

**MASTER DEED**

**ANN ARBOR CITY APARTMENTS**

This Master Deed is made and executed on this \_\_\_\_ day of \_\_\_\_\_, 2011, by Ann Arbor City Apartments LLC, a Delaware limited liability company, hereinafter referred to as "Developer", whose address is 30833 Northwestern Highway, Suite 300, Farmington Hills, Michigan 48334, in pursuance of the provisions of the Michigan Condominium Act (being Act 59 of the Public Acts of 1978, as amended), hereinafter referred to as the "Act".

WHEREAS, the Developer desires by recording this Master Deed, together with the Bylaws attached hereto as Exhibit A and together with 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 mixed-use Condominium Project under the provisions of the Act.

NOW, THEREFORE, the Developer does, upon the recording hereof, establish Ann Arbor City Apartments as a Condominium Project under the Act and does declare that Ann Arbor City Apartments (hereinafter referred to as the "Condominium", "Project" or the "Condominium Project") 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 and Exhibits A and B hereto, all of which shall be deemed to run with the land and shall be a burden and a benefit to the Developer, its successors and assigns, and any persons acquiring or owning an interest in the Condominium Premises, and their 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 Ann Arbor City Apartments, Washtenaw County Condominium Subdivision Plan No. \_\_\_\_\_. The engineering and architectural plans for the Project have been submitted to the City of Ann Arbor. The final approved permit plans will be filed with the City of Ann Arbor. The Condominium Project is established in accordance with the Act. The Units contained in the Condominium, including the number, boundaries, dimensions and area of each Unit, are set forth completely in the Condominium Subdivision Plan attached as Exhibit B hereto. The Units are for parking and 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:

PART OF THE NORTHEAST ¼ OF SECTION 29, TOWN 2 SOUTH, RANGE 6 EAST, WASHTENAW COUNTY, MICHIGAN

LOTS 1, 2 AND 3 OF BLOCK 2 SOUTH OF HURON STREET, RANGE 2 EAST, ORIGINAL PLAT OF THE VILLAGE (NOW CITY) OF ANN ARBOR, AS RECORDED IN TRANSCRIPTS, PAGE 152, WASHTENAW COUNTY RECORDS.

BEING ALSO DESCRIBED AS BEGINNING AT THE NORTHWEST CORNER OF LOT 1 OF BLOCK 2 SOUTH OF HURON STREET, RANGE 2 EAST, ORIGINAL PLAT OF THE VILLAGE (NOW CITY) OF ANN ARBOR, AS RECORDED IN TRANSCRIPTS, PAGE 152, WASHTENAW COUNTY RECORDS; THENCE ALONG THE NORTH LINE OF SAID LOT 1 S.86°19'08"E., 124.02 FEET TO THE NORTHEAST CORNER OF SAID LOT 1; THENCE ALONG THE EAST LINE OF LOTS 1, 2 AND 3 OF SAID BLOCK 2 SOUTH OF HURON STREET, RANGE 2 EAST, ORIGINAL PLAT OF THE VILLAGE (NOW CITY) OF ANN ARBOR S.03°38'28"W., 198.91 FEET TO THE SOUTHEAST CORNER OF SAID LOT 3; THENCE ALONG THE SOUTH LINE OF SAID LOT 3 N.86°14'03"W., 124.18 FEET TO THE SOUTHWEST CORNER OF SAID LOT 3; THENCE ALONG THE WEST LINE OF SAID LOTS 1, 2 AND 3 N.03°41'15"E., 198.72 FEET TO THE POINT OF BEGINNING.

Together with and subject to the PUD Development Agreement, the PUD Zoning, the Parking Agreement and the Affordable Housing Covenant, as defined herein. Further subject to all other easements and restrictions of record and all governmental limitations. Reference is hereby made to all of the above-identified documents for the full and further terms, conditions, requirements, restrictions, obligations, covenants and regulations contained in such documents, which are applicable to and binding upon the Condominium Premises and Project.

