

DAISY SQUARE LOFTS CONDOMINIUM

MASTER DEED

THIS MASTER DEED is made and executed on this 6th day of April, 2004, by Daisy at Plymouth LLC, a Michigan limited liability company, hereinafter referred to as the "Developer," the mailing address of which is 220 North Smith Street, Suite 300, Palatine, Illinois 60067, in pursuance of the provisions of the Michigan Condominium Act (being Act 59 of the Public Acts of 1978, as amended).

WHEREAS, the Developer desires by recording this Master Deed, together with the Bylaws attached hereto as Exhibit A and the Condominium Subdivision Plan attached hereto as Exhibit B (both of which are hereby incorporated herein by reference and made a part hereof), to establish the real property described in Article II 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.

NOW, THEREFORE, the Developer does, upon the recording hereof, establish Daisy Square Lofts Condominium as a Condominium Project under the Act and does declare that Daisy Square Lofts Condominium shall, after such establishment, be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved, or in any other manner utilized, subject to the provisions of the Act, and to the covenants, conditions, restrictions, uses, limitations and affirmative obligations set forth in this Master Deed, the Bylaws and the Condominium Subdivision Plan, all of which shall be deemed to run with the land and shall be a burden and a benefit to the Developer and any persons acquiring or owning an interest in the Condominium Premises and their respective successors and assigns. In furtherance of the establishment of the Condominium Project, it is provided as follows:

ARTICLE I

TITLE AND NATURE

The Condominium Project shall be known as Daisy Square Lofts Condominium, Wayne County Condominium Subdivision Plan No. _____. The engineering and architectural plans for the Project were approved by, and are on file with the City of Plymouth. The Condominium Project is established in accordance with the Act. The buildings contained in the Condominium,

including the number, boundaries, dimensions and area of each Unit therein, are set forth completely in the Condominium Subdivision Plan. The buildings contain individual Units for residential purposes and each Unit is capable of individual utilization on account of having its own entrance from and exit to a Common Element of the Condominium Project. Each Co-owner in the Condominium Project shall have an exclusive right to his Unit and shall have undivided and inseparable rights to share with other Co-owners the Common Elements of the Condominium Project.

ARTICLE II

LEGAL DESCRIPTION

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

Land in the City of Plymouth, Wayne County, State of Michigan, more particularly described as:

Part of Lot 662 of "Assessor's Plymouth Plat No. 19" of Part of the SW 1/4 of Section 26, T.1 S., R.8 E., City of Plymouth, Wayne County, Michigan, as recorded in Liber 67 of Plats, Page 26, Wayne County Records, more particularly described as: Beginning at the Northeast Corner of Lot 662; thence along the East line of said Lot 662, S. $17^{\circ}39'14''$ E. 359.65 feet; thence S. $72^{\circ}20'46''$ W. 24.90 feet; thence 34.41 feet along the arc of a non-tangent curve to the left whose radius is 52.00 feet, central angle is $37^{\circ}54'57''$, and chord bears N. $61^{\circ}29'49''$ W. 33.79 feet; thence N. $80^{\circ}27'17''$ W. 202.73 feet; thence 62.64 feet along the arc of a curve to the left whose Radius is 57.00 feet, central angle is $62^{\circ}57'54''$, and chord bears S. $68^{\circ}03'46''$ W. 59.54 feet; thence N. $31^{\circ}13'39''$ W. 154.17 feet; thence N. $58^{\circ}55'51''$ E. 128.48 feet; thence N. $32^{\circ}15'50''$ W. 91.61 feet; thence 11.71 feet along the arc of a curve to the left whose radius is 20.00 feet, central angle is $33^{\circ}32'23''$, and chord bears North $49^{\circ}02'02''$ West 11.54 feet; thence S. $88^{\circ}20'20''$ W. 28.35 feet; thence along the Northeasterly Line of Union Street N. $31^{\circ}48'00''$ W. 38.16 feet; thence along the Northerly Line of Vacated Church Street and the East and West line of Section 26, N. $88^{\circ}20'20''$ E. 275.55 feet to the Point of Beginning. Contains 2.02 Acres. Subject to Easements and Restrictions of Record.

Tax Item No. 049-006-07-0662-001

ARTICLE III

DEFINITIONS

Certain terms are utilized 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 Daisy Square Lofts Condominium 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 Daisy Square Lofts Condominium as a condominium. Wherever used in such documents or any other pertinent instruments, the terms set forth below shall be defined as follows:

Section 1. Act. The "Act" means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended.

Section 2. Association. "Association" means Daisy Square Lofts Condominium Association, a not-for-profit corporation organized under the laws of the State of Michigan, of which all Co-Owners shall be members and which shall administer, operate, manage and maintain the Condominium Project. Any action required of or permitted to the Association shall be exercisable by its Board of Directors unless explicitly reserved to the members by the Condominium Documents or the laws of the State of Michigan, and any reference to the Association shall, where appropriate, also constitute a reference to its Board of Directors.

Section 3. Association Bylaws. "Association Bylaws" means the corporate bylaws of the Association.

Section 4. Board of Directors. "Board of Directors" shall mean the board of directors of the Association. The Board of Directors will initially be those individuals selected by Developer and later it will be elected by Co-Owners as provided in the Condominium Bylaws.

Section 5. Condominium Bylaws. "Bylaws" means Exhibit A hereto, being the Bylaws setting forth the substantive rights and obligations of the Co-owners and required by Section 53 of the Act to be recorded as part of the Master Deed.

Section 6. Common Elements. "Common Elements," where used without modification, means both the General and Limited Common Elements described in Article IV hereof.

Section 7. Condominium Documents. "Condominium Documents" means and includes this Master Deed, the Bylaws attached hereto as Exhibit A, the Condominium Subdivision Plan attached hereto as Exhibit B, and the Articles of Incorporation, Bylaws and the Rules and Regulations, if any, of the Association.

Section 8. Condominium Premises. "Condominium Premises" means and includes the land described in Article II above, all improvements and structures thereon, and all easements, rights and appurtenances belonging to Daisy Square Lofts Condominium as described above.

Section 9. Condominium Project, Condominium or Project. "Condominium Project", "Condominium" or "Project" each mean Daisy Square Lofts Condominium as a Condominium Project established in conformity with the Act.

Section 10. Condominium Subdivision Plan. "Condominium Subdivision Plan" means Exhibit B hereto.

Section 11. Consolidating Master Deed. "Consolidating Master Deed" means the final amended Master Deed which shall describe Daisy Square Lofts as a completed Condominium Project and shall reflect the entire land area in the Condominium Project including any modification of Units or Common Elements under Article VI, below, from time to time pursuant to the provisions of this Master Deed, and all Units and Common Elements therein, as constructed, and which shall express percentages of value pertinent to each Unit as finally readjusted. Such Consolidating Master Deed, if and when recorded in the office of the Wayne County Register of Deeds, shall supersede the previously recorded Master Deed for the Condominium and all amendments thereto

Section 12. Convertible Areas. "Convertible Areas" means the Unit or a portion of the Common Elements designated on the Condominium Subdivision Plan within which the Units and/or General or Limited Common Elements may be modified at Developer's sole discretion during the period ending six (6) years from the date of recording of this Master Deed and in accordance with Act.

Section 13. Co-owner or 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". "Co-owner" shall include the owner of a Garage Unit, regardless of whether such owner also owns a Residential Unit.

Section 14. Developer. "Developer" means Daisy at Plymouth LLC, a Michigan limited liability company, 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, however and wherever such term is used in the Condominium Documents.

Section 15. Development and Sales Period. "Development and Sales Period," for purposes of the Condominium Documents and the rights reserved by the Developer and its successors and assigns thereunder, means the period of time beginning with the recording of this Master Deed and ending when the Developer no longer owns any interest in any Unit in the Condominium Project and no longer has the right to create any additional Units.

Section 16. First Annual Meeting. "First Annual Meeting" means the initial meeting at which non-developer Co-owners are permitted to vote for the election of all Directors and upon all other matters which properly may be brought before the meeting. Such meeting is to be held (a) in the Developer's sole discretion after 25% of the Units are conveyed, or (b) mandatorily within (i) 54 months from the date of the first Unit conveyance, or (ii) 120 days after 75% of all Units are conveyed, whichever first occurs.

Section 17. Garage Unit. "Garage Unit" means the enclosed space constituting a single complete garage unit in Daisy Square Lofts Condominium, as such space may be described in the Condominium Subdivision Plan.

Section 18. General Common Elements. "General Common Elements" means those Common Elements of the Condominium Project described in Article IV(1) of this Master Deed which are for the use and enjoyment of all Co-owners, subject to such charges as may be assessed to defray the cost of the operation thereof.

Section 19. Limited Common Elements. "Limited Common Elements" means those Common Elements of the Condominium Project described in Article IV(2) of this Master Deed which are reserved for the exclusive use of the Co-owners of a specified Unit or Units.

Section 20. Master Deed. "Master Deed" means this Master Deed, including Exhibits A and B hereto, both of which are hereby incorporated by reference and made a part hereof.

Section 21. Residential Unit. "Residential Unit" means the enclosed space constituting a single complete residential unit in Daisy Square Lofts Condominium, as such space may be described in the Condominium Subdivision Plan.

Section 22. Senior Debt. "Senior Debt" means any and all indebtedness of Developer to National City Bank of Michigan/Illinois and/or any other lender providing land acquisition, site development, construction, permanent and/or other form of financing in regards to the Condominium Project.

Section 23. Senior Mortgagee. "Senior Mortgagee" means a party having a mortgage upon all or a portion of the Condominium Project, which mortgage secures Senior Debt.

Section 24. Successors and Assigns. The phrase "successors and assigns" means, when used in relationship to the Developer, (i) such person or persons, corporations, partnership, trusts or other legal entities as may, by way of merger, consolidation, acquisition, liquidation or otherwise, acquire all of the rights, duties and obligations which the Developer may have in or with respect to the Condominium Project at the time of such acquisition, whether voluntarily or by operation of law, and (ii) such person or persons, corporations, partnership, trusts or other legal entities to whom the Developer may voluntarily transfer, by one or more duly recordable instruments in writing, any specific item of property, easement, right or power reserved to the Developer by the terms of this Master Deed or any other Condominium Document. Neither the Association nor any Co-owner of a Unit shall be deemed to be or treated in any manner

whatsoever as the successor or assign of the Developer with respect to any item of property, easement, right or power reserved to the Developer by the terms of this Master Deed or any other Condominium Document, in the absence of an instrument in writing in duly recordable form expressly providing to the contrary.

Section 25. 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 the Developer exceed the votes which may be cast by the Developer.

Section 26. Unit or Condominium Unit. "Unit" or "Condominium Unit" means a Residential Unit and/or a Garage Unit, as applicable, and shall have the same meaning as the term "Condominium Unit" as defined in the Act.

Terms not defined herein, but defined in the Act, shall carry the meanings given them in the Act unless the context clearly indicates to the contrary. Whenever any reference herein is made to one gender, the same shall include a reference to any and all genders where the same would be appropriate; similarly, whenever a reference is made herein to the singular, a reference to the plural shall also be included where the same would be appropriate and vice versa.

