part of the Master Deed. The By-laws shall also constitute the corporate by-laws of the Association as provided for under the Michigan Nonprofit Corporation Act.

Section 3.4. City. "City" means the City of Milan, Michigan.

Section 3.5. Common Elements. "Common Elements", where used without modification, means both the General and Limited Common Elements described in Article 4 below.

Section 3.6. Condominium Documents. "Condominium Documents" means and includes this Master Deed and Exhibits A and B hereto, the Articles of Incorporation, and the rules and regulations, if any, of the Association, as all of the same may be amended from time to time.

Section 3.7. Condominium Premises. "Condominium Premises" means and includes the land described in Article 2 above and all easements, rights and appurtenances belonging to Milan Crossing as described above.

Section 3.8. Condominium Project, Condominium or Project. "Condominium Project", "Condominium" or "Project" means Milan Crossing as a Condominium Project established in conformity with the provisions of the Act.

Section 3.9. Condominium Subdivision Plan. "Condominium Subdivision Plan" means Exhibit B hereto.

Section 3.10. Consolidating Master Deed. "Consolidating Master Deed" means the final amended Master Deed, if any, which shall describe Milan Crossing as a completed Condominium Project and shall reflect the land area, if any, converted pursuant to Article 8 below, or contracted pursuant to Article 9 below, and all Units and Common Elements therein, and which shall express percentages of value pertinent to each Unit as finally readjusted, if necessary. Such Consolidating Master Deed, if and when recorded in the office of the Washtenaw County Register of Deeds, shall supersede the previously recorded Master Deed for the Condominium and all amendments thereto, but until such time, the terms of this Master Deed, as it may be amended, shall control. In the event the Units and Common Elements in the Condominium are constructed in substantial conformance with the proposed Condominium Subdivision Plan attached as Exhibit B to the Master Deed, the Developer shall be able to satisfy the foregoing obligation by filing a certificate in the office of the Washtenaw County Register of Deeds confirming that the Units and Common Elements "as built" are in substantial conformity with the proposed Condominium Subdivision Plan and no Consolidating Master Deed need be recorded.

Section 3.11. Construction and Sales Period. "Construction and Sales Period," for the purposes of the Condominium Documents and the rights reserved to Developer thereunder, means the period commencing with the recording of the Master Deed and continuing as long as Developer owns any Unit which it offers for sale, and for so long as the Developer continues or proposes to construct or is entitled to construct additional Units.

Section 3.12. Co-Owner. "Co-Owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which owns one or more Units in the Condominium Project. The term "Owner", wherever used, shall be synonymous with the term "Co-Owner." In the event of the conveyance of a Unit by land contract, the land contract vendees shall be the "Co-Owners" of the Unit and shall bear sole liability for all obligations arising with respect to the Unit to the exclusion of the land contract vendors. The foregoing provision regarding the rights and obligations of land contract vendors and vendees shall apply notwithstanding the definition of "Co-Owner" set forth in Section 6 of the Act, as amended by Public Act 379 of 2000.

Section 3.13. Developer. "Developer" means Milan Crossing, LLC which has made and executed this Master Deed, and its successors and assigns. Both successors and assigns shall always be deemed to be included within the term "Developer" whenever such terms are used in the Condominium Documents.

Section 3.14. First Annual Meeting. "First Annual Meeting" means the initial meeting at which non-developer Co-owners are permitted to vote for the election of Directors and upon all other matters which properly may be brought before the meeting. Such meeting is to be held (a) in Developer's sole discretion after fifty percent (50%) of the Units that may be created are sold, or (b) mandatorily within (i) fifty-four (54) months from the date of the first Unit conveyance, or (ii) one hundred twenty (120) days after seventy-five percent (75%) of all Units that may be created are sold, whichever first occurs.

Section 3.15. Transitional Control Date. "Transitional Control Date" means the date on which a Board of Directors of the Association takes office pursuant to an election in which the

votes which may be cast by eligible Co-owners unaffiliated with Developer exceed the votes which may be cast by Developer.

Section 3.16. Unit or Condominium Unit. "Unit" or "Condominium Unit" each means a single Unit in Milan Crossing, as such space may be described in Article 5, Section 5.1 hereof and on Exhibit B hereto, and shall have the same meaning as the term "Condominium Unit" as defined in the Act.

ARTICLE 4

COMMON ELEMENTS; USE OF COMMON ELEMENTS AND UNITS

The Common Elements of the Project as described herein and as described in Exhibit B attached hereto, as may be modified from time to time pursuant to certain other provisions of this Master Deed and the By-laws attached as Exhibit A, and the respective responsibilities for maintenance, decoration, repair or replacement are as follows:

Section 4.1. General Common Elements. The General Common Elements are:

4.1.1. Land. The land described in Article 2 above, including riparian and littoral rights, if any, attributable to such land and including common open space, storm water detention areas, and other land areas designated as General Common Elements on attached Exhibit B.

4.1.2. Roads. The roads throughout the Project as shown on Exhibit B except to the extent that such roads have been dedicated to the City of Milan or other governmental authority. As described in Section 6.5 below, Developer intends to dedicate the roads in the Project to the City of Milan.

4.1.3. Access Drives and Surface Improvements. The access drives, as shown on Exhibit B, which are private access drives to be maintained by the Association, landscape islands, the boulevard entrance way, the entry way sign, if any, common mailbox areas, irrigation systems, retaining walls, common sidewalks, pedestrian nodes and related pedestrian walkways and seating areas, and other surface improvements not identified as Limited Common Elements and not located within the boundaries of a Unit.