## **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 the Ann Arbor City Apartments Condominium Association, a Michigan nonprofit corporation, and deeds, mortgages, liens, land contracts, easements and other instruments affecting the establishment of, or transfer of, interests in Ann Arbor City Apartments 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. Affordable Housing Covenant.** The "Affordable Housing Covenant" means that certain Affordable Housing Covenant dated \_\_\_\_\_, 2011, by and between Developer and the City, as recorded in Liber \_\_\_\_\_, page \_\_\_\_\_, Washtenaw County Records.

**Section 3. Association.** "Association" means Ann Arbor City Apartments Condominium Association, which is the nonprofit corporation organized under Michigan law of which all Co-owners shall be members, which corporation shall administer, operate, manage and maintain the Condominium.

**Section 4. Beneficial Easements.** "Beneficial Easements" means those easements that benefit the Condominium, including without limitation the easements referenced in Article II above and Article VIII below.

**Section 5. Bylaws.** "Bylaws" means Exhibit A hereto, being the Bylaws setting forth the substantive rights and obligations of the Co-owners and required by Section 3(9) of the Act to be recorded as part of the Master Deed. The Bylaws shall also constitute the corporate bylaws of the Association as provided for under the Michigan Nonprofit Corporation Act.

**Section 6. City.** "City" means the City of Ann Arbor, a Michigan municipal corporation, located in Washtenaw County, Michigan.

**Section 7. Common Elements.** "Common Elements", where used without modification, means both the General and Limited Common Elements described in Article IV hereof.

**Section 8. Condominium Documents.** "Condominium Documents" means and includes this Master Deed and Exhibits A and B hereto, and the Articles of Incorporation, Bylaws and rules and regulations, if any, of the Association, as all of the same may be amended from time to time.

**Section 9. Condominium Premises.** "Condominium Premises" means and includes the land described in Article II above, all improvements therein, and all easements, rights and appurtenances belonging to Ann Arbor City Apartments as described in this Master Deed.

**Section 10. Condominium Project, Condominium or Project.** "Condominium Project", "Condominium" or "Project" means Ann Arbor City Apartments as a Condominium Project established in conformity with the Act.

**Section 11. Condominium Subdivision Plan.** "Condominium Subdivision Plan" means Exhibit B hereto.

**Section 12. Construction and Sales Period.** "Construction and Sales Period", for the purposes of the Condominium Documents and the rights reserved to Developer thereunder, means the period commencing with the recording of the Master Deed and continuing until the date upon which the Developer transfers ownership of the completed parking garage facility within the Garage Unit to the City as contemplated by the Parking Agreement.

**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 own one or more Units in the Condominium Project. The term "Owner", wherever used, shall be synonymous with the term "Co-owner".

**Section 14. DDA.** "DDA" means the Ann Arbor Downtown Development Authority, a public corporate formed and existing pursuant to the Michigan Downtown Development Authority Act, Act 197 of 1975, as amended.

**Section 15. Developer.** "Developer" means Ann Arbor City Apartments LLC, a Delaware 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 terms are used in the Condominium Documents.

**Section 16. Garage Unit.** The "Garage Unit" means Unit 1.

**Section 17. Gender/Plural Reference.** 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 shall also be included to the plural where the same would be appropriate and vice versa.

**Section 18. Majority of the Unit Owners.** "Majority of the Unit Owners" means not less than sixty (60%) percent of the votes of Unit Owners in value based on the percentages of value set forth in Article V, Section 3 below.

**Section 19. Parking Agreement.** "Parking Agreement" means that certain Parking Agreement dated October 3, 2007, by and between the City, the DDA and the Developer, as amended by Amendment Number One to Parking Agreement, dated May 22, 2008, and as further amended by Amendment Number Two to Parking Agreement, dated February 18, 2011, as recorded in Liber \_\_\_\_, Page \_\_\_\_, Liber \_\_\_\_, Page \_\_\_\_, and Liber \_\_\_\_, Page \_\_\_\_, respectively, Washtenaw County Records, as the same may be further amended from time to time.

**Section 20. PUD Development Agreement.** "PUD Development Agreement" means the Ann Arbor City Apartments PUD Development Agreement dated \_\_\_\_\_, 2011, by the City and \_\_\_\_\_, a Michigan limited liability corporation, as recorded in Liber \_\_\_\_, page \_\_\_\_ Washtenaw County Records.