ARTICLE IV

COMMON ELEMENTS

The Common Elements of the Project and the respective responsibilities for maintenance, decoration, repair or replacement thereof, are as follows:

Section 1. General Common Elements. The General Common Elements are:

(a) Land. The land described in Article II hereof, including the roads, sidewalks, walking paths, unassigned parking areas, lawns and landscaping located thereon not identified as Limited Common Elements and all beneficial easements, and all rights pertaining thereto;

(b) Electrical. The electrical transmission system throughout the Project up to the electrical meter for each Unit. The electrical meter that serves the common elements is a General Common Element.

(c) Telephone. The telephone system throughout the Project up to the point of entry to each Unit.

(d) Gas. The gas distribution system throughout the Project up to the gas meter for each Unit.

(e) Water. The water distribution system throughout the Project, including the common hot water boiler and all water distribution lines and fittings for the lawn irrigation systems, up to the water meter that serves each individual Unit.

(f) Sanitary Sewer. The sanitary sewer system throughout the Project up to the point of connections for individual Unit service.

(g) Telecommunications. The telecommunications system throughout the Project, if and when it may be installed, up to, but not including, connections to provide service to individual Units. Any television cable network or facilities that may from time to time be installed in the Condominium Project;

(h) Construction. Foundations, supporting columns, Unit perimeter walls (but not including windows and doors therein), roofs, and the interstitial space between Units (the interior of wall, ceiling and floor construction) and the exteriors of all buildings, including garage buildings.

(i) Storm Water System and Detention Facilities. The storm water system and underground detention facilities that serve the project.

(j) Street Lighting. The street lighting system and any security system network or facilities that may from time to time be installed in the Condominium Premises;

(k) Elevators and Stairwells. The elevator shafts and the mechanical systems located within such elevator shafts, including the elevators and stairwells;

(l) Trash Room and Trash Chute. The basement room housing the dumpster and the trash chute and associated closets as designated on the Condominium Subdivision Plan;

(m) Association Storage. Space dedicated for storage of Association property as designated on the Condominium Subdivision Plan.

(n) Other. Such other elements of the Project not herein designated as General or Limited Common Elements which are not enclosed within the boundaries of a Unit, and which are intended for common use or are necessary to the existence, upkeep and safety of the Project.

Some or all of the utility lines, systems (including mains and service leads) and equipment and the water system described above 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, and the water system, shall be General Common Elements only to the extent of the Co-owners' interest therein, if any, and the Developer makes no warranty whatever with respect to the nature or extent of such interest, if any.

Section 2. Limited Common Elements. Limited Common Elements shall be subject to the exclusive use and enjoyment of the Owner of the Unit to which the Limited Common Elements are appurtenant. The Limited Common Elements are:

(a) Balconies. Each individual balcony is restricted in use to the Co-owner of the Unit served thereby as shown on the Condominium Subdivision Plan.

(b) Air Conditioner Compressors. Each individual air conditioner compressor, its pad and other equipment and accessories related thereto together with the ground surface immediately below the pad, are restricted in use to the Co-owner of the Unit which such air conditioner compressor services.

(c) Windows, Screens and Doors. The windows, screens and doors in the Project which serve an individual Unit, are restricted in use to the Co-owner of the Unit to which such windows, screens and doors are appurtenant. The exterior appearance of windows, screens and doors may not be altered without the prior written consent of the Developer during the Construction and Sales Period and thereafter, the Association.

(d) Fireplace. Each individual fireplace combustion chamber and associated flue, if any, in the Condominium Project, appurtenant to the specific Units they serve.

(e) Garage Doors. Garage doors (along with any associated opening mechanisms) shall be restricted in use to the Co-owner of the Garage Unit served thereby as designated on the Condominium Subdivision Plan. Notwithstanding the foregoing, the overhead door to the parking garage in the basement of the loft building is not a Limited Common Element.

(f) Mailbox. The mailbox serving each Unit, if any.

(g) Interior Surfaces. The interior surfaces of Unit perimeter walls, ceiling and floors shall be subject to the exclusive use and enjoyment of the Co-owner of such Unit.

(h) Utility Meters. Utility meters (except water meters and the electric meters which serve the Common Elements) are limited to the Unit served thereby.

(i) Electric, Gas and Water. The electric, gas and water systems from the point of the meter into the Unit which they serve are limited to the Units served thereby.

(j) Heating and Cooling Systems. Each heating and cooling system including, without limitation, all equipment and ductwork related thereto are limited to the Unit served thereby.

(k) Assigned Parking. Assigned Parking Spaces shall be restricted in use to the Co-owner of the Unit designated on the Condominium Subdivision Plan.

(l) Exterior Lighting. Exterior lighting that services and is controlled by the Co-Owner of a particular Unit.

Section 3. Upkeep of Common Elements and Appliances; Payment of Utility Bills. The respective responsibilities for the maintenance, decoration, repair and replacement of the Common Elements and for the payment of utility bills are as follows:

(a) The cost of decorating, maintaining, repairing and replacing the items referred to in Article IV(2), (with the exception of the items listed in Article IV(2)(a) and (l)), as well as the garage door opener (if any), internal Unit plumbing, dishwasher, refrigerator, stove, oven, garbage disposal, heating and air conditioning equipment, lighting and other items servicing a Unit that are not Common Elements, whether or not they are within the Unit they service, shall be the sole responsibility of the Co-Owner whose Unit is serviced by such items.

(b) Each Co-Owner shall be responsible for the keeping the items listed in Article IV(2)(a) and (l) in a clean and sightly condition, and for the replacement of light bulbs in any exterior lighting.

(c) Except as provided above, the Association shall be responsible for maintaining, decorating, repairing and replacing all General Common Elements and the Limited Common Elements listed in Article IV(2)(a) and (l). The cost of maintaining, decorating, repairing and replacing all General Common Elements shall be assessed to all Co-Owners according to their Percentages of Value; unless, however, the need for maintenance, repair or replacement is due to the act or neglect of a Co-Owner or his agent, guest, invitee, family member or pet, for which such Co-Owner shall be wholly responsible. The cost of maintaining, decorating, repairing and replacing the Limited Common Elements listed in Article IV(2)(a) and (l) shall be born solely by the Co-Owner of the Unit associated with such Limited Common Elements; unless, however, the need for maintenance, repair or replacement is due to the act or neglect of another Co-Owner or his agent, guest, invitee, family member or pet, for which such Co-Owner shall be wholly responsible. The Association shall be reimbursed for the cost of such work on the Limited Common Elements listed in Article IV(2)(a) and (l). The Co-Owner shall reimburse 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 V of the Bylaws. Except as otherwise provided herein or in the Condominium Bylaws, any damage caused to a Unit or its contents by the maintenance or by repair activities of the Association with respect to the Common Elements shall be repaired at the expense of the Association.

(d) Each Co-Owner shall be responsible for payment of the utilities attributable to his Unit. In the event that certain utility services are not separately metered, the billings for such utilities shall be equally divided among all Co-Owners; provided, however, that if any Co-Owner uses a larger than normal amount of any utility service, that Co-Owner must be assessed a higher cost in pro-ratio to that Co-Owner's usage.

In the absence of performance of the above by the Co-owner involved, the Association may undertake the maintenance of such Unit or Limited Common Element after it has delivered written notice thereof at least fifteen (15) days prior to such work, except in the case of an emergency where no prior notice shall be required. If such work is performed upon a Unit or Limited Common Element by the Association, the individual Co-owner thereof shall reimburse the Association for all costs thereof 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 V 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 any Unit.

Section 4. Use of Common Elements. No Co-Owner shall use his Unit or the Common Elements in any manner inconsistent with the purposes of the Condominium Project or in any manner which will interfere with or impair the rights of any other Co-Owner in the use and enjoyment of his Unit or the Common Elements.

Section 5. Alterations. Until the Developer has sold all of the Units in the Condominium Project, it may, in its discretion, (1) modify the dimensions of unsold Units, the General Common Elements and Limited Common Elements appurtenant to any Unit, by enlargement, combination, division or reduction in size and (2) make such structural alterations as it deems necessary or appropriate to any unsold Units or Common Elements. However, no such modifications or alterations may be performed which would unreasonably impair or diminish the appearance of the Project or the view, privacy or other significant attribute or amenity of any Unit sold by Developer which adjoins or is proximate to the modified Unit. All space in the Condominium Project, since it is or could be affected by such a modification or structural alteration, is hereby designated as "convertible areas," whether or not so designated on the Condominium Subdivision Plan attached hereto as Exhibit B. Such space may be converted, in the Developer's sole discretion, into portions of a Unit, General Common Elements or Limited Common Elements, or any combination of these, and the responsibility for maintenance, repair and replacement therefor may be assigned by an amendment to this Master Deed effected solely by Developer without the consent of any other person. No Unit altered or modified in accordance with the provisions of this section shall be conveyed until an amendment to this Master Deed effectuating such modification is recorded. The Developer may, in connection with any such amendment, readjust Percentages of Value for all Units in a manner which gives a reasonable recognition to such Unit or Common Element modifications based upon the method of original determination of Percentages of Value for the Condominium Project.

All of the Co-Owners and Mortgagees of Units and other persons interested or to become interested in the Condominium Project from time to time shall be deemed to have unanimously consented to such amendment or amendments to this Master Deed to effectuate the foregoing and subject to the limitations set forth herein, and to a proportionate reallocation of Percentages of Value of existing Units which Developer may determine necessary in conjunction with such amendment or amendments. All such interested persons irrevocably appoint Developer 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.

Section 6. Reassignment of Limited Common Elements. A Limited Common Element may be reassigned, after notice to any affected Mortgagee, by a written application to the Board of Directors of the Association signed by the Co-owners whose interest will be affected thereby. Upon receipt of such application, the Board shall promptly prepare or cause to be prepared and executed an amendment to this Master Deed reassigning all rights and obligations with respect to the Limited Common Elements involved, and shall deliver such amendment to the Co-owners of the Units affected upon payment by them of all reasonable costs for the preparation and approval thereof.

Section 7. Association Oversight. The appearance of the balconies shall at all times be subject to the approval of the Association. In the event that the cleaning and decoration of such Limited Common Elements by the responsible Co-owner does not conform to reasonable aesthetic and maintenance standards established by the Association, the Association will have the right to take such action as may be necessary to bring such Limited Common Elements up to required standards and to charge all costs incurred to the Co-owner responsible for cleaning, repair, and maintenance.

Section 8. Power of Attorney. By acceptance of a deed, mortgage, land contract, or other instrument of conveyance or encumbrance all Co-Owners, mortgagees, and other interested parties are deemed to have appointed the Developer (during the Development and Sales Period) and/or the Association (after the Development and Sales Period has expired), as their agent and attorney to act in connection with all matters concerning the Common Elements and their respective interests in the Common Elements. Without limiting the generality of this appointment, the Developer (or Association) will have full power and authority to grant easements over, to sever or lease mineral interests and/or to convey title to the land or improvements constituting the General Common Elements or any part of them, to dedicate as public streets any parts of the General Common Elements, to amend the Condominium Documents for the purpose of assigning or reassigning the Limited Common Elements, and in general to execute all documents and to do all things necessary or convenient to the exercise of such powers.