4.1.4. Building Improvements. Foundations including the garage/ground floor building slabs, supporting columns, Unit perimeter walls (excluding windows and doors and frames), floors, ceilings, roofs, attics, chimneys and other building improvements designated in Exhibit B as General Common Elements.

4.1.5. Easements. All beneficial utility, drainage, access, and other easements pertaining to the Project, including the private road access easement benefiting the Project which provides access from Dexter Street and the beneficial easements for water, sewer and other utilities as shown on Exhibit B.

4.1.6. Utilities. Some or all of the utility lines, including electricity, telephone and telecommunications, including cable television, gas, water, sanitary sewer and storm sewer systems, and storm water detention areas and drainage facilities and equipment described below



may be owned by the local public authority, or by the company that is providing the pertinent service. Accordingly, such utility lines, systems and equipment shall be General Common Elements only to the extent of the Co-Owners' interest therein, if any, and Developer makes no warranty whatsoever with respect to the nature or extent of such interest, if any. Certain utilities as shown on Exhibit B may be conveyed or dedicated to the City of Milan or other governmental authority and shall be General Common Elements only to the extent of the Co-Owner's interest therein.

4.1.7. Electrical. Subject to 4.1.6, the electrical transmission system throughout the Project up to but not including the electric meter for each Unit.

4.1.8. Telephone and Telecommunications System. Subject to 4.1.6, the telephone or telecommunications equipment and system throughout the Project up to the point of lateral connection to each Unit.

4.1.9. Gas. Subject to 4.1.6, the gas distribution system throughout the Project up to but not including the gas meter for each Unit.

4.1.10. Water. Subject to 4.1.6, the water distribution system throughout the Project up to but not including the water meter for each Unit.

4.1.11. Sanitary Sewer. Subject to 4.1.6, the sanitary sewer system throughout the Project up to the point of lateral connection to each Unit.

4.1.12. Storm Sewer/Storm Water Detention Areas and Drainage Facilities. Subject to 4.1.6, the storm sewer system, storm water detention areas, and drainage facilities throughout the Project including the detention basins, pump, and float systems shown on Exhibit B.

4.1.13. Other. Such other elements of the Project not designated as Limited Common Elements which are not located within the perimeter of a Unit, and which are intended for common use or are necessary to the existence, upkeep and safety of the Project.

Section 4.2. Limited Common Elements. Limited Common Elements shall be subject to the exclusive use and enjoyment of the Co-Owners of the Units to which the Limited Common Elements are appurtenant. The Limited Common Elements are:

4.2.1. Driveways/Walkways. The driveway and walkway providing access to each Unit as shown on Exhibit B shall be limited in use to the Co-Owner of the Unit served thereby.

4.2.2. Patios, Porches, Patio Area and Privacy Fences. Each individual porch and any patio, patio areas or privacy fence adjacent to a Unit as shown on Exhibit B is limited in use to the Co-Owner of the Unit served thereby. If a privacy fence serves two adjacent units, then the privacy fence shall be appurtenant to the two Units served.

4.2.3. Air Conditioner Compressor/Condenser. Each individual air conditioner compressor/condenser, corresponding line set, and its pad in the Project and the ground surface

immediately below the same is limited in use to the Co-Owner of the Unit which is served thereby.

4.2.4. Front Doors, Garage Doors and Garage Door Openers. Each front door, garage door and hardware including garage door openers shall be limited in use to the Co-Owner of the Unit served thereby.

4.2.5. Doors and Windows. Doors, windows, screens and frames shall be limited in use to the Co-Owner of Unit served thereby.

4.2.6. Exterior Building Lighting. The light fixtures attached to the exterior of each Unit shall be limited in use to the Co-Owner of the Unit served thereby.

4.2.7. Interior Walls, Chimneys, Ceilings, Floors and Surfaces. The interior walls, chimneys, ceilings, floors and surfaces of a Unit shall limited in use to the Co-Owner of the Unit served thereby.

Section 4.3. Responsibilities. The respective responsibilities for the maintenance, decoration, repair and replacement of the Common Elements are as follows:

4.3.1. Co-Owner Responsibilities. The responsibility for, and the costs of insurance, maintenance, decoration, repair and replacement of a Unit and any and all improvements, personal property, upgrades and additions located within or upon a Unit and its appurtenant Limited Common Elements, including utility improvements which are not General Common Elements or owned by a public authority shall be borne by the Co-Owner of the Unit. The responsibility for and the costs of insurance, maintenance, decoration, repair and replacement of the Limited Common Elements appurtenant to a Unit shall be borne by the Co-Owner of the Unit which is served thereby as follows:

4.3.1.1 Driveways/Walkways. Each Co-Owner shall be responsible for the insurance, maintenance, repair and replacement of the driveway, and walkway appurtenant to such Co-Owner's Unit, except that snow removal on the driveway shall be the responsibility of the Association.

4.3.1.2 Patios, Porches, Patio Area and Privacy Fences. Each Co-Owner shall be responsible for the cost of insurance, maintenance, repair and replacement of the porch and any patio, patio area or privacy fence appurtenant to such Co-owner's Unit. If a privacy fence serves two adjacent Units, then the Co-owners served by the privacy fence shall share equally the cost of insurance, maintenance, repair or replacement of the shared privacy fence. No changes in design, material or color of the porch or any patio, patio area or privacy fence shall be made without the prior written approval of the Association (and the Developer during the Construction and Sales period).

4.3.1.3 Air Conditioner Compressors/Condenser. Each Co-Owner shall be responsible for the cost of insurance, maintenance, repair and replacement of the individual air conditioner compressor/condenser, pad and the ground surface immediately below the pad, and the corresponding line set appurtenant to such Co-Owner's Unit.