**Section 21. PUD Zoning.** "PUD Zoning" means the Ann Arbor City Apartments Planned Unit Development District Ordinance (Ordinance No. 08-37) which incorporates the Ann Arbor City Apartments PUD Zoning District Supplemental Regulations, approved by Ann Arbor City Council on December 1, 2008 as heretofore or hereafter amended.

**Section 22. Residential Unit.** "Residential Unit" means Unit 2.

**Section 23. Structural Elements.** "Structural Elements" means those core elements of the Project which provide vertical and lateral support for the Garage Unit and for the Residential Unit (up to the Residential Unit Base being Elevation 844.00 N.A.V.D, as depicted on the Condominium Subdivision Plan), including below-grade caissons, the Garage Unit slab and Lower Level walls below grade level, and all support columns shown on the Condominium Subdivision Plan within Unit 1. **[this definition is subject to review and comment by all parties]**

**Section 24. Transitional Control Date.** Because the Developer intends to retain ownership and operation of the Residential Unit upon and after its completion, and because the Percentages of Value of the Garage Unit and the Residential Unit are equal, the Developer and the City have agreed to waive the statutory definition (under the Act") of "Transitional Control Date" and in lieu thereof have agreed that such term shall be deemed, for purposes of the Condominium Documents, to be the date upon which the Construction and Sales Period, as defined hereinabove, ends.

**Section 25. Unit or Condominium Unit.** "Unit" or "Condominium Unit" each mean the space within the Unit boundaries as described on Exhibit B hereto, and shall have the same meaning as the term "Condominium Unit" as defined in the Act.

## 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, and the below-grade area depicted on the Condominium Subdivision Plan, except those portions within the below-grade area in which the Garage Unit and the underground Stormwater Detention System are located.

(b) **Structural Elements.** The Structural Elements.

(c) **Stormwater Detention System.** The underground stormwater detention system and all input and discharge pipes throughout the Project to the point of connection with the City's stormwater sewer system.

(d) **Easements.** The beneficial easements referenced in Article II above and in Article VIII below.

(e) **Exterior Lighting.** The exterior lighting system throughout the Project, including all electrical transmission lines, exterior lighting fixtures and related equipment which are a part thereof.

(f) **Fire Suppression System, Fire Suppression Equipment and Fire Command Room.** The water main serving the suppression system to the point of connection with and including the meter, all equipment servicing or controlling the fire suppression system and the fire command room as identified and shown on the Condominium Subdivision Plan.

(g) **Low Voltage Wiring and Wiring for Internet.** The low voltage wiring system, including without limitation cable television and wiring for internet connection, up to the point of demarcation.

(h) **Electrical System.** The Electrical Room located on the Upper Mid-Level of the Garage Unit, the electrical line(s) from the point of entry into the Project to the meters, and the electrical wiring system to and servicing the exterior lighting system for the Project, the lighting within the General Common Element Stairs and Stairwells, and the Elevators.

(i) **Main Electrical Room and Generator Room.** The main electrical room located on the Upper-Mid Level of the Garage Unit and the Generator Room located on the Upper-Level of the Garage Unit, and the generator, transformer and related equipment located therewithin, as identified and shown on the Condominium Subdivision Plan, as well as the transformer in the alley adjoining the Project.

(j) **Telephone.** The telephone wiring to the point of demarcation, and those portions of the telephone wiring network servicing the elevators.

(k) **Water Source Room.** The Water Source Room located on the Lower Level of the Garage Unit, as identified and shown on the Condominium Subdivision Plan, and the main water meter in the Water Source Room.

(l) **Elevator #1.** Elevator #1, within and servicing both the Garage Unit and the Residential Unit, and the adjacent Lobbies and Elevator Equipment Room servicing Elevator #1, as identified and shown on the Condominium Subdivision Plan. Elevator #1 shall include the cab and all related equipment.

(m) **Stairs and Stairwells.** Those portions of the Stairs and Stairwells (identified on the Condominium Subdivision Plan as Stair "A" and Stair "B") within (but not above) the Garage Unit, as identified and shown on the Condominium Subdivision Plan.

(n) **Other.** Such other elements of the Project not herein designated as General or Limited Common Elements which are intended for common use or are necessary to the existence, upkeep and safety of the Project or otherwise labeled as a general common element on the Site Plan.