Section 9. Separability. Except as provided in this Master Deed, Units shall not be separable from their appurtenant Common Elements, and neither shall be used in any manner inconsistent with the purposes of the project, or in any other way that might interfere with or impair the rights of other Co-Owners in the use and enjoyment of their units or their appurtenant Common Elements.

ARTICLE V

UNIT DESCRIPTION AND PERCENTAGE OF VALUE

Section 1. Description of Units. Each Unit in the Condominium Project is described in this paragraph with reference to the Condominium Subdivision Plan of Daisy Square Lofts Condominium as prepared by Dietrich, Bailey and Associates, P.C., the address of which is 107

South Main Street, Plymouth, Michigan 48170. The Condominium consists of seventy (70) Units, which includes fifty-six (56) Residential Units and fourteen (14) Garage Units.

Section 2. Percentage of Value. The total value of the Project is 100%, and the percentage thereof assigned to each Condominium Unit shall be as set forth in Exhibit C of this Master Deed. Each Residential Unit is assigned a Percentage of Value based on the approximate unit square footage and adjusted on a per floor basis; each Garage Unit is assigned a Percentage of Value of 0.170%. If convertible space is converted, the Future Development Area is added to the Condominium, or if a substantial disparity in size exists, the Percentages of Value may be readjusted by the Developer in its discretion so long as reasonable recognition is given to the method of original determination of Percentages of Value for the Project. This Percentage of Value shall be determinative of the proportionate share of each Unit in the proceeds and expenses of administration, the value of such Unit's vote at meetings of the Association of Co-Owners, and of such Unit's undivided interest in the Common Elements (which is hereby allocated to each Unit).

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 unanimously consented to such amendment or amendments to this Master Deed to effectuate the foregoing and, subject to the limitations set forth herein, proportionate reallocation of Percentages of Value of existing Units which Developer or its successor may determine necessary in conjunction with such amendment or amendments. All such interested persons irrevocably appoint Developer or its successors as agent and attorney for the purpose of execution of such amendment or amendments to this Master Deed and all other documents necessary to effectuate the foregoing.

ARTICLE VI

CONSOLIDATION AND OTHER MODIFICATIONS

Notwithstanding any other provision of the Master Deed or the Bylaws, Units in the Condominium may be consolidated, modified and the boundaries relocated, in accordance with Sections 48 and 49 of the Act and this Article; provided, however, that Developer has obtained the consent to same from any and all Senior Mortgagees which consent shall not be unreasonably withheld. Such changes in the affected Unit or Units shall be promptly reflected in a duly recorded amendment or amendments to this Master Deed, and Developer shall execute any and all certificates, instruments, agreements or other documents reasonably required by a Senior Mortgagee in connection with same.

Section 1. By Developer. Developer reserves the sole right during the Construction and Sales Period and without the consent of any other Co-owner or any mortgagee (other than Senior Mortgagees) of any Unit to take the following action:

- (a) Consolidate Contiguous Units. Consolidate under single ownership two or more Units which are separated only by Unit perimeter walls. In connection with such consolidation, Developer may alter or remove all or portions of the intervening wall,

provided that the structural integrity of the building is not affected thereby, and provided that no utility connections serving other Units are disturbed other than temporarily. Such consolidation of Units shall be given effect by an appropriate amendment or amendments to this Master Deed in the manner provided by law, which amendment or amendments shall be prepared by the Developer, its successors or assigns.

(b) Relocate Boundaries. Relocate any boundaries between adjoining Units, separated only by Unit perimeter walls or other Common Elements not necessary for the reasonable use of Units other than those subject to the relocation. In connection with such relocation, Developer may alter or remove all or portions of the intervening wall, provided that the structural integrity of the building is not affected thereby, and provided that no utility connections serving other Units are disturbed other than temporarily. The relocation of such boundaries shall be given effect by an appropriate amendment or amendments to this Master Deed in the manner provided by law, which amendment or amendments shall be prepared by the Developer, its successors or assigns.

(c) Amend to Effectuate Modifications. In any amendment or amendments resulting from the exercise of the rights reserved to Developer above, each portion of the Unit or Units resulting from such consolidation or relocation of boundaries shall be separately identified by number. The percentages of value shall be proportionately reallocated to the resultant Units in order to preserve a total value of 100% for the entire Project. The precise determination of the readjustments in percentages of value shall be within the sole judgment of the Developer. Such readjustments, however, shall reflect a continuing reasonable relationship among percentages of value based upon the original method of determining percentages of value for the Project. Such amendment or amendments to the Master Deed shall also contain such further definitions of General or Limited Common Elements as may be necessary to adequately describe the Units in the Condominium Project as so modified. 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 to effectuate the foregoing and to any proportionate reallocation of percentages of value of Units which Developer or its successors may determine necessary in conjunction with such amendment or amendments. All such interested persons irrevocably appoint 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 hereto.

Section 2. By Co-owners. Co-owners of adjoining Units may relocate boundaries between their Units or eliminate boundaries between two or more Units upon written request to and approval by the Association and the Developer during the Construction and Sales Period. Upon receipt of such request, the president of the Association shall present the matter to the Board of Directors for review and, if approved by the Board, cause to be prepared an amendment to the Master Deed duly relocating the boundaries, identifying the Units involved, reallocating

percentages of value and providing for conveyancing between or among the Co-owners involved in relocation of boundaries. The Co-owners requesting relocation of boundaries shall bear all costs of such amendment. Such relocation or elimination of boundaries shall not become effective, however, until the amendment to the Master Deed has been recorded in the office of the Wayne County Register of Deeds.

Section 3. Limited Common Elements. Limited Common Elements shall be subject to assignment and reassignment in accordance with Section 39 of the Act and in furtherance of the rights to consolidate or relocate boundaries described in this Article.

ARTICLE VII

EASEMENTS

Section 1. Easements for Maintenance and Related Matters.

(a) Encroachments. If all or 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 of a foundation or support, or due to survey errors, construction deviations, reconstruction, replacement, renovation or repair, reciprocal easements, respectively benefiting and burdening each such Unit or Common Element, shall exist for the maintenance of such encroachment for so long as such encroachment exists, and for maintenance thereof after rebuilding in the event of any partial or total destruction.

(b) Maintenance and Utilities. Perpetual easements shall also exist to, through, over, under and across the Condominium Premises, including all Units and interior walls, (i) in favor of the Developer, the Association and all Co-Owners for the maintenance and repair (including replacement) of Common Elements and Units, and (ii) in favor of the various utility companies providing service, as may be reasonable for the installation and continuing maintenance and repair (including replacement) of all utilities in the Condominium Project, including, but not necessarily limited to, light, heat, power, sewer, water, security system, cable TV system, storm water discharge and detention and communications, which utilities are sometimes collectively referred to in this Article VII as "utilities" or "utility services." These easements include, without limitation, the right to obtain access to Common Elements located within any Unit or its appurtenant Limited Common Elements, during reasonable hours and upon reasonable notice, except in cases of emergency where no prior notice is required.

(c) Structural Support. Every portion of a Unit which contributes to the structural support of a building shall be burdened with an easement of structural support for the benefit of the Common Elements.

Section 2. Easements Retained by Developer.

(a) Roadway Easements. In addition to all other rights reserved to it hereunder, the Developer, its successors and assigns, hereby reserves for the benefit of itself, its agents, employees, guests, invitees, independent contractors, successors and assigns, a perpetual, non-exclusive easement for the unrestricted use of all road and walkways now or hereafter located in the Condominium Project for the purpose of:

(1) ingress to and egress from all or any portion of:

(i) the Condominium Premises, including any property hereafter contracted out of the Condominium;

(ii) any other land adjacent to or in the vicinity of the Condominium Project now owned or hereafter acquired by the Developer;

(2) complying with any governmental regulation, or installing and servicing the roads, utility drains as shown on the Condominium Subdivision Plan attached hereto as Exhibit B; or

(3) for any other lawful purpose, including installation of utilities.

(b) Use of Facilities. The Developer, and its duly authorized agents, representatives and employees, may maintain offices, model Units and other facilities on the Condominium Premises and engage in any acts reasonably necessary to facilitate the construction and sale of Units in the Condominium Project. In connection therewith, the Developer shall have full and free access to all Common Elements and unsold Units.

(c) Repair and Replacement. The Developer retains for the benefit of itself and to all assigns or designated representatives and any utility company, and to the burden of the Condominium Premises, the right to enter the Condominium Project for the purpose of exercising any of the Developer's rights described herein, including the right to and do all the things necessary to install, maintain, repair, replace or inspect facilities within the purview of their responsibilities.

(d) Hook-Up of Utilities. The Developer reserves for the benefit of itself, its agents, employees, independent contractors, successors and assigns, and for the benefit of any appropriate utility company, perpetual easements to enter upon and across the Condominium Premises and lay pipes and cables and do all other things reasonably necessary to utilize, tap and tie into, and to construct, extend and enlarge, all utility services or systems now or hereafter located on the Real Property described in Article II hereof to service all or any portion of the Condominium Project.

(e) Future Utility Easements. The Developer further reserves the right at any time to grant easements for utilities over, under and across the Common Elements to (i) appropriate governmental agencies or public utility companies, (ii) any property hereafter contracted out of the Condominium or any other land adjacent to or in the

vicinity of the Condominium Project now owned or hereinafter acquired by Developer, including, but not limited to approximately 2.01 acres of land located to the north of the Future Development Area (as hereinafter defined) (the "Loft Parcel"), and to transfer title to utilities to governmental agencies or to utility companies, provided such easements do not disturb, or interfere with the use of, any Unit. 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 the Plan, which amendment shall be recorded in the Wayne County Records. 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 as may be required to effectuate the foregoing grant of easement or transfer of title.

(f) Future Easements, Licenses and Rights-of-Way. With the prior written consent of the Developer, 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 Common Elements of the Condominium for utility purposes, access purposes or other lawful purposes as may be necessary for the benefit of the Condominium and/or the Loft Parcel or any adjacent and/or contiguous real property whether or not owned by Developer or its affiliates. The Association shall not grant any such right that materially adversely affects any Co-owner without the consent of such Co-owner.

(g) Modification of Easements. No easements or right established pursuant to this Article may be modified or terminated, nor may any of the obligations relating thereto be varied, except as provided in the separate instrument creating such easement or right or, if no such separate instrument exists, without the consent of the Developer, the Association, and each Co-owner and Mortgagee benefiting from such easement or right.

Section 3. Reserved Easements.

(a) Dedication of Right-of-Way. The Developer reserves the right, at any time during the Development and Sales Period, to dedicate to the public a right-of-way of such width as may be required by the local public authority over any or all of the roadways in the Condominium Project, shown as General Common Elements in the Condominium Subdivision Plan. Such dedication shall also include all gas and water lines, and all street lights, located within the right-of-way.