4.3.1.4 Front Doors, Garage Doors and Garage Door Openers. Each Co-Owner shall be responsible for the cost of insurance, repair, replacement and maintenance of the front door, garage door, garage door openers and related equipment appurtenant to such Co-Owner's Unit. No changes in design, material or color of the front doors or garage doors may be made without the prior written approval of the Association (and the Developer during the Construction and Sales Period).

4.3.1.5 Doors and Windows. Each Co-Owner shall be responsible for insurance, repair, replacement and interior and exterior maintenance of all portions of doors and windows appurtenant to such Co-Owner's Unit. No changes in design, material or color of doors, windows glass or screens may be made without the prior written approval of the Association (and the Developer during the Construction and Sales Period).

4.3.1.6 Exterior Building Lighting. Each Co-Owner shall be responsible for the insurance, maintenance, repair and replacement and cost of electricity pertaining to the exterior building lighting fixtures attached to such Co-Owner's Unit. The size and nature of light bulbs for the exterior building lighting fixtures shall be determined by the Association in its discretion. No Co-Owner shall modify or change exterior building lighting fixtures in any way and shall not cause the electricity flow for operation thereof to be interrupted at any time. The Association shall replace burned out lightbulbs with lightbulbs of the same kind and character. Some lighting fixtures may operate on photoelectric cells whose timers shall be set by and at the discretion of the Association and shall remain lit at all times determined by the Association.

4.3.1.7 Interior Walls, Ceilings, Floors and Surfaces. Each Co-Owner shall be responsible for the cost of insurance, decoration, maintenance, repair and replacement of all interior Unit interior surfaces, including walls, ceilings, and floors appurtenant to such Co-Owner's Unit.

4.3.1.8 Utility Costs. Each Co-Owner shall be responsible for the cost of utilities serving such Co-Owner's Unit and appurtenant Limited Common Elements.

4.3.2. Association Responsibilities. The Association, by its Board of Directors, shall be responsible for insurance, maintenance, repair and replacement of the General Common Elements and those Limited Common Elements for which the Association has maintenance responsibility to the extent described in Section 4.3.1 above. The cost of insurance, maintenance, repair and replacement of all General Common Elements and any Limited Common Elements for which the Association is responsible, including without limitation, perpetual maintenance of the storm water detention areas shown on the Exhibit B shall be borne by the Association, and assessed to the Co Owners as set forth in Article 2 of the Bylaws subject to any provisions of the Master Deed or Bylaws expressly to the contrary.

The respective decoration, maintenance and replacement responsibilities set forth above shall be in addition to all such responsibilities set forth elsewhere in the Condominium Documents.

Section 4.4. Use of Common Elements and Units. No Co-Owner shall use the Co-Owner's Unit or the Common Elements in any manner inconsistent with the purposes of the

Project or in any manner which will interfere with or impair the rights of any other Co-Owner in the use and enjoyment of the Co-Owner's Unit or the Common Elements. No Co-Owner shall change or modify the Limited Common Elements appurtenant to such Co-Owner's Unit without the prior written consent of the Association (and the Developer during the Construction and Sales Period).

Section 4.5. Residential Use; Pedestrian Nodes. The use of the Units is limited to residential use in accordance with this Master Deed and exhibits, the ordinances of the City of Milan and the requirements of other applicable governmental authorities. The pedestrian node and related walking and seating areas and other Common Elements of the Project may only be used for residential purposes. The Association shall have the right to adopt rules and regulations governing the use of the pedestrian nodes, and related walkways and seating areas.

Section 4.6. Planned Unit Development Agreement. Developer and the City of Milan have entered into a PUD Agreement described in Article 2 above which governs the use and development of the Project.

ARTICLE 5

UNIT DESCRIPTION AND PERCENTAGE OF VALUE

Section 5.1. Description of Units. The Project contains 81 Units numbered 1 through 81 inclusive. Each Unit in the Condominium Project is described in this paragraph with reference to the Condominium Subdivision Plan of Milan Crossing as prepared and surveyed by Atwell-Hicks, Inc. and attached as Exhibit B. Each Unit shall include all that space contained within the interior finished unpainted walls and ceilings and from the finished subfloor as shown on attached Exhibit B and delineated with heavy outlines. Each Unit includes an attached garage with attic space over the garage, and parking within such garage as shown on Exhibit B.

Section 5.2. Percentage of Value. The percentage of value assigned to each Unit shall be equal and the number obtained by dividing 100 by the number of Units in the Condominium. The total value of all Units in the Project is 100%.

The determination that the percentages of value of each Unit is equal was made after reviewing the comparative characteristics of each Unit in the Project which would affect maintenance costs and value and concluding that there are no material differences among the Units insofar as the allocation of percentage of value is concerned. The percentage of value assigned to each Unit shall be determinative of each Unit's respective share of the Common Elements of the Condominium Project, and the proportionate share of each Unit in the proceeds and the expenses of administration, and the vote attributed to each Unit at meetings of the Association. All of the Co-Owners' of a Unit shall be entitled to only one vote at meetings of the Association for each Condominium Unit Owner.

ARTICLE 6

EASEMENTS, RESERVATIONS AND AGREEMENTS

Section 6.1. Easement for Maintenance of Encroachments and Utilities. In the event any portion of a Unit or Common Element encroaches upon another Unit or Common Element due to shifting, settling or moving of a building, or due to survey errors, or construction deviations, reciprocal easements shall exist for the maintenance, repair or reconstruction of such encroachment for so long as such encroachment exists, and for maintenance thereof after rebuilding in the event of any destruction. There shall be easements to, through and over those portions of the land, structures, buildings and improvements for the continuing maintenance and repair of all utilities in the Condominium.