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

**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) **Elevator #3.** Elevator #3, together with its related lobbies and equipment room, as shown and identified on the Condominium Subdivision Plan, shall be appurtenant and limited in use to the Residential Unit. Elevator #3 shall include the cab and all related equipment.

(b) **Elevator #2.** Elevator #2, together with its related lobbies and equipment room, as shown and identified on the Condominium Subdivision Plan, shall be appurtenant and limited in use to the Garage Unit. Elevator #2 shall include the cab and all related equipment.

(c) **Lobby.** The two-story Lobby and Vestibule serving as entrance from Washington Street to Elevator #3 and the Residential Unit, located on the Lower Mid-Level and Upper Mid-Level of the Garage Unit, as shown and identified on the Condominium Subdivision Plan, shall be appurtenant and limited in use to the Residential Unit.

(d) **Mail Room.** The Mail Room located on the Lower Mid-Level of the Garage Unit, as shown and identified on the Condominium Subdivision Plan, shall be appurtenant and limited in use to the Residential Unit.

(e) **Maintenance Room.** The Maintenance Room located on the Upper Level of the Garage Unit, as shown and identified on the Condominium Subdivision Plan, shall be appurtenant and limited in use to the Residential Unit.

(f) **Storage Room.** The Storage Room located on the South side of the Lower Level of the Garage Unit, as shown and identified on the Condominium Subdivision Plan, shall be appurtenant and limited in use to the Residential Unit.

(g) **Stairs and Stairwells.** Those portions of the Stairs and Stairwells (identified on the Condominium Subdivision Plan as Stair “A” and Stair “B”) situated above the Garage Unit within the Residential Unit, shall be appurtenant and limited in use to the Residential Unit.

(h) **Trash Room and Recycling Area.** The Trash Room and Recycling Area located on the South side of the Upper Mid-Level of the Garage Unit, as shown and identified on the Condominium Subdivision Plan, shall be appurtenant and limited in use to the Residential Unit.

(i) **Trash Ramp.** The Trash Ramp and exterior doors located on the Southeast side of the Upper Mid-Level of the Garage Unit, exiting onto the adjacent alley, as shown and identified on the Condominium Subdivision Plan, shall be appurtenant and limited in use to the Residential Unit.

(j) **Bike Storage Room.** The Bike Storage Room located on the Northwest side of the Upper Level of the Garage Unit, as shown and identified on the Condominium Subdivision Plan, shall be appurtenant and limited in use to the Residential Unit.

(k) **Residential Unit Water Lines and Boiler.** The water submeter, water boiler, and water lines throughout the Project servicing the Residential Unit shall be appurtenant and limited in use to the Residential Unit.

(l) **Garage Unit Water Lines.** The water submeter(s) and water lines within the Garage Unit and servicing the Garage Unit, from the point of connection to the Residential Unit water lines, shall be appurtenant and limited in use to the Garage Unit.

(m) **Low Voltage Wiring and Wiring for Internet.** The low voltage wiring system from the point of demarcation and servicing the Residential Unit, shall be appurtenant and limited in use to the Residential Unit. The low voltage wiring system from the point of demarcation and servicing the Garage Unit shall be appurtenant and limited in use to the Garage Unit.

(n) **Gas.** The gas meters and submeters, and the gas lines throughout the Project shall be appurtenant and limited in use to the Residential Unit.

(o) **Electrical.** The electrical meter and submeters, and all electrical lines serving the Residential Unit, located throughout the Project, shall be appurtenant and limited in use to the Residential Unit. The electrical meter and all electrical lines serving and located within the Garage Unit, shall be appurtenant and limited in use to the Garage Unit.

(p) **Telephone.** The telephone wiring network from the point of demarcation, other than those portions extending to and servicing the elevators, shall be appurtenant and limited in use to the Residential Unit.

(q) **Fiber-Optic Network.** The fiber-optic network within the Garage Unit shall be appurtenant and limited in use to the Garage Unit. If, when and to the extent the Residential Unit shall install a separate fiber-optic network for its use, that separate network shall be appurtenant and limited in use to the Residential Unit.