(b) Dedication of Certain Utilities. The Developer reserves the right, at any time during the Development and Sales Period, to dedicate to the public all sanitary sewer, water lines and pumping stations constituting General Common Elements and located within and serving the Condominium Project.

(c) Storm Sewer and Detention Basin Easement. The Developer reserves the right, at any time during the Development and Sales Period, to grant easements to the

City of Plymouth for the maintenance, inspection, testing and repair of the storm sewer system and detention basin constituting General Common Elements and located within and serving the Condominium Project. The Association shall be responsible for reimbursing the City of Plymouth for the costs and expenses incurred in connection with such maintenance and repair, which costs and expenses shall be assessed to all Co-Owners according to their Percentages of Value.

(d) Emergency Vehicle and Public Services Access Easement. There shall exist for the benefit of the City of Plymouth, any emergency service agency and the United States Postal Service ("USPS"), an easement over all roads in the Condominium for use by the City of Plymouth service providers, USPS, garbage collection 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. This grant of easement shall in no way be construed as a dedication of any streets, roads or driveways to the public.

Section 4. No Dedication to Public Use. Nothing contained in this Master Deed shall be construed to constitute a dedication, express or implied, of any part of the Condominium to or for any public use or purpose whatsoever.

Section 5. Termination of Easements. Developer reserves the right to terminate and revoke any utility or other easement granted in this Master Deed at such time as the particular easement has become unnecessary. No easement for a utility may be terminated or revoked unless and until all Units served by it are adequately served by an appropriate substitute or replacement utility on a shared-maintenance basis. Any termination or revocation of any such easement shall be effected by the recordation of an appropriate amendment to this Master Deed in accordance with the requirements of the Act.

Section 6. Telecommunications Agreements. The Association, acting through its duly constituted Board of Directors and subject to the 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 grant any 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.

ARTICLE VIII

CONVERTIBLE AREAS

Section 1. Designation of Convertible Areas. The Common Elements have been designated on the Condominium Subdivision Plan as Convertible Areas within which the Units and/or General or Limited Common Elements may be created as provided herein.

Section 2. The Developer's Right to Modify Units and Common Elements. The Developer reserves the right, in its sole discretion, during a period ending six (6) years from the date of recording of this Master Deed to modify the size, location, design or elevation of Units and/or General or Limited Common Elements appurtenant or geographically proximate to such Units within the Convertible Areas designated for such purpose on the Condominium Subdivision Plan, so long as such modifications do not unreasonably impair or diminish the appearance of the Project or the view, privacy or other significant attribute or amenity of any Unit which adjoins or is proximate to the modified Unit or Common Element.

Section 3. Compatibility of Improvements. All improvements constructed within the Convertible Areas described above shall be reasonably compatible with the structures on other portions of the Condominium Project. No improvements, other than as above indicated, may be created on the Convertible Areas.

Section 4. Amendment of Master Deed. Such conversion of this Condominium Project shall be given effect by appropriate amendments to this Master Deed in the manner provided by law, which amendments shall be prepared by the Developer.

Section 5. Right to Modify Floor Plans. The Developer further reserves the right to amend and alter the floor plans and/or elevations of any buildings and/or Units described in the Condominium Subdivision Plan attached hereto. The nature and appearance of all such altered buildings and/or Units shall be determined by the Developer in its sole judgment; but, in no event shall such altered buildings and/or Units deviate from the plans approved by the City. All such improvements shall be reasonably compatible with the existing structures in the Project, as determined by the Developer in its sole discretion.

Section 6. Consent of Interested Persons. 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 amendments to this Master Deed as may be proposed by the Developer to effectuate the purposes of this Article. All such interested persons irrevocably appoint the Developer as agent and attorney for the purpose of execution of such 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 hereto and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits hereto.

ARTICLE IX

AMENDMENT

This Master Deed and the Condominium Subdivision Plan may be amended with the consent of 66-2/3% of the Co-owners, except as hereinafter set forth:

Section 1. Modification of Units or Common Elements. No Unit dimension may be modified in any material way without the consent of the Co-owner and mortgagee of such Unit nor may the nature or extent of Limited Common Elements or the responsibility for maintenance, repair or replacement thereof be modified in any material way without the written consent of the Co-owner and mortgagee of any Unit to which the same are appurtenant, except as otherwise expressly provided in this Master Deed or in the Bylaws to the contrary.

Section 2. Mortgagee Consent. The approval of 66-2/3% of all first mortgagees of record, allocating one vote for each mortgage held, shall be required on amendments under the following circumstances:

- (a) Termination of the Condominium Project.
- (b) A change in the method or formula used to determine the percentage of value assigned to a Unit subject to the mortgagee's mortgage.
- (c) A reallocation of responsibility for maintenance, repair, replacement, or decoration for a Unit, its appurtenant Limited Common Elements, or the General Common Elements from the Association to the Unit subject to the mortgagee's mortgage.
- (d) Elimination of a requirement for the Association to maintain insurance on the Condominium Project as a whole or a Unit subject to the mortgagee's mortgage or reallocation of responsibility for obtaining or maintaining, or both, insurance from the Association to the Unit subject to the mortgagee's mortgage.
- (e) The modification or elimination of an easement benefiting the Unit subject to the mortgagee's mortgage.
- (f) The partial or complete modification, imposition, or removal of leasing restrictions for Units in the Condominium Project.
- (g) Amendments requiring the consent of all affected mortgagees under Section 90(4) of the Act.

Section 3. By Developer. The Developer may, without the consent of any Co-owner or any other person, amend this Master Deed and the Condominium Subdivision Plan attached as Exhibit B in order to correct survey or other errors made in such documents and to make such

other amendments to such instruments and to the Bylaws attached hereto as Exhibit A as do not materially affect any rights of any Co-owners or mortgagees in the Project.

Section 4. Change in Percentage of Value. The value of the vote of any Co-owner and the corresponding proportion of common expenses assessed against such Co-owner shall not be modified without the written consent of such Co-owner and his mortgagee, nor shall the percentage of value assigned to any Unit be modified without like consent, except as provided in this Master Deed or in the Bylaws.

Section 5. Termination, Vacation, Revocation or Abandonment. The Condominium Project may not be terminated, vacated, revoked or abandoned without the written consent of the Developer, 80% of non-developer Co-owners and 80% of first mortgagees.

Section 6. Developer Approval. During the Construction and Sales Period, the Condominium Documents shall not be amended nor shall the provisions thereof be modified by any other amendment to this Master Deed without the written consent of the Developer.

Section 7. Amendments for Secondary Market Purposes. The Developer or Association may amend the Master Deed or Bylaws to facilitate mortgage loan financing for existing or prospective Co-owners and to enable the purchase or insurance of such mortgage loans by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Veterans Administration, the Department of Housing and Urban Development, Michigan State Housing Development Authority or by any other institutional participant in the secondary mortgage market which purchases or insures mortgages. The foregoing amendments may be made without the consent of Co-owners or mortgagees.

ARTICLE X

ASSIGNMENT

Any or all of the rights and powers granted or reserved to the 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 it 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 Wayne County Register of Deeds.

[SIGNATURE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned has executed this Master Deed as of the date first written above.

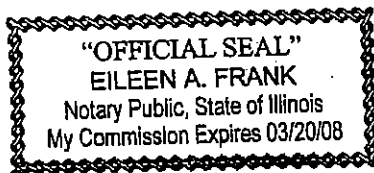
DAISY AT PLYMOUTH LLC,
a Michigan limited liability company

By: Joseph Freed Homes LLC,
an Illinois limited liability company
Its: Manager

By: *Lori F. Chacos*
Name: *LORE F. CHACOS*
Its: One of its Managers

STATE OF *Illinois*)
COUNTY OF *Cook*) ss.

On this *6th* day of *April*, 200*4*, the foregoing Master Deed was acknowledged before me by *Lori F. Chacos*, one of the Managers of Joseph Freed Homes LLC, an Illinois limited liability company, the Manager of Daisy at Plymouth LLC, a Michigan limited liability company, on behalf of the company.



Eileen A. Frank
Notary Public
3/20/08
My Commission Expires:

**DRAFTED BY AND WHEN
RECORDED RETURN TO:**

Joseph M. Fazio, Esq.
Miller, Canfield, Paddock and Stone, P.L.C.
101 North Main
Seventh Floor
Ann Arbor, MI 48104

CONSENT TO SUBMISSION OF REAL PROPERTY TO CONDOMINIUM PROJECT

WHEREAS, Daisy at Plymouth LLC, a Michigan limited liability company, as owner, has created Daisy Square Lofts Condominium, a condominium project pursuant to a Master Deed recorded _____, at Liber _____, Page _____, Wayne County Records.

WHEREAS, National City Bank of Michigan/Illinois, is interested in the above-described premises as mortgagee under a certain Mortgage dated October 20, 2003, recorded November 4, 2003 at Liber 39533, Page 52, Wayne County Records.

NOW, THEREFORE, National City Bank of Michigan/Illinois hereby consents to the submission of the aforesaid property to the condominium project as set forth in the Master Deed of Daisy Square Lofts Condominium, and further consents to the recordation of such Master Deed in the office of the Wayne County Register of Deeds office.

Dated: April 6, 2004

**NATIONAL CITY BANK OF
MICHIGAN/ILLINOIS**

WITNESS:

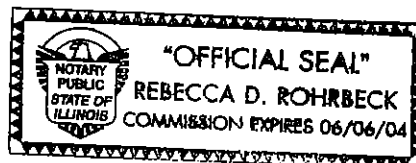
By R. Michael Phelan
Its: Senior Vice President

STATE OF Illinois)
) ss.
COUNTY OF DuPage)

The foregoing instrument was acknowledged before me this 6 day of April, 2004, by R. Michael Dunn, the Senior Vice President of National City Bank of Michigan / Illinois, on behalf of National City Bank of Michigan / Illinois.

Rebecca D. Rohrbach
Notary Public

My commission expires: 6/6/04



EXHIBITS TO
MASTER DEED
DAISY SQUARE LOFTS CONDOMINIUM
(Act 59, Public Acts of 1978)
as amended

- Exhibit A to Master Deed: Condominium By-Laws of Daisy Square Lofts Condominium.
- Exhibit B to Master Deed: Condominium Subdivision Plan for Daisy Square Lofts Condominium.
- Exhibit C to Master Deed: Percentage of Value

7
a.

EXHIBIT A

CONDOMINIUM BYLAWS

OF

DAISY SQUARE LOFTS CONDOMINIUM

DEVELOPER:

Daisy at Plymouth LLC
220 North Smith Street, Suite 300
Palatine, Illinois 60067

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Section 2. Voting Rights. Except as limited in the Master Deed and in these Condominium Bylaws, the Members owning each Unit shall collectively be entitled to one vote when voting by number and one vote, the value of which shall equal the total Percentage of Value assigned to the Unit or Units owned by them in Article V, Section 2 of the Master Deed, when voting by value. Voting, when required or permitted herein or elsewhere in the Condominium Documents, shall be by value, except in those instances where voting is specifically required to be by number, or both by value and by number, and no accumulation of votes shall be permitted.