Section 6.2. Easement in Favor of the Association. There shall be easements to and in favor of the Association, and its officers, directors, agents, and designees, in, on and over all Units and Common Elements in the Project, as it may be expanded, for access to the Units, detention basins, drainage facilities, water and sewage disposal systems and other utilities, and the exterior and interior of each of the buildings that is now existing or hereafter constructed within the Project, as it may be expanded, to permit the maintenance, repair, replacement, and/or decoration thereof in accordance with this Master Deed. Each Co-Owner shall be primarily responsible for maintenance of the Co-Owner's Unit and appurtenant Limited Common Elements as set forth in Article 4 above. In the absence of performance by the Co-Owner involved, the Association may undertake the maintenance of a Unit or Limited Common Element. If such work is performed upon a Unit, or Limited Common Element by the Association, the Co-Owner of the Unit shall reimburse the Association for all costs incurred by the Association within fifteen (15) days of billing or the Association shall have the right to recover its expenses in the same manner as established for the collection of assessments in Article 2 of the Bylaws. In no event shall the Association be liable for the decoration, maintenance, repair, or replacement of any portion of the interior of a Unit. There also shall exist easements to and in favor of the Association, and its officers, directors, agents, and designees, in, on and over all Units and Common Elements of the Project for access to and maintenance of those Common Elements of the Project for which the Association may from time to time be responsible.

Section 6.3. Grant of Easements by Association. The Association, acting through its lawfully constituted Board of Directors (including any Board of Directors acting prior to the Transitional Control Date), shall be empowered and obligated to grant such easements, licenses, rights-of-entry and rights-of-way over, under and across the Condominium for utility purposes, access purposes or other lawful purposes as may be necessary for the benefit of the Condominium, subject, however, to the approval of Developer so long as the Construction and Sales Period has not expired. There shall exist for the benefit of the City of Milan or any emergency service agency, an easement over all roads and driveways in the Condominium for use by the City and/or emergency vehicles. Said easement shall be for purposes of ingress and egress to provide, without limitation, fire and police protection, ambulance and rescue services and other lawful governmental or private emergency services to the Condominium Project and Co-Owners thereof. The U.S. Postal Service shall also have an easement over the roads and access drives in the Condominium for its vehicles for delivery of mail. The granting of these

easements shall not be construed as a dedication of any streets, roads or driveways to the public, except as otherwise provided in Section 6.5 below.

Section 6.4. Easements for Maintenance, Repair and Replacement. Developer, the Association and all public or private utilities shall have such easements as may be necessary over the Condominium including all Units and Common Elements to fulfill any responsibilities of maintenance, repair, decoration or replacement which they or any of them are required or permitted to perform under the Condominium Documents. These easements include, without any implication of limitation, the right of the Association to obtain access during reasonable hours and upon reasonable notice to water meters, sprinkler controls and valves and other Common Elements located within any dwelling on any Unit or its appurtenant Limited Common Elements.

Section 6.5. Roadway and Utility Easements; Right of Way Dedication; Private Access Drives. Developer reserves the right at any time during the Construction and Sales Period to grant easements for utilities over, under and across the Condominium to appropriate governmental agencies or public or private utility companies and to dedicate or transfer title of road rights of way and utilities to state, county or local governments. Any such easement or transfer of title may be conveyed by Developer without the consent of any Co-Owner, mortgagee or other person and may be evidenced by an appropriate amendment to this Master Deed and to Exhibit B hereto, recorded in the Washtenaw County Records. All Co-Owners and mortgagees of Units and other persons interested in the Project from time to time are deemed to have irrevocably and unanimously consented to an amendment or amendments of this Master Deed to effect the foregoing easement or transfer of title. Developer reserves for itself, its successors and assigns, and all future owners of the Project, as it may be expanded, or any portion or portions thereof, an easement for the unrestricted use of the roads in the Condominium for the purpose of ingress and egress to and from all or any portion of the Project, as it may be expanded. Developer also reserves easements over all of the Common Elements areas of the Condominium and the land comprising the Project, as it may be expanded, for the purpose of reasonable access from the roads to the Units and Common Elements.

Developer intends to dedicate the interior road rights-of-way in the Condominium, as shown on Exhibit B, to the City of Milan as public roads. Except to the extent of such dedication and acceptance, the roads in the Project shall be General Common Elements and all expenses of insurance, maintenance, repair and replacement, including snow removal, shall be paid by the Association and assessed to the Co-Owners based on their percentage of value, as provided in Article 2 of the Bylaws.

The interior access drives serving the Project, known as Marvin Court and Gray Court as shown on Exhibit B, are General Common Element private drives and all expenses of insurance, maintenance, repair and replacement of such drives shall be paid by the Association and assessed to the Co-Owners based on their percentage of value, as provided in Article 2 of the Bylaws.

Section 6.6. Dexter Street Access Easement. Access to the Condominium from Dexter Street is over and across a joint access road that serves the Condominium and adjacent property owners as shown on Exhibit B ("Access Easement"). The Access Easement may be dedicated to the City of Milan as a public road. Until such dedication and acceptance, the Association shall

be responsible for the costs of insurance, maintenance, repair and replacement of the Access Easement, including snow removal, which costs shall be assessed to the Co-Owners based on their percentage of value.