(r) **Meter Stack Areas.** The enclosed areas for Electric Meter Stacks and Natural Gas Meter Stacks on the North and South side of the Upper Level of the Garage Unit, as shown and identified on the Condominium Subdivision Plan, including wire caging or other means of physical separation from the Garage use, shall be appurtenant and limited in use to the Residential Unit.

(s) **Other.** All other portions of the Project exclusively serving an individual Unit which are necessary or convenient for the existence, maintenance or operation of an individual Unit shall be limited in use to the individual Unit served or benefited thereby.

**Section 3. Responsibilities.** The respective responsibilities for the maintenance, decoration, repair and replacement of the Common Elements are as follows:

(a) **General Common Elements.** The cost of, and responsibility for, maintenance, repair and replacement of the General Common Elements (including specifically but without limitation the Structural Elements) shall be borne by the Association.

1. **Storm Water Management System.** The cost of, and responsibility for, maintenance, repair and replacement of the Storm Water Management System shall be borne by the Association. Any proposed changes to the storm water management system must be approved by the City's Systems Planning Services Unit and City's Planning and Development Services Unit. If the Association fails to maintain any portion of the storm water management system, the City may send notice via first class mail to the Association and to the Co-owners of each of the Units requiring it to commence and complete the maintenance stated in the notice within the time set forth in the notice. If the Association fails to commence or complete the maintenance within the time stated in the notice, the City may cause the work to be completed at the expense of the Association. If the City completes the work, and the costs remain unpaid by the Association for 60 days after notice via first class mail, the City may bill the Co-owners for the pro rata share of the total cost, or assess the pro rata share of those costs to each Co-owner as a single tax parcel assessment as provided in Chapter 13 Ann Arbor City Code, as amended or replaced from time to time.
2. On an annual basis, the Association, on behalf of the Co-owners, shall cause a registered professional engineer, to inspect the Storm Water Management system. The registered professional engineer shall evaluate the operation of the storm water management system, and state any required maintenance and repairs of the storm water management systems. On an annual basis, the City's Planning and Development Services Unit shall be provided a copy of the report generated by the registered professional engineer.

(b) **Limited Common Elements.** The cost of, and responsibility for, maintenance, repair and replacement of each of the Limited Common Elements shall be borne by the Co-Owner of the Unit to which such respective Limited Common Element is appurtenant.

(c) **Units.** Except for the specific allocation of responsibilities in subsections (a) and (b) of this Section 3, each Co-Owner shall be solely responsible for, and shall bear all costs and expenses related to or arising from, the maintenance, repair and replacement of its respective Unit, including in particular but not by way of limitation all exterior walls and surfaces, and with respect to the Residential Unit, the roof thereof.

(d) **Utility Costs and Meters.** All costs of electricity, gas, water and/or other utilities flowing through meters or submeters, and the respective meters and/or submeters, shall be borne by the Co-owner of the Unit serviced by such meters or submeters.



(e) **Other.** The costs of maintenance, repair and replacement of all General and Limited Common Elements other than as described above shall be borne by the Association, subject to any provisions of this Master Deed and the Bylaws expressly to the contrary.

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

**Section 5. Expenses Directly Allocable to a Unit.** In the event the Association incurs any expenses to maintain, repair, equip, inspect, insure, protect and clean any improvements and /or Common Elements which are used exclusively by the occupant of a Unit, the Association shall have the right to collect from the Co-owner of that Unit all such expenses.

## 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 Ann Arbor City Apartments as prepared by Nowak & Fraus and attached hereto as Exhibit B. The architectural plans and specifications are on file with the City of Ann Arbor and on file with the Developer. Each Unit, shall include all that space as shown on the Condominium Subdivision Plan as constituting the Unit which is delineated thereon with heavy outlines.

**Section 2. Percentage of Value.** The percentage of value assigned to each Unit is set forth below. The percentages of value were computed by agreement of the Developer and the City on the basis of the relative sizes of the Units. The percentage of value assigned to each Unit shall be determinative of each Co-owner's respective share of the Common Elements of the Condominium Project, the proportionate share of each respective Co-owner in the proceeds and expenses of the administration, except as otherwise provided herein, and the value of such Co-owner's vote at meetings of the Association.