Section 3. Persons Entitled to Vote. If one person owns a Unit, he shall establish his Membership in the Association and his right to vote by presenting evidence of his ownership. If more than one person owns a Unit, or the Unit is leased, all of the record owners of the Unit shall sign and file with the Secretary of the Association a certificate designating the person entitled to exercise the Unit's Membership in the Association, to cast the vote for the Unit and to receive all notices and other communications from the Association. Such certificate shall state the name and address of the individual representative designated, the number or numbers of the Unit or Units owned, the name and address of the person or persons, firm, corporation, partnership, association, trust or other legal entity who is the Co-Owner thereof, and shall be signed and dated by all Co-Owners of record. All certificates shall be valid until revoked, until superseded by a subsequent certificate, or until a change occurs in the record ownership of the Unit concerned. The Developer shall, at any meeting, be entitled to cast a vote on behalf of each Unit he owns without submitting any proof of ownership. For purposes of this Section 3, the Developer shall be deemed to own only completed Units, as defined in Article V, Section 7, hereof.

Section 4. Method of Voting. Votes on a specific issue may be cast in person. In addition, any person entitled to vote at any meeting may also appear and vote via telecommunications equipment by which all persons participating in the meeting may hear each other; provided that all participants are advised of the communications equipment and the names of the participants in the conference are divulged to all participants; or appear and vote (either specifically on an issue or by the general designation of a person to cast a vote) by written proxy. Proxies may be made by any person entitled to vote. They shall be valid only for the particular meeting designated, and any adjournment thereof, and must be filed with the Association before the appointed time of the meeting.

Section 5. Majority. At any meeting of the Members at which a quorum is present, more than fifty percent (50%) in value of the Members voting, whether in person, by telecommunications or by proxy, on any particular matter, shall constitute a majority for the approval of such matter, except as otherwise required herein, by the Master Deed or by law.

ARTICLE III MEETINGS AND QUORUM

Section 1. First Meeting of Members. The first meeting of the Members of the Association may be convened only by the Board of Directors and may be called at any time upon ten (10) days' written notice to all Members. In no event, however, shall the first meeting be held later than: (a) one hundred twenty (120) days after legal or equitable title to twenty-five percent (25%) of the Condominium Units in the Condominium Project that may be created has

been conveyed to non-Developer Co-Owners; or (b) fifty-four (54) months after the first conveyance of legal or equitable title to a Condominium Unit to a non-Developer Co-Owner, whichever first occurs. The Board of Directors may call meetings of Members of the Association for informational or other appropriate purposes prior to the first meeting of Members, but no such meeting shall be construed as the first meeting of Members.

Section 2. Advisory Committee. The Board of Directors shall establish an Advisory Committee of non-Developer Members upon the passage of: (a) one hundred twenty (120) days after legal or equitable title to thirty-three and one-third percent (33 1/3 %) of Condominium Units in the Condominium Project that may be created have been conveyed to non-Developer Co-Owners; or (b) one (1) year after the initial conveyance of legal or equitable title to a Condominium Unit to a non-Developer Co-Owner, whichever first occurs. The Advisory Committee shall meet with the Board of Directors to facilitate communication with the non-Developer Members and to aid in transferring control from the Developer to non-developer Members. The Advisory Committee shall be composed of not less than three (3) nor more than nine (9) non-Developer Members, who shall be appointed by the Board of Directors in any manner it selects, and who shall serve at the pleasure of the Board of Directors. The Advisory Committee shall automatically dissolve following the election of a majority of the Board of Directors by non-Developer Co-Owners. The Advisory Committee shall meet at least semi-annually with the Board of Directors. Reasonable notice of such meetings shall be provided to all Members of the Advisory Committee, and such meetings may be open or closed, in the discretion of the Board of Directors.

Section 3. Annual Meeting of Members. Following the first meeting of Members, and in addition to subsequent meetings called for the purpose of electing Directors, as provided in Article IV, Section 1, below, an annual meeting of the Members shall be held each year on September 15 and at such place as determined by the Board of Directors. At least ten (10) days but not more than sixty (60) days prior to the date of an annual meeting, written notice of the time, place and purpose of such meeting shall be sent by first-class mail, postage prepaid, to each person entitled to vote at the meeting.

Section 4. Special Meetings of Members. It shall be the duty of the President to call a special meeting of the Members upon a petition signed by one-third (1/3) of the Members in number and presented to the Secretary of the Association or upon the direction of a majority of the Board of Directors. Notice of any special meeting shall state the time and place of such meeting and the purposes thereof and shall be given at least ten (10) days but not more than sixty (60) days prior to the date of such meeting. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Quorum of Members. Unless otherwise provided herein, the presence, in person or by proxy, of two-thirds (2/3) in number and value of the Members entitled to vote shall constitute a quorum of Members. If a quorum shall not be present at any meeting, the Members present may adjourn the meeting for not more than thirty (30) days.

ARTICLE IV
ADMINISTRATION

Section 1. Board of Directors. The affairs of the Association shall be governed by a Board of Directors all of whom must be Members of the Association or Officers, partners, trustees, employees, agents or spouses of Members of the Association except for the first Board of Directors and any Directors thereafter designated to the Board of Directors by the Developer as hereinbelow provided in this Article IV. Directors shall serve without compensation; provided, however, that Directors may be reimbursed for reasonable travel and other expenses incurred in discharging their duties pursuant to and in accordance with such reimbursement policies as may be from time to time established by the Board of Directors or by the Members of the Association. The Board of Directors shall be established and selected in the following manner:

(a) The First Board of Directors shall be composed of those three (3) persons selected by the incorporator of the Association and such first Board of Directors shall manage the affairs of the Association until a successor Board of Directors is established as provided by this Article IV. Each subsequent Board of Directors shall be composed of three (3) persons. The number of persons comprising each such subsequent Board of Directors shall be determined by the Developer until the earlier of such date as (i) legal or equitable title to seventy-five (75%) percent of the Units in the Condominium Project that may be created are conveyed to non-Developer Co-Owners, or (ii) shall be fifty-four (54) months after the date of the first conveyance of legal or equitable title of a Unit to a non-Developer Co-Owner. Thereafter, the number of persons comprising each subsequent Board of Directors shall be determined by vote of the Members prior to the establishment of each such Board of Directors; provided, however, that if a motion is not made and carried to increase or decrease the number of Directors, then the Board of Directors shall consist of the same number of persons as theretofore comprised the full Board of Directors. In addition, following expiration of the Developer's right to determine the size of the Board of Directors, the Members may, by resolution duly made and passed, provide that in lieu of annually electing all Directors, the Directors shall be divided into 2 classes, each to be as nearly equal in number as possible, with terms of office such that the term of Directors in the first class will expire at the first annual meeting following their election, and that of the second class to expire at the second annual meeting after their election. At each annual meeting after such classification of the Board of Directors, a number of Directors equal to the number of the class whose term is expiring shall be elected to hold office until the second succeeding annual meeting.

(b) Not later than one hundred twenty (120) days after such date as legal or equitable title to twenty-five (25%) percent of the Units in the Condominium Project that may be created are conveyed to non-Developer Co-Owners, a special meeting of Members shall be held for the purpose of selecting a Board of Directors to replace the First Board of Directors. It shall be the duty of the President to call such meeting, and the duty of the Secretary to provide notice thereof to each Co-Owner, as otherwise provided by these Condominium Bylaws. At such meeting, the non-Developer Co-Owners shall elect at least one (1) Director and not less than twenty-five (25%) percent of all Members of the full Board of Directors being established, in accordance with the other applicable provisions of these Condominium Bylaws. The Developer shall be entitled to appoint all other persons to serve as Directors on such Board of Directors.

(c) Unless the Board of Directors shall already contain the number of non-Developer Co-Owner elected Directors hereinbelow set forth, then not later than one hundred twenty (120) days after such date as legal or equitable title to fifty (50%) percent of the Units in the Condominium Project that may be created are conveyed to non-Developer Co-Owners, a special meeting of Members shall be held for the purpose of selecting a Board of Directors to replace the Second Board of Directors. It shall be the duty of the President to call such meeting, if necessary, and the duty of the Secretary to provide notice thereof to each Co-Owner, if such meeting is called, as otherwise provided by these Condominium Bylaws. At such meeting, if any, the non-Developer Co-Owners shall elect at least one (1) Director and not less than thirty-three and one-third (33-1/3%) percent of all Members of the full Board of Directors being established, in accordance with the other applicable provisions of these Condominium Bylaws. The Developer shall be entitled to appoint all other persons to serve as Directors on such Board of Directors.

(d) Notwithstanding anything in subsections (b) and (c) of this Article IV to the contrary, except as otherwise provided by Subsection (e) below, not later than one hundred twenty (120) days after such date as legal or equitable title to seventy-five (75%) percent of the Units in the Condominium Project that may be created are conveyed to non-Developer Co-Owners, and before conveyance of ninety (90%) percent of such Units, a special meeting of Members shall be held for the purpose of selecting a new Board of Directors, all the Members of which shall be elected by majority vote of the non-Developer Co-Owners. It shall be the duty of the President to call such meeting, and the duty of the Secretary to provide notice thereof to each Co-Owner, as otherwise provided by these Condominium Bylaws.

(e) Notwithstanding anything in this Article IV to the contrary, the Developer shall be entitled to appoint one (1) Director to the Board of Directors each and every time a new Board of Directors is established so long as, at the time any such new Board of Directors is created, the Developer owns and offers for sale any Units in the Condominium Project or any of the remaining Units that may be created.

(f) In lieu of holding any special meeting of Members for the purpose of establishing a new Board of Directors containing the number of non-Developer Co-Owners elected Directors required by subsections (b), (c), (d) or (g) of this Section, such new Board of Directors may be established, and non-Developer Co-Owner elected Directors may be elected, at the first or any subsequent annual meeting of Members held on or before such date as may be the latest date permitted by such provisions for reconstituting the Board of Directors as thereby required. Notice of the fact that a new Board of Directors will be established, and non-Developer Co-Owner elected Directors will be elected, at any such annual meeting need not be specified in the notice of such meeting given to Co-Owners as required by these Condominium Bylaws. Except as may be otherwise required by subsections (c), (d), and (g) of this Section, a Board of Directors established at any annual or special meeting of Members shall hold office and manage the affairs of the Association until the election of successor Directors at the next annual meeting of Members.