Section 6.7. Telecommunications Agreements. The Association, acting through its duly constituted Board of Directors and subject to Developer's approval during the Construction and Sales Period, shall have the power to grant such easements, licenses and other rights of entry, use and access and to enter into any contract or agreement, including wiring agreements, right-of-way agreements, access agreements and multi-unit agreements and, to the extent allowed by law, contracts for sharing of any installation or periodic subscriber service fees as may be necessary, convenient or desirable to provide for telecommunications, videotext, broad band cable, satellite dish, earth antenna and similar services (collectively "Telecommunications") to the Project or any Unit therein. Notwithstanding the foregoing, in no event shall the Board of Directors enter into any contract or agreement or easement, license or right of entry or do any other act or thing which will violate any provision of any federal, state or local law or ordinance. Any and all sums paid by any Telecommunications or other company or entity in connection with such service, including fees, if any, for the privilege of installing same or sharing periodic subscriber service fees, shall be receipts affecting the administration of the Condominium Project within the meaning of the Act and shall be paid over to and shall be the property of the Association.

Section 6.8. Storm Water Drainage and Detention Easements; Detention Areas and Drainage Facilities. Storm water drainage and detention easements for the Project and as it may be expanded are established to assure the perpetual functioning of the storm water drainage and detention system across Units and Common Elements as shown on Exhibit B. To maintain the intended function of the storm water drainage and detention areas and easements, no modification, use or occupancy of such areas is allowed without the prior written approval of the Developer, the Association and applicable governmental authorities. The Association shall be responsible for maintenance of the detention areas and drainage facilities of the Project, as it may be expanded, in accordance with the requirements of applicable governmental authorities.

Section 6.9. Utility Easements. Easements for private and public utilities including water mains, storm sewers and sanitary sewers, natural gas, electricity and telecommunication service are reserved and established across the Units and Common Elements, as set forth on Exhibit B. Developer may enter into separate easement agreements and dedication with the City of Milan, the Washtenaw County Drain Commission or utility companies for sewer, water, drainage or utility purposes, the terms of which are incorporated herein by reference. The Developer further reserves the right at any time to grant easements for utilities over, under and across the Project and as it may be expanded to appropriate governmental agencies or to utility companies and to transfer title to utilities to governmental agencies or to utility companies. Any such easement or transfer of title may be made by the Developer without the consent of any Co-Owner, mortgagee or other person and shall be evidenced by an appropriate amendment to this Master Deed and to Exhibit B hereto, recorded in the Washtenaw County Records or the recordings of a separate easement agreement. All of the Co-Owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendment or amendments of

this Master Deed or recording of a separate easement as may be required to effectuate the foregoing grant of easement or transfer of title.

Section 6.10. Further Rights Reserved to Developer. Developer reserves the right for itself, the Association, their respective successors and assigns and all Co-Owners of the land described in Article 2, or portion or portions thereof, perpetual easements to use, tap, tie into, extend and enlarge all utility mains located in the Condominium Premises, including, but not limited to, water, gas, telephone, electrical, cable television, storm and sanitary sewer mains and appurtenances. Developer further reserves the right, for itself, the Association, their respective successors and assigns, and the Co-Owners, easements for the unrestricted use of the General Common Elements of the Condominium for the purpose of development and construction of the Project and as it may be expanded. Developer further reserves easements over the land described in Article 2 above for the purpose of reasonable access from the roads to the Units and residences in furtherance of the development of the Project and as it may be expanded.

ARTICLE 7

AMENDMENT

This Master Deed and the Condominium Subdivision Plan (Exhibit B to the Master Deed) may be amended with the consent of sixty-six and two-thirds percent (66 2/3%) of the Co-Owners, except as set forth below:

Section 7.1. Modification of Units or Common Elements. No dimensions of any Unit or its appurtenant Limited Common Elements may be modified in any material manner without the written consent of the Co-Owner, except as otherwise expressly provided in this Master Deed.

Section 7.2. Mortgagees Consent. To the extent required by Section 90a(9) of the Act, wherever a proposed amendment would alter or change the rights of mortgagees generally, then such amendment shall require the approval of sixty-six and two-thirds percent (66 2/3 %) of all first mortgagees of record allowing one vote for each first mortgage held.

Section 7.3. By Developer. Pursuant to Section 90(1) of the Act, Developer hereby reserves the right, on behalf of itself and on behalf of the Association, to amend this Master Deed and the Condominium Documents without approval of any Co-Owner or mortgagee for the purposes of correcting survey or other errors, including building location errors, and for any other purpose unless the amendment would materially alter or change the rights of a Co-Owner and of a mortgagee, in which event Co-Owner and mortgagee consent shall be required as above provided in the introductory paragraph of this Article 7, and in Section 7.2 of this Article, except as otherwise provided in this Article.

Section 7.4. Changes in Percentage of Value. The method or formula used to determine the percentage of value of Units in the Project for other than voting purposes, may not be modified without the consent of each affected Co-Owner and mortgagee, and a Co-Owner's Unit dimensions or appurtenant Limited Common Elements shall not be modified without the consent of each affected Co-Owner.

Section 7.5. Termination, Vacation, Revocation or Abandonment. The Condominium Project may not be terminated, vacated, revoked or abandoned without the written consent of 80% of the Co-Owners.

Section 7.6. Developer Approval. During the Construction and Sales Period Article 4, Article 5, Article 6, Article 7, Article 8, Article 9, and Article 10 shall not be amended nor shall the provisions thereof be modified by any other amendment to this Master Deed without the written consent of Developer.

Section 7.7. Further Amendment Rights Reserved to Developer. Notwithstanding any contrary provisions of the Master Deed or Bylaws, but subject to the limitations set forth in Section 7.4 above and Section 90(3) of the Act, Developer reserves the right to materially amend the Master Deed or any of its exhibits for the following purposes:

7.7.1. To modify the types and sizes of Units and the General Common Elements and Limited Common Elements adjoining or appurtenant to Units prior to sale of such Unit to a Co-Owner so long as such modification complies with the requirements of applicable governmental authorities, and does not interfere with adjacent Units or their appurtenant Limited Common Elements which have been sold to a Co-Owner.