**Section 3. Percentage of Value Assignment.** Set forth below are: (a) each Unit number as it appears on the Condominium Subdivision Plan and (b) the percentage of value assigned to each Unit:

<u>Unit #</u>	<u>Percentages of Value</u>
1	50.0
2	<u>50.0</u>
Total	100.00%

**ARTICLE VI**  
**CONVERTIBLE AREAS**

**Intentionally Omitted**

**ARTICLE VII**  
**NO SUBDIVISION, CONSOLIDATION OR  
OTHER MODIFICATIONS OF UNITS; ASSIGNMENT AND  
REASSIGNMENT OF LIMITED COMMON ELEMENTS**

Except for the right to create a separate condominium solely as set forth in this Article VII, notwithstanding any other provision of the Master Deed or the Bylaws, Units in the Condominium may not be subdivided, consolidated, modified or the boundaries relocated.

**Section 1. Creation of a Condominium Development within a Unit.** The Developer, and any successor Co-owner of the Residential Unit, shall have the right and option (but not the obligation) to further subdivide the Residential Unit solely by means of establishment of a separate condominium project under the Act within and comprising all of the Residential Unit. In such event, the condominium unit owner's association created for the new condominium development shall then mean, for the purposes of this Condominium and the Condominium Documents, the Co-owner of the Unit within which the separate condominium has been established, and shall undertake the obligations and be entitled to the benefits of, the Co-owner of the Unit as are created under this Master Deed and the other Condominium Documents for this Condominium.

**Section 2. Conditions and Limitations.** The Developer (or successor Co-owner of the Residential Unit) shall give the City (or successor Co-owner of the Garage Unit) not less than one hundred eighty (180) days prior written notice of its intent to create a separate condominium project within the Residential Unit. The creation of any such separate condominium project shall be subject in all respects to compliance with the PUD Development Agreement, the PUD Zoning, the Affordable Housing Covenant, the provisions of this Master Deed (including the Bylaws and Condominium Subdivision Plan), any covenants, restrictions and easements of record, and all applicable zoning and land use ordinances and regulations.

**ARTICLE VIII**  
**EASEMENTS**

**Section 1. Easement for Maintenance of Encroachments and Utilities.** In the event any portion of a Unit or Common Element encroaches upon another Unit or Common Element due to shifting, settling or moving of the building, or due to survey errors, or construction deviations, reciprocal easements 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 destruction. There shall be easements to, through and over those portions of the area, building, improvements and walls (including interior Unit walls) contained therein for the continuing maintenance, repair and replacement of all utilities in the Condominium. There shall exist easements of support with respect to any Unit interior wall which supports a Common Element.

**Section 2. Grant of Easements by Association.** The Association, acting through its lawfully constituted Board of Directors (including any Board of Directors acting prior to the Transitional Control Date) shall be empowered and obligated to grant such easements, licenses, rights-of-entry and

rights-of-way over, under and across the Condominium Premises for utility purposes, access purposes or other lawful purposes as may be necessary for the benefit of the Condominium.

**Section 3. Easements for Maintenance, Repair and Replacement.** The Developer, the City, the Association, and all public or private utilities shall have such easements over, under, across and through the Condominium Premises, including all Units and Common Elements, as may be necessary to fulfill any responsibilities of maintenance, repair, decoration or replacement which they or any of them are required or permitted to perform under the Condominium Documents or by law. These easements include, without any implication of limitation, the right of the Association to obtain access during reasonable hours and upon reasonable notice to water meters, fire suppression system and valves, located within any Unit or located within a Common Element. In the event a Co-owner fails, as required by this Master Deed, the Bylaws or any rules and regulations promulgated by the Association, to properly and adequately maintain, decorate, repair, replace or otherwise keep his Unit or any improvements or appurtenances located therein or any Limited Common Elements appurtenant thereto, the Association shall have the right, and all necessary easements in furtherance thereof, (but not the obligation) to take whatever action or actions it deems desirable to so maintain, decorate or repair the Unit, its appurtenances or any of its Limited Common Elements, all at the expense of the Co-owner of the Unit. Failure of the Association to take any such action shall not be deemed a waiver of the Association's right to take any such action at a future time. All costs incurred by the Association in performing any responsibilities which are required, in the first instance to be borne by any Co-owner, shall be assessed against such Co-owner and shall be due and payable with his monthly assessment next falling due; further, the lien for non-payment shall attach as in all cases of regular assessments and such assessments may be enforced by the use of all means available to the Association under the Condominium Documents and by law for the collection of regular assessments including, without limitation, legal action, foreclosure of the lien securing payment and imposition of fines.