(g) Except as otherwise provided by subsection (e) of this Section, fifty-four (54) months from and after such date as legal or equitable title to a Unit in the Condominium Project is conveyed to a non-Developer Co-Owner, the non-Developer Co-Owners shall have the right to

elect such number of Members of the Board of Directors as shall be equal to the Percentage of Units they hold, and the Developer shall be entitled to appoint such number of Members of the Board of Directors as shall be equal to the Percentage of Units owned by the Developer and for which all assessments are payable by the Developer. The right hereby conferred upon the non-Developer Co-Owners to elect Directors may increase, but shall not decrease, the number of Directors which the non-Developer Co-Owners are otherwise entitled to elect pursuant to the provisions of this Section. Nothing herein shall be deemed or construed in any manner so as to prohibit the Developer from appointing one Member of the Board of Directors as provided by subsection (e) of this Section, or as requiring a change in the size or method of determining the size of the Board of Directors as otherwise set forth in these Condominium Bylaws. Any Director or non-Developer Co-Owner may request a special meeting of the Members of the Association for the purpose of electing Directors as provided by this subsection (g) by giving written notice of such person's desire for such meeting to the President. Upon receipt of any such notice, it shall be the duty of the President to call such meeting for such a date as shall be no later than sixty (60) days subsequent to the date of his or her receipt of such request, and the duty of the Secretary to provide notice thereof to each Co-Owner, as otherwise provided by these Condominium Bylaws. Absent a special meeting of Members of the Association for purposes of electing Directors as provided by this Section, the Board of Directors then in office shall continue to serve until the next annual meeting of Members, at which time Directors shall be elected as provided by this or the then applicable subsection of this Section.

(h) As used in subsections (a) through (g) of this Section, and Sections 1 and 2 of Article III, the phrase "Units in the Condominium Project that may be created" means the maximum number of Units stated in the Master Deed that may be built by the Developer in all phases of the Condominium Project assuming the Developer fully exercises its right to expand the Condominium Project by adding additional land thereto or converting convertible areas as permitted thereby.

(i) For purposes of determining the number of Directors on the Board of Directors that non-Developer Co-Owners have a right to elect pursuant to subsections (b), (c), (d) and (g) of this Section, a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number; provided, however, that this Section shall not be used to eliminate the right of the Developer to appoint one (1) Member of the Board of Directors as provided by subsection (e) of this Section.

Section 2. Powers and Duties. The Association shall have all powers and duties necessary for the administration of the affairs of the Condominium and may do all things which are not prohibited by law or the Condominium Documents or required thereby to be done by the Co-Owners. The powers and duties to be exercised by the Association through the Board shall include, but shall not be limited to, the power and duty:

(a) To manage and administer the affairs of and to maintain the Condominium, all appurtenances thereto and the Common Elements, property and easements thereof;

(b) To levy and collect assessments against and from the Members of the Association and to use the proceeds therefrom for the purposes of the Association, and to enforce

assessments through liens and foreclosure proceedings where, in the judgment of the Directors, appropriate;

(c) To carry insurance and to collect and allocate the proceeds thereof;

(d) To restore, repair or rebuild the Common Elements of the Condominium, or any portion thereof, and any improvements located thereon, after the occurrence of a casualty and to negotiate on behalf of Co-Owners in connection with the taking of the Condominium, or any portion thereof, by eminent domain;

(e) To contract for and employ, supervise, and discharge, persons or business entities to assist in the management, operation, maintenance and administration of the Condominium;

(f) To make and amend reasonable rules and regulations consistent with the Michigan Condominium Act, the Master Deed and these Condominium Bylaws affecting Co-Owners and their tenants, guests, employees and invitees concerning the use and enjoyment of the Condominium and to enforce such regulations by all legal methods, including, but not limited, the imposition of fines and late payment charges, eviction proceedings or legal proceedings (copies of all such regulations and amendments thereto shall be furnished to all Members and shall become effective ten (10) days after mailing or delivery thereof to the designated voting representative, as provided for in Article II, Section 3 above), of each Member, and any such regulation or amendment may be revoked at any time at any duly convened meeting of the Association by the affirmative vote of more than fifty (50%) percent of all Members in number and in value, except that the Members may not revoke any regulation or amendment prior to the first meeting of the Association;

(g) To own, maintain and improve, and to buy, sell, convey, assign, mortgage, license, rent or lease (as landlord or tenant) any real or personal property, including, but not limited to, any Common Elements or Unit in the Condominium, easements, rights-of-way or licenses or any other real property, whether or not contiguous to the Condominium, for the purpose of generating revenues, providing benefit to the Members of the Association or in furtherance of any other appropriate purposes of the Association;

(h) To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Association, and to secure the same by mortgage, pledge or other lien on property owned by the Association;

(i) To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto, for the purpose of implementing the administration of the Condominium and to delegate such committees any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board;

(j) To enforce the provisions of the Master Deed and Bylaws of the Condominium, the Articles of Incorporation, and the Rules and Regulations of the Association as may hereafter be adopted, and to sue on behalf of the Condominium or the Members and to assert, defend or settle claims on behalf of the Members with respect to the Condominium;

(k) To do anything required of or permitted by it as administrator of said Condominium by the Master Deed, the Condominium Bylaws or the Michigan Condominium Act, as amended;

(l) To provide services to Co-Owners;

(m) To grant licenses for the use of the Common Elements for purposes not inconsistent with the provisions of the Master Deed, the Condominium Bylaws or the Michigan Condominium Act, as amended;

(n) To assert, defend, or settle claims on behalf of all Co-Owners in connection with the Common Elements of the Condominium and, upon written notice to all Co-Owners, instituting actions on behalf of and against the Co-Owners in the name of the Association;

(o) In general, to enter into any kind of activity; to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, maintenance, repair, replacement and operation of the Condominium and to the accomplishment of any of the purposes thereof not forbidden, and with all powers conferred upon nonprofit corporations by the laws of the State of Michigan.

Provided, however, that, except in the cases of licenses, leases or rental arrangements having a duration of one (1) year or less, neither the Board nor the Association shall, by act or omission, abandon, partition, subdivide, encumber, sell or transfer the Common Elements, or any of them, unless at least two-thirds (2/3) of the first Mortgagees (based upon one (1) vote for each mortgage owned) and two-thirds (2/3) of the Members in number and value have consented thereto. The Board may, however, grant easements for public utilities or other public purposes and to the owners of the Loft Parcel consistent with the intended use of the Common Elements by the Condominium, and no such grant shall be deemed a transfer for the purposes hereof.

Section 3. Managing Agent. The Board may employ, at a compensation established by it, a professional management agent for the Condominium to perform such duties and services as the Board shall authorize, including, but not limited to, the powers and duties set forth in Section 2 of this Article. A "professional management agent" shall mean a person or organization having proven expertise, either from prior experience or by education, in the operation and management of real property. Prior to the Transitional Control Date, the Developer, or any related person or entity, may serve as professional managing agent if so appointed. In no event shall the Board be authorized to enter into any contract with a professional management agent, or any contract providing for services by the Developer or its affiliates, in which the maximum term is greater than three (3) years or which is not terminable by the Association upon the Transitional Control Date or within ninety (90) days thereafter and upon thirty (30) days' written notice for cause. Upon the Transitional Control Date, or within ninety (90) days thereafter, the Board of Directors may terminate a service or management contract with the Developer or its affiliates. In addition, the Board of Directors may terminate any management contract which extends beyond one (1) year after the Transitional Control Date by providing notice of termination to the management agent at least thirty (30) days before the expiration of the one (1) year.

Section 4. Officers.

(a) The Officers of the Association ("Officers") shall be a President, Secretary and a Treasurer, who shall all be members of the Board of Directors.

(b) The Officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board. The Officers may be compensated, but only upon the affirmative vote of sixty (60%) percent or more of all Members voting by value.

(c) Upon affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called in whole or in part for such purpose.

(d) The President shall be the chief executive officer of the Association. He shall preside at meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the president of a corporation, including, but not limited to, the power to appoint committees from among the members of the Association from time-to-time as he may in his discretion deem appropriate to assist in the conduct of the affairs of the Association.

(e) The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; he shall have charge of the corporate seal and of such books and papers as the Board of Directors may direct; and he shall, in general, perform all duties incident to the office of the Secretary.

(f) The Treasurer shall have responsibility for the Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements, specifying the operating expenses clearly, in books belonging to the Association. He shall be responsible for the deposit of all moneys and other valuable effects in the name and to the credit of the Association, in such depositories as may, from time-to-time, be designated by the Board of directors. He shall ensure that expenditures for the maintenance and repair of common elements and any other expenses incurred by or on behalf of the Condominium are properly recorded. In accordance with Article V, Section 3, of the Condominium Bylaws, the Treasurer shall prepare and distribute to each member at least once per year the Association financial statement.

(g) The Officers shall have such other duties, powers and responsibilities as shall, from time-to-time, be authorized by the Board of Directors.

Section 5. Actions Prior to First Meeting. Subject to the provisions of Section 2 of this Article IV, all of the actions (including, without limitation, the adoption of these Condominium Bylaws, any Rules and Regulations for the Association, and any undertakings or contracts entered into with others on behalf of the Association) of the first Board of Directors of the Association designated by its Incorporator, or their appointed successors, before the first meeting of Members, shall be binding upon the Association in the same manner as though such actions had been authorized by a Board of Directors duly elected by the Members of the

Association at the first or any subsequent meeting of Members so long as such actions are within the scope of the powers and duties which may be exercised by any Board of Directors as provided in the Condominium Documents.

Section 6. Indemnification of Officers and Directors. The Association shall indemnify every Association Director and officer against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him as a consequence of his being made a party to or being threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of his being or having been a Director or officer of the Association, except in such cases wherein he is adjudged guilty of willful and wanton misconduct or gross negligence in the performance of his duties or adjudged to have not acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association and its Members, and with respect to any criminal action or proceeding, he is adjudged to have had no reasonable cause to believe that his conduct was unlawful; provided that, if a Director or officer claims reimbursement or indemnification hereunder based upon his settlement of a matter, he shall be indemnified only if the Board of Directors (with any director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interests of the Association and, if a majority of the Members request it, such approval is based on an opinion of independent counsel supporting the propriety of such indemnification and reimbursement. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights such director or officer may have. The Board of Directors shall notify all Members that it has approved an indemnification payment at least ten (10) days prior to making such payment.

ARTICLE V OPERATION OF THE PROPERTY

Section 1. Personal Property. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-Owners, and personal property taxes based thereon shall be treated as Expenses of Administration.

Section 2. Costs and Receipts to be Common. All costs incurred by the Association in satisfaction of any liability arising within, or caused by or in connection with, the Common Elements or the administration of the Condominium shall be Expenses of Administration (as defined in subsection 4 below). All sums received as proceeds of, or pursuant to, any policy of insurance carried by the Association securing the interests of the Co-Owners against liabilities or losses arising within, caused by or connected with the General Common Elements or the administration of the Condominium shall be receipts of administration.

Section 3. Books of Account. The Association shall keep or cause to be kept detailed books of account showing all expenditures and receipts affecting administration of the Condominium. Such books of account shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association of Co-Owners and shall be open for inspection by the Co-Owners and their Mortgagees during reasonable working hours in normal working days at a place to be designated by the Association.

all assessments levied in accordance with this Section 4 in twelve (12) equal monthly installments, commencing with acquisition of title to a Unit by any means.

Any sums owed to the Association by any individual Co-Owner may be assessed to and collected from the responsible Co-Owner as an addition to the monthly assessment installment next coming due. The discretionary authority of the Board to levy assessments pursuant to this Section will rest solely with the Board for the benefit of the Association and the Members thereof and will not be enforceable by any creditors of the Association or its Members.