7.7.2. To amend the Bylaws subject to any restriction on amendments stated in the Bylaws.

7.7.3. To correct arithmetic errors, typographical errors, survey or plan errors, deviations in construction or any similar errors in the Master Deed, Condominium Subdivision Plan or Bylaws, or to correct errors in the boundaries or location of improvements.

7.7.4. To clarify or explain the provisions of the Master Deed or Exhibits.

7.7.5. To comply with the Act or rules promulgated thereunder, or any requirements of any governmental or quasi-governmental agency or any financing institution or entity providing mortgage loans for Units to the Condominium.

7.7.6. To make, define or limit easements affecting the Condominium.

7.7.7. To record an "AS BUILT" Condominium Subdivision Plan and/or Consolidating Master Deed and/or designate any improvements shown in Exhibit B as "MUST BE BUILT", subject to any limitations or obligations imposed by the Act.

7.7.8. To convert the Condominium as set forth in Article 8, below.

7.7.9. To contract the Condominium as set forth in Article 9 below.

The amendments described in this Section 7.7 may be made without the consent of Co-Owners or mortgagees. The rights reserved to Developer under this section may not be amended except with the consent of the Developer.

ARTICLE 8

CONVERTIBLE AREAS

The Condominium is established as a convertible condominium in accordance with the provisions of this Article and the Act:

Section 8.1. Convertible Area. The Project Units and Common Elements are the land areas within which Units and Common Elements may be expanded and modified and within which Limited Common Elements may be created as provided in this Article 8. The Developer reserves the right, but not the obligation, to convert all or any portion of the Convertible Areas. The Maximum number of additional Units which may be created in the Convertible Area is zero although Units may be expanded, modified or decreased as provided in this Article 8. All structures and improvements within the Convertible Areas of the Condominium shall be compatible with residential uses and with the structures and improvements on other portions of the Project, as determined by Developer in its sole discretion.

Section 8.2. Right to Convert. The Developer reserves the right, in its sole discretion, during a period ending six years from the date of recording this Master Deed, to modify the size, location, and configuration of any Unit that it owns in the Condominium, and to make corresponding changes to the Common Elements or to create General or Limited Common Elements. The changes in the Common Elements could include (by way of illustration and not limitation) construction of courtyards, patios, decks, porches and other amenities on any portion of the Convertible Area. Provided, however, no portion of a Unit owned by a Co-Owner other than Developer shall be converted without such Co-Owner's consent.

Section 8.3. Restrictions on Conversion. All improvements constructed or installed within the Convertible Areas described above shall be restricted exclusively to residential use and to such Common Elements as are compatible with residential use. There are no other restrictions upon such improvements except those which are imposed by state law, local ordinances or building authorities. The extent to which any change in the Convertible Areas is compatible with the original Master Deed is not limited by this Master Deed but lies solely within the discretion of Developer, subject only to the requirements of state law, local ordinances and building authorities.

Section 8.4. Consent Not Required. The consent of any Co-owner shall not be required to convert the Convertible Areas except as provided in Section 8.2 above. All of the Co-owners and mortgagees and other persons interested or to become interested in the Condominium from time to time shall be deemed to have irrevocably and unanimously consented to such conversion of the Convertible Areas and any amendment or amendments to this Master Deed to effectuate the conversion and to any reallocation of Percentages of Value of existing Units which Developer may determine necessary in connection with such amendment or amendments. All such interested persons irrevocably appoint the Developer or its successors, as agent and attorney for the purpose of execution of such amendment or amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be effected without the necessity of re-recording the entire Master Deed or the Exhibits thereto and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits hereto. Nothing

herein contained, however, shall in any way obligated Developer to convert the Convertible Areas. These provisions give notice to all Co-owners, mortgagees and other persons acquiring interests in the Condominium that such amendments of this Master Deed may be made and recorded, and no further notice of such amendments shall be required.

Section 8.5. Amendment to Master Deed. All modifications to Units and Common Elements made pursuant to this Article 8 shall be given effect by appropriate amendments to this Master Deed in the manner provided by law, which amendments shall be prepared by and at the discretion of the Developer and in which the percentages of value set forth in Article 5 hereof shall be proportionately readjusted, if the Developer deems it to be applicable, in order to preserve a total value of 100% for the entire Condominium resulting from such amendments to this Master Deed. The precise determination of the readjustments in percentages of value shall be made within the sole judgment of Developer. Such readjustments, however, shall reflect a continuing reasonable relationship among percentages of value based upon the original method and formula described in Article 5 of this Master Deed. Such amendments to the Master Deed shall also contain such further definitions and redefinition of General or Limited Common Elements as may be necessary to adequately describe and service the Units and Common Elements being modified by such amendments. In connection with any such amendments, Developer shall have the right to change the nature of any Common Element previously included in this Condominium for any purpose reasonably necessary to achieve the purposes of this Article 8.