Section 5. Special Assessments. Special assessments, in addition to those provided for in Section 4 above, may be levied by the Board from time to time, following approval by the Co-Owners as hereinafter provided, to meet other needs, requirements or desires of the Association, including, but not limited to, (1) assessments for capital improvements for additions to the General Common Elements at a cost exceeding Two Thousand Dollars (\$2,000) per year, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments as described in Section 6 hereof, or (3) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this Section 5 (but not including regular assessments referred to in Section 4 above, which shall be levied in the sole discretion of the Board) shall not be levied without the prior approval of two-thirds (2/3) of all Members in value and in number, which approval shall be granted only by a vote of the Co-Owners taken at a meeting of the Co-Owners called in accordance with the provisions of Article III hereof. The discretionary authority of the Board to levy assessments pursuant to this Section will rest solely with the Board for the benefit of the Association and the Members thereof and will not be enforceable by any creditors of the Association or its Members.

Section 6. Collection of Assessments. When used in this Section 6 and Section 12 below, and wherever else appropriate in these Condominium Bylaws, the term "assessment" shall include all regular and special assessments referred to in Sections 4 and 5 above and, in addition, all other charges whatsoever levied by the Association against any Co-Owner. This Section 6 is designed to provide the Association with a vehicle for collection.

Each Co-Owner, whether one or more persons, shall be and shall remain personally obligated for the payment of all assessments, or a prorated portion thereof, levied with regard to his Unit during the time that he is the owner thereof, and no Member may exempt himself from liability for his contribution toward the Expenses of Administration by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his Unit. If any Co-Owner defaults in paying an assessment, interest at the maximum legal rate shall be charged on such assessment from the due date and further penalties or proceedings may be instituted by the Board in its discretion. The payment of an assessment shall be in default if such assessment is not paid in full on or before the due date established by the Board for such payment. In the event of default by any Co-Owner in the payment of any installment of the annual assessment levied against his Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association may also discontinue the furnishing of any services to a Co-Owner if default upon seven (7) days' written notice to such Co-Owner of its intent to do so. A Co-Owner in default on the payment of any assessment shall not be entitled to vote at any meeting of the Association so long as such default continues. The Board may, but need not, report such a default to any first

Mortgagee of record; provided, however, that if such default is not cured within sixty (60) days, the Association shall give the notice required by Section 2 of Article IX of these Condominium Bylaws. Any first Mortgagee of a Unit in the Condominium may consider a default in the payment of any assessment a default in the payment of its mortgage. When a Co-Owner is in arrearage to the Association for assessments, the Association may give written notice of arrearage to any person occupying his Unit under a lease or rental agreement, and such person, after receiving the notice, shall deduct from rental payments due the Co-Owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not be a breach of the rental agreement or lease by the occupant.

Unpaid assessments shall constitute a lien upon the Unit prior to all other liens except unpaid ad valorem real estate taxes and special assessments imposed by a governmental entity and sums unpaid on a first mortgage of record. The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the lien that secures payment of assessments. Each Co-Owner, and every other person, except a first Mortgagee, who from time to time has any interest in the Condominium, shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement (in accordance with the provisions of Chapter 32 of the Michigan Revised Judicature Act, as amended). The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. The Association is hereby granted what is commonly known as a "power of sale." Further, each Co-Owner and every other person, except a first Mortgagee, who from time to time has any interest in the Condominium shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment is delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-Owner acknowledges that at the time of acquiring title to his Unit, he was notified of the provisions of this section and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit.

Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing of a written notice that an assessment, or any part thereof, levied against his Unit is delinquent, and the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such notice shall be mailed by certified mail, return receipt requested, and postage prepaid, and shall be addressed to the individual representative of the delinquent Co-Owner designated in the certificate filed with the Association pursuant to Section 3 of Article II above, at the address set forth in such certificate or at his last known address. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorneys' fees and future assessments), (iv) the legal description of the subject Unit, and (v) the name of the Co-Owner of record. Such affidavit shall be recorded in the Office of the Wayne County Register of Deeds

prior to the commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the individual representative designated above and shall inform such representative that he may request a judicial hearing by bringing suit against the Association. The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorneys' fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-Owner in default and shall be secured by the lien on his Unit. If any Member defaults in the payment of any installment of the annual assessment levied against his Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-Owner thereof or any persons claiming under him, and each Co-Owner hereby consents to the appointment of such a receiver. The Association may purchase a Unit at any foreclosure sale hereunder.

If the holder of a first mortgage on a Unit in the Condominium obtains title to the Unit as a result of foreclosure of the mortgage, deed in lieu of foreclosure or similar remedy, or any other remedy provided in the mortgage, such person, and its successors and assigns, or other purchaser at a foreclosure sale shall not be liable for unpaid assessments chargeable to the Unit which became due prior to the acquisition of title to the Unit by such person; provided, however, that all assessments chargeable to the Unit subsequent to the acquisition of title shall be the responsibility of such person as hereinbefore provided with respect to all Co-Owners.

Section 7. Obligations of the Developer.

(a) Upon the completion of a Unit, the Developer shall be responsible for payment of only a portion of the monthly assessments. Developer shall only pay that portion which corresponds to Developer's actual usage of the Unit. Consequently, Developer shall be responsible for his pro-rata share of building insurance, snow removal and lawn maintenance costs, but for no other costs. A Unit shall be deemed a "Completed Unit" thirty (30) days after the certificate of occupancy has been issued by the local public authority.

(b) The Developer shall also maintain any Incomplete Units owned by it and pay a fair share of all road maintenance (including snow removal) costs and real estate taxes in the year of the establishment of the Condominium. An "Incomplete Unit" shall mean any Unit that is not a Completed Unit or a Unit which is being used by the Developer as a model even though a certificate of occupancy has been issued.

(c) At no time will the Developer be responsible for the payment of any portion of any assessment that is levied for deferred maintenance, reserves for replacement or capital improvements or additions, or to finance litigation or other claims against the Developer, including the cost of investigating and/or preparing such litigation or claim, or any similar related costs.

Section 8. Maintenance and Repair. As provided in the Master Deed, the Association shall maintain and repair the General Common Elements, whether located inside or outside the Units, and the Limited Common Elements, to the extent set forth in the Master Deed. The costs thereof shall be charged to all the Co-owners as a common expense, unless necessitated by the negligence, misuse or neglect of a Co-owner, in which case such expense shall be charged to such Co-owner. The Association or its agent shall have access to each Unit from time to time during reasonable working hours, upon notice to the occupant thereof, for the purpose of maintenance, repair or replacement of any of the Common Elements located therein or accessible therefrom. The Association or its agent shall also have access to each Unit at all times without notice for making emergency repairs necessary to prevent damage to other Units, the Common Elements, or both.

Each Co-owner shall provide the Association means of access to his Unit and any Limited Common Elements appurtenant thereto during all periods of absence, and if such Co-owner fails to provide a means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to his Unit or any Limited Common Elements appurtenant thereto caused thereby or for the repair or replacement of any doors or windows damaged in gaining such access, the costs of which damage shall be borne by such Co-owner. Unless otherwise provided herein or in the Master Deed, damage to a Unit or its contents caused by the repair or maintenance activities of the Association, or by the Common Elements, shall be repaired at the expense of the Association.

All other maintenance and repair obligations shall, as provided in the Master Deed, rest on the individual Co-owner. Each Co-owner shall maintain his Unit and any Limited Common Elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the Common Elements, including, but not limited to, the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other Common Elements in any Unit which are appurtenant to or which may affect any other Unit. Each Co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by him, his family, guests, agents or invitees, unless such damages or costs are actually reimbursed from insurance carried by the Association, in which case there shall be no such responsibility (if reimbursement to the Association is excluded by virtue of a deductible provision, the responsible Co-owner shall bear the expense to the extent of the deductible amount, anything else in these Condominium Bylaws to the contrary notwithstanding). Any costs or damages to the Association that are herein or elsewhere in the Condominium Documents assigned to the individual Co-owner may be assessed to and collected from the responsible Co-owner in the manner provided for regular assessments in Article V, Section 4, hereof.

The provisions of this Section 8 shall be subject to those of Article VI, Sections 1-3, in the event of repair or replacement on account of a casualty loss.

Section 9. Taxes. Subsequent to the year in which the Condominium is established, all special assessments and property taxes shall be assessed against the individual Units and not upon the total property of the Condominium or any part thereof. Taxes and special assessments which have become a lien against the property of the Condominium in the year of its

establishment (as provided in Section 231 of the Act) shall be Expenses of Administration and shall be paid by the Association. Each Unit shall be assessed a percentage of the total bill for such taxes and assessments equal to the Percentage of Value allocated to it in the Master Deed, and the Co-owners owning those Units shall reimburse the Association for their Unit's share of such bill within ten (10) days after they have been tendered a statement therefor.

Section 10. Documents to Be Kept. The Association shall keep current copies of the approved Master Deed, all amendments thereto, and all other Condominium Documents available for inspection at reasonable hours by Members, prospective purchasers and prospective Mortgagees of Condominium Units.

Section 11. Reserve for Major Repairs and Replacement. The Association shall maintain a reserve fund for major repairs and replacement of Common Elements in an amount equal to at least ten percent (10%) of the Association's current annual budget on a noncumulative basis. Moneys in the reserve fund shall be used only for major repairs and replacement of Common Elements. THE MINIMUM STANDARDS REQUIRED BY THIS SECTION MAY PROVE INADEQUATE FOR A PARTICULAR PROJECT. The Association of Members should carefully analyze the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes.

Section 12. Statement of Unpaid Assessments. Pursuant to the provisions of the Act, the purchaser of any Unit may request a statement from the Association as to the outstanding amount of any unpaid assessments thereon, whether regular or special. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds a right to acquire a Unit, the Association shall provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement shall be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit shall be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least five (5) days prior to the closing of the purchase of such Unit shall render any unpaid assessments and the lien securing the same fully enforceable against such purchaser and the Unit itself.

ARTICLE VI INSURANCE; REPAIR OR REPLACEMENT

Section 1. Association Coverage. The Association shall carry fire and extended coverage, vandalism and malicious mischief and liability insurance, and workmen's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements of the Condominium, Fidelity Bond coverage for the members of the Board and any management agent who has access to and authority over any monies received by or payable to the Association, Directors and Officers Liability coverage, and such other insurance as the Board of Directors deems advisable, and all such insurance shall be carried and administered in accordance with the following provisions:

(a) Respective Responsibilities. All such insurance shall be purchased by the Association for the benefit of the Association, the Co-Owners and their Mortgagees, as their

interests may appear; and provision shall be made for the issuance of certificates of Mortgagee endorsements to the Mortgagees of Co-Owners. Unit owners must obtain additional insurance upon their Units and appurtenant Limited Common Elements, at their own expense, in addition to the coverage carried by the Association. It shall be each Co-Owner's responsibility to obtain insurance coverage for the interior of the Unit, personal property located within a Unit or elsewhere in the Condominium, as well as for all improvements and betterments to the Unit and Limited Common Elements, and for personal liability and property damage for occurrences within a Unit or upon Limited Common Elements appurtenant to a Unit for which the Co-Owner is responsible pursuant to Article IV of the Master Deed, and also for alternative living expense in event of fire or other casualty, and the Association shall have absolutely no responsibility for obtaining such coverages. The Association and all Co-Owners shall use their best efforts to see that all property and liability insurance carried by the Association or any Co-Owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-Owner or the Association. The liability insurance carried by the Association and the Co-Owners shall, where appropriate, contain cross-liability endorsements to cover liability of the Co-Owners as a group to another Co-Owner.