ARTICLE 9

CONTRACTION OF CONDOMINIUM

Section 9.1. Roadway and Units. As of the date this Master Deed is recorded, the Developer intends to dedicate to public use the streets and street right-of-ways shown on Exhibit B. Developer therefore reserves the right to withdraw from the Condominium that portion of the Project, that consists of the Condominium streets and street rights-of-way as the same are shown on the Condominium Subdivision Plan. Developer also reserves the right to withdraw from the Condominium all or any of the following described land areas including the present or future Units and appurtenant Common Elements of the Condominium and any Common Element within such land areas. ("Contractible Areas"):

Contractible Area 'A'

Commencing at the Northeast corner of Section 35, T4S, R6E, City of Milan, Washtenaw County, Michigan; thence S00°15'50"W 786.31 feet along the East line of said Section 35 and the centerline of Carpenter Road (100.00 feet wide); thence N87°26'40"W 270.17 feet for a PLACE OF BEGINNING; thence S00°15'50"W 161.47 feet; thence N89°44'10"W 29.72 feet; thence 112.98 feet along the arc of a 213.00 foot radius circular curve to the right, with a chord bearing N73°24'58"W 111.66 feet; thence 119.45 feet along the arc of a 217.00 foot radius reverse circular curve to the left, with a chord bearing N73°59'21"W 117.94 feet; thence N89°45'30"W 429.73 feet; thence 43.66 feet along the arc of a 69.00 foot radius circular curve to the right, with a chord bearing N71°37'53"W 42.94 feet; thence 97.85 feet along the arc of a 34.50 foot radius circular curve to the left, with a chord bearing S45°14'30"W 68.20 feet; thence

43.66 feet along the arc of a 69.00 foot radius reverse circular curve to the right, with a chord bearing S17°53'07"E 42.94 feet; thence S00°14'30"W 359.37 feet; thence N89°45'30"W 273.17 feet along the North line of "Supervisor's Plat No. 10" as recorded in Liber 10, Page 43, Washtenaw County Records; thence N01°02'04"E 574.36 feet along the East line of "Meadowbrook" Condominium, as recorded in Liber 4310, Page 709, Washtenaw County Records; thence S87°26'40"E 1021.89 feet to the Place of Beginning, being part of the Northeast ¼ of said Section 35, containing 5.64 acres of land, more or less, being subject to easements, conditions, restrictions and exceptions of record, if any.

Contractible Area 'B'

Commencing at the Northeast corner of Section 35, T4S, R6E, City of Milan, Washtenaw County, Michigan; thence S00°15'50"W 786.31 feet; thence N87°26'40"W 270.17 feet; thence S00°15'50"W 179.06 feet; N88°36'44"W 30.06 feet; thence S00°15'50"W 17.62 feet; thence N84°38'13"W 17.51 feet; thence 113.88 feet along the arc of a 247.00 foot radius circular curve to the right, with a chord bearing N71°25'43"W 112.88 feet; thence 100.73 feet along the arc of a 183.00 foot radius reverse circular curve to the left, with a chord bearing N73°59'21"W 99.46 feet; thence N89°45'30"W 86.88 feet; thence 29.85 feet along the arc of a 19.00 foot radius circular curve to the left, with a chord bearing S45°14'30"W 26.87 feet; thence N89°45'30"W 34.00 feet for a PLACE OF BEGINNING; thence S00°14'30"W 174.71 feet; thence 91.11 feet along the arc of a 58.00 foot radius circular curve to the right, with a chord bearing S45°14'30"W 82.02 feet; thence N89°45'30"W 254.52 feet; thence 29.85 feet along the arc of a 19.00 foot radius circular curve to the right, with a chord bearing N44°45'30"W 26.87 feet; thence N00°14'30"E 213.71 feet; thence 29.85 feet along the arc of a 19.00 foot radius circular curve to the right, with a chord bearing N45°14'30"E 26.87 feet; thence S89°45'30"E 293.52 feet; thence 29.85 feet along the arc of a 19.00 foot radius circular curve to the right, with a chord bearing S44°45'30"E 26.87 feet to the Place of Beginning, being part of the Northeast ¼ of said Section 35, containing 1.89 acres of land, more or less, being subject to easements, conditions, restrictions and exceptions of record, if any.

Contractible Area 'C'

Commencing at the Northeast corner of Section 35, T4S, R6E, City of Milan, Washtenaw County, Michigan; thence S00°15'50"W 786.31 feet; thence N87°26'40"W 270.17 feet; thence S00°15'50"W 179.06 feet; N88°36'44"W 30.06 feet; thence S00°15'50"W 17.62 feet; thence N84°38'13"W 17.51 feet; thence 113.88 feet along the arc of a 247.00 foot radius circular curve to the right, with a chord bearing N71°25'43"W 112.88 feet; thence 100.73 feet along the arc of a 183.00 foot radius reverse circular curve to the left, with a chord bearing N73°59'21"W 99.46 feet to the PLACE OF BEGINNING; thence S00°00'00"W 202.59 feet; thence S70°58'15"E 73.29 feet; thence S00°15'50"W 174.85 feet; thence N89°45'30"W 77.36 feet along the North line of "Supervisor's Plat No. 10" as recorded in Liber 10, Page 43, Washtenaw County Records; thence N00°14'30"E 6.51 feet; thence 159.19 feet along the arc of a 167.00 foot radius circular curve to the left, with a chord bearing N27°03'57"W 153.23 feet; thence N54°22'24"W 30.60 feet; thence 23.57 feet along the arc of a 19.00 foot radius circular curve to the right, with a chord bearing N18°50'09"W 22.09 feet; thence 26.43 feet along the arc of a 92.00 foot radius reverse circular curve to the left, with a chord bearing N08°28'19"E 26.34 feet; thence

N00°14'30"E 174.71 feet; thence 29.85 feet along the arc of a 19.00 foot radius circular curve to the right, with a chord bearing N45°14'30"E 26.87 feet; thence S89°45'30"E 86.88 feet to the Place of Beginning, being part of the Northeast ¼ of said Section 35, containing 1.01 acres of land, more or less, being subject to easements, conditions, restrictions and exceptions of record, if any.