(b) Insuring of Common Elements. All Common Elements of the Condominium shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association in consultation with its appropriate professional advisors. Any improvements or items installed in addition to such standard items, regardless of by whom installed, shall be covered by insurance obtained by and at the expense of the individual Co-Owners; provided that, if the Association elects to include such improvements under its insurance coverage, any additional premium cost to the Association attributable thereto shall be assessed to and borne solely by said Co-Owner and collected as a part of the assessments against said Co-Owner under Article V hereof.

(c) Cost of Insurance. All premiums for insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.

(d) Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, the Co-Owners and their Mortgagees as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article VI of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction, and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the Condominium unless all of the institutional holders of first Mortgages on Units in the Condominium have given their prior written approval.

(e) Determination of Primary Carrier. It is understood that there will be overlapping coverage between the Co-Owners and the Association, as required to be carried pursuant to this Article. In situations where both coverages/policies are applicable to a given loss, the provisions of this subsection shall control in determining the primary carrier. In cases of

property damage to the Unit and its contents or a Limited Common Element for which the Co-Owner is assigned responsibility for maintenance, repair and replacement pursuant to the provisions of Article IV of the Master Deed (including improvements and betterments), the Co-Owner's policy/carrier shall be deemed to be the primary carrier. In cases of property damage to the General Common Elements or a Limited Common Element for which the Association is assigned responsibility for maintenance, repair and replacement pursuant to the provisions of Article IV of the Master Deed, the Association's policy/carrier shall be deemed to be the primary carrier. In cases of liability for personal injury or otherwise, for occurrences in/on the Unit or in/upon a Limited Common Element for which the Co-Owner is assigned responsibility for maintenance, repair and replacement pursuant to the provisions of Article IV of the Master Deed (including improvements and betterments), the Co-Owner's policy/carrier shall be deemed to be the primary carrier. In cases of liability for personal injury or otherwise, for occurrences in/on the General Common Elements or in/upon a Limited Common Element for which the Association is assigned responsibility for maintenance, repair and replacement pursuant to the provisions of Article IV of the Master Deed (including improvements and betterments), the Association's policy/carrier shall be deemed to be the primary carrier. In all cases where the Association's policy/carrier is not deemed the primary policy/carrier, if the Association's policy/carrier contributes to payment of the loss, the Association's liability to the Co-Owner shall be limited to the amount of the insurance proceeds, and shall not in any event require or result in the Association paying or being responsible for any deductible amount under its policies. In cases where the Co-Owner's policy is deemed primary for the purpose of covering losses where the damage is incidental or caused by a general common element or the repair or replacement thereof, the insurance carrier of the Co-Owner shall have no right of subrogation against the Association or its carrier.

Section 2. Association as Attorney-in-Fact. Each Co-Owner, by ownership of a Unit in the Condominium Project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the Condominium, his Unit and the Common Elements thereof and such insurer as may, from time to time, provide such insurance for the Condominium. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Co-Owners and respective Mortgagees, as their interests may appear (subject always to the Condominium Documents, to execute releases of liability and to execute all documents and to do all things on behalf of such Co-Owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

Section 3. Indemnification. Each individual Co-Owner shall indemnify and hold harmless every other Co-Owner and the Association for all damages and costs, including attorneys' fees, which such other Co-Owners or the Association may suffer as a result of defending any claim arising out of an occurrence on or within such individual Co-Owner's Unit or appurtenant Limited Common Elements and shall carry insurance to secure this indemnity if so required by the Association. This Section 3 shall not be construed to give any insurer any subrogation right or other right or claim against any individual Co-Owner.

thereto, absent Co-Owner coverage, (but the Co-Owner shall be responsible for any deductible amount), and if there is a Mortgagee endorsement, the proceeds shall be payable to the Co-Owner and the Mortgagee jointly. In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the Association promptly shall so notify each institutional holder of a first Mortgage lien on any Unit in the Condominium.

Section 6. Association Responsibility for Reconstruction or Repair of Common Elements. Subject to the responsibility of the individual Co-Owners as outlined in Section 5 above, and other provisions of these Bylaws or the Amended and Restated Master Deed applicable to such situations, the Association shall be responsible for the reconstruction and repair of the General Common Elements. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair or reconstruction, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against the Co-Owners who are responsible for the costs of reconstruction or repair of the damaged property (as provided in Article IV of the Master Deed) in sufficient amounts to provide funds to pay the estimated or actual costs of repair.

Section 7. Timely Reconstruction. If damage to Common Elements or a Unit adversely affects the appearance of the Condominium, the Association or Co-Owner responsible for the reconstruction, repair and maintenance thereof shall proceed with the replacement or repair of the damaged property without delay, and shall complete such replacement or repair within six (6) months after the date of the occurrence which caused damage to the property.

Section 8. Co-Owner Maintenance of Unit and Limited Common Elements. Each Co-Owner shall maintain his Unit and any Limited Common Elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition. Each Co-Owner shall also use due care to avoid damaging any of the Common Elements, including, but not limited to, the telephone, water, gas, plumbing, electrical, cable TV or other utility conduits and systems and any other Common Elements in any Unit which are appurtenant to or which may affect any other Unit. Each Co-Owner shall be responsible for damages or costs to the Association resulting from damage to or misuse of any of the Common Elements by him, or his family, guests, agents or invitees, or by casualties and occurrences, whether or not resulting from Co-Owner negligence, involving items or common elements which are the responsibility of the Co-Owner to maintain, repair and replace, unless such damages or costs are covered by insurance carried by the Association, in which case there shall be no such responsibility (unless reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-Owner shall bear the expense to the extent of the deductible amount.) Any costs or damages to the Association may be assessed to and collected from the responsible Co-Owner in the manner provided in Article V hereof. Each individual Co-Owner shall indemnify the Association and all other Co-Owners against such damages and costs, including attorneys' fees, and all such costs or damages to the Association may be assessed to and collected from the responsible Co-Owner in the manner provided in Article V hereof. The Co-Owners shall have

the responsibility to report to the Association any Common Element which has been damaged or which is otherwise in need of maintenance, repair or replacement.

Section 9. Eminent Domain. The following provisions shall control upon any taking by eminent domain:

(a) The Association, acting through its Board of Directors, may negotiate on behalf of all Members for any taking of Common Elements. Any negotiated settlement shall be subject to the approval of more than two-thirds (2/3) of the Members in number and in value and shall thereupon be binding on all Members.

(b) If an entire Unit is taken by eminent domain, the award for such taking shall be paid to the Association for the benefit of the owner of such Unit and the Mortgagee thereof, as their interests may appear. After acceptance of such award by the Member and his Mortgagee, they shall be divested of all interest in the Condominium. The undivided interest in the Common Elements belonging to the Member whose Unit has been taken shall thereafter appertain to the remaining Units, including those restored or reconstructed under the provisions of this section.

(c) If any condemnation award shall become payable to any Member whose Unit is not wholly taken by eminent domain, then such award shall be paid by the condemning authority to the Association on behalf of such Member and his Mortgagee, as their interests may appear. If only a part of any Unit is taken, the Association shall, if practical, use the award to rebuild the same to the extent necessary to make it habitable and remit the balance of the condemnation proceeds attributable to such Unit to the Member and Mortgagee thereof, as their interests may appear.

(d) If any portion of the Condominium other than any Unit is taken, the condemnation proceeds relative to such taking shall be paid to the Association, and the affirmative vote of more than fifty (50%) percent of the Members in number and in value at a meeting duly called shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate. If no such affirmative vote is obtained, such condemnation proceeds shall be remitted to the Members and their respective Mortgagees, as their interests may appear, in accordance with their respective Percentages of Value set forth in Article V of the Master Deed.

(e) If the Condominium Project continues after a taking by eminent domain, then the remaining portion of the Condominium Project shall be resurveyed and the Master Deed amended accordingly, and, if any Unit shall have been taken, then Article V of the Master Deed shall be amended to reflect such taking and to proportionately readjust the Percentages of Value of the remaining Members based upon a continuing value for the Condominium of one hundred (100%) percent. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Members, but only with the prior written approval of all Mortgagees of individual Units in the Project.

(f) If any Condominium Unit, or any portion thereof, or the Common Elements or any portion thereof, is made the subject matter of any condemnation or eminent domain

proceeding or is otherwise sought to be acquired by a condemning authority, the Association promptly shall so notify each mortgagee of the Condominium Units.

(g) If the taking of a portion of a Condominium Unit makes it impractical to rebuild the partially taken Unit to make it habitable, then the entire undivided interest in the Common Elements appertaining to that Condominium Unit shall thenceforth appertain to the remaining Condominium Units, and shall be allocated to them in proportion to their respective undivided interests in the Common Elements. The remaining portion of that Condominium Unit shall thenceforth be a Common Element.

(h) Votes in the Association of Members and liability for future Expenses of Administration appertaining to a Condominium Unit taken or partially taken (as provided in subsection (g) hereof) by eminent domain shall thenceforth appertain to the remaining Condominium Units, and shall be allocated to them in proportion to their relative voting strength by value in the Association.

Section 10. Construction Liens. The following provisions shall control the circumstances under which construction liens may be applied against the Condominium or any Unit thereof:

(a) Except as provided below, a construction lien for work performed on a Condominium Unit or upon a Limited Common Element may attach only to the Unit upon or for the benefit of which the work was performed.

(b) A construction lien for work authorized by the Developer and performed upon the Common Elements may attach only to Units owned by the Developer at the time of recording of the claim of lien.

(c) A construction lien for work authorized by the Association may attach to each Unit only to the proportional extent that the Member owning the Unit is required to contribute to the Expenses of Administration as provided by the Condominium Documents.

(d) A construction lien may not arise or attach to a Unit for work performed on the Common Elements not contracted for by the Developer or the Association.

If a Member is advised or otherwise learns of a purported construction lien contrary to the foregoing, he shall immediately notify the Board of Directors. Upon learning of the purported construction lien, the Board shall take appropriate measures to remove any cloud on the title of Units improperly affected thereby.

Section 11. Notice of FHLMC. If any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC"), then the Association shall give FHLMC written notice at such address as it may, from time to time, direct of any loss to or taking of the Common Elements of the Condominium, if the loss or taking exceeds Ten Thousand Dollars (\$10,000) in amount.

Section 12. Mortgages. Nothing contained in the Condominium Documents shall be construed to give a Condominium Unit Co-Owner, or any other party, priority over any rights of