Contractible Area 'D'

Commencing at the Northeast Corner of Section 35, T4S, R6E, City of Milan, Washtenaw County, Michigan; thence S00°15'50"W 786.31 feet along the East line of said Section 35 and the centerline of Carpenter Road (100.00 feet wide); thence N87°26'40"W 270.17 feet; thence S00°15'50"W 179.06 feet; thence N88°36'44"W 30.06 feet; thence S00°15'50"W 179.67 feet; thence N89°46'40"W 150.00 feet; thence S00°15'50"W 174.85 feet; thence N89°45'30"W 111.36 feet along the North line of "Supervisor's Plat No. 10" as recorded in Liber 10, Page 43, Washtenaw County Records to the PLACE OF BEGINNING; thence continuing N89°45'30"W 430.21 feet along said North line; thence N00°14'30"E 96.33 feet; thence 29.85 feet along the arc of a 19.00 foot radius circular curve to the right, with a chord bearing N45°14'30"E 26.87 feet; thence S89°45'30"E 254.52 feet; thence 57.31 feet along the arc of a 92.00 foot radius circular curve to the left, with a chord bearing N72°23'47"E 56.39 feet; thence 23.57 feet along the arc of a 19.00 foot radius reverse circular curve to the right, with a chord bearing S89°54'40"E 22.09 feet; thence S54°22'24"E 30.60 feet; thence 126.78 feet along the arc of a 133.00 foot radius circular curve to the right, with a chord bearing S27°03'57"E 122.03 feet; thence S00°14'30"W 6.51 feet to the Place of Beginning, being part of the Northeast ¼ of said Section 35, containing 1.12 acres of land, more or less, being subject to easements, conditions, restrictions and exceptions of record, if any.

At the option of the Developer, within a period ending no later than six years from the date of recording this Master Deed, the land included in the Condominium may be contracted to withdraw from the Condominium the streets and street right-of-ways dedicated to public use and any present or future Units and appurtenant Common Elements of the Condominium and General Common Element land areas within the Contractible Areas. Provided, however, the consent of any Unit owner to the contraction of such owner's Unit and appurtenant Common Elements shall be obtained prior to contraction of a Unit owned by an owner other than Developer.

Section 9.2. Withdrawal of Land. In connection with such contraction, Developer unconditionally reserves the right to withdraw from the Condominium that portion of the land described in Article 2 that is dedicated to public use as a street and/or street right-of-way and all or any portion of the Contractible Areas described above. The withdraw of such land pursuant to this Article 9 shall be effected by an amendment of the Master Deed as provided in Section 9.4 below, and by a conveyance or dedication or grant of easement of the streets and street rights-of-way in the Condominium to the City of Milan (or any other appropriate governmental unit with appropriate jurisdiction) in the case of withdrawal of the streets and street-of-way.

Section 9.3. Restrictions on Contraction. Apart from satisfying any governmental conditions to dedication of the streets and street right-of-way or other contraction, there are no

restrictions on Developer's right to contract the Condominium as provided in this Article 9, except as set forth in the last sentence of Section 9.1 above.

Section 9.4. Consent Not Required. The consent of any Co-Owner shall not be required to contract the Condominium or to dedicate the roads and road right-of-ways to public use except as set forth in the last sentence of Section 9.1. All of the Co-Owners and mortgagees and other persons interested or to become interested in the Condominium from time to time shall be deemed to have irrevocably and unanimously consented to contraction of the Condominium and any amendment or amendments to this Master Deed to effectuate the contraction. All such interested persons irrevocably appoint the Developer or its successors, as agent and attorney for the purpose of execution of such amendment or amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be effected without the necessity of re-recording an entire Master Deed or the Exhibits thereto and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits hereto. Nothing herein contained, however, shall in any way obligate Developer to dedicate the roads and road right-of-ways in the Condominium to public use or to thereafter contract the Condominium as herein provided. These provisions give notice to all Co-Owners, mortgagees and other persons acquiring interests in the Condominium that such amendments of this Master Deed may be made and recorded, and no further notice of such amendment shall be required.

Section 9.5. Redefinition of Common Elements. The amendment or amendments to the Master Deed contracting the Condominium shall also contain such further definitions and redefinition of General Common Elements or Limited Common Elements and maintenance responsibilities as may be necessary adequately to describe, serve and provide access to the Project as reduced and otherwise comply with agreements and requirements of applicable governmental authorities for development of the Condominium. In connection with any such amendment(s), Developer shall have the right to change the nature of any Common Element or easement previously included in the Project for any purpose reasonably necessary to achieve the purposes of this Article 9.

Section 9.6. Consolidating Master Deed. A Consolidating Master Deed may be recorded pursuant to the Act when the Project is finally concluded as determined by Developer in order to incorporate into one set of instruments all successive stages of development. The Consolidating Master Deed, when recorded, and as above provided in Section 3.10, shall supersede the previously recorded Master Deed and all amendments thereto.

ARTICLE 10.

ASSIGNMENT

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



Dated: January 21, 2004

MILAN CROSSING, LLC, a Michigan limited liability company

By: John Kormash

John Kormash

Its: Authorized Agent

STATE OF MICHIGAN)

) ss.

COUNTY OF WASHTENAW)

On this 21 day of January, 2004, the foregoing Master Deed was acknowledged before me by John Kormash, the authorized agent of Milan Crossing, LLC, a Michigan limited liability company, on behalf of said company.

Sandra L. Sorini

Sandra L. Sorini

Notary Public

Washtenaw County, Michigan

My Commission Expires: 9-9-04

PREPARED BY AND WHEN
RECORDED RETURN TO:

Sandra L. Sorini (P36305)

BODMAN, LONGLEY & DAHLING LLP

110 Miller Avenue, Suite 300

Ann Arbor, Michigan 48104

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