The Association shall also have such easements over, under, across and through the Condominium Premises, including all Units and Common Elements, as may be necessary to fulfill all of the Association's responsibilities to maintain, repair and replace Common Elements as provided in Article IV above, including without limitation the maintenance, repair and replacement of the Structural Elements.

**Section 4. Telecommunications Agreements and Easements.**

(a) The Association 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, fiber optic service, earth antenna and similar services (collectively "Telecommunications") to the Project or any Unit therein. Notwithstanding the foregoing, in no event shall the Developer 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. Co-owner of Unit 1 shall not unreasonably withhold any such grant of easement, license, or other rights or entry that are consistent with the final approved permit plans submitted to the City for the Project. 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 the sole property of the Co-owner of Unit 2.

(b) The Developer may provide fiber optic service in the Project, but has no obligation to do so. In such event, the fiber optic cables and related equipment ("Fiber Optic Improvements") located throughout the Project, up to the point of entry to the Residential Unit, would be owned by the Developer. At all times the Developer provides fiber optic service in the

Project, the fiber optic cable and related equipment will be installed, maintained, repaired and replaced by the Developer, at the Developer's sole cost and expense. The Developer hereby reserves an easement throughout the Project for the purpose of installing, maintaining, repairing and replacing the Fiber Optic Improvements, in the event the Fiber Optic Improvements are installed. The rights reserved in this paragraph can be assigned by the Developer or transferred to its successor, assign or designee, including the Association.

(c) The Developer hereby grants to the City an exclusive easement for placing antennas, satellite systems and other similar equipment on the roof of the Residential Unit in the location and area depicted and identified as the "City Antenna Easement Area" on the Condominium Subdivision Plan, together with a non-exclusive easement of access through the Residential Unit and across the roof thereof for the purpose of installation, operation, maintenance, repair and replacement of such antennas, satellite systems and similar equipment therewithin and wiring and optic fibre used thereby ("Antenna"). The location of any other antennas, satellite systems and other similar equipment on the roof shall be subject to the restrictions contained in the rules and regulations adapted from time to time by the Association from time to time and the restrictions contained in the PUD Development Agreement, the PUD Zoning and any other agreement with or applicable ordinances of the City in effect from time to time.

All work performed by the City, its agents, employees or representatives, in and about the City Antenna Easement Area related to or involving the construction, installation, maintenance, repair, alteration, operation, replacement and/or removal of the Antenna shall be conducted with the least possible inconvenience to the Developer and Co-owner of the Residential Unit and, upon the completion of any work, the City, at its own cost and expense, shall promptly remove all debris, materials and equipment and restore the City Antenna Easement Area and installations thereon, and the surrounding area, to the same condition as existed prior to such work.

Except in the case of emergency or in the case of a service disruption, the City shall provide at least 24 hours advance notification to the Developer and Co-owner of the Residential Unit before commencing any construction, installation, maintenance, repair, alteration, replacement and/or removal of the Antenna. Furthermore, the City shall use only such access routes as so designated by the Developer and Co-owner of the Residential Unit to complete such work. The City shall at all times maintain the Antenna and the City Antenna Easement Area in good and safe first class condition. If the City shall fail to do so, the Developer or Co-owner of the Residential Unit may do so at the City's expense (and such costs shall be collectible in the same manner as Association assessments).

In the event the City, its successors and assigns shall no longer require the use of all or any part of the easement rights herein granted, the part no longer required shall automatically revert to the Co-owner of the Residential Unit and the City shall be deemed to release such easement rights. The City hereby expressly agrees to indemnify, defend and hold harmless the Developer and Co-owner of the Residential Unit from and against all claims, costs and liability or expense (including actual attorney fees) resulting from the acts or omissions of the City or its agents, representatives or employees.

**Section 5. Cross Easements.** Each Unit Owner shall be subject to and have an easement in common with all other Unit Owners to use all areas designed for passage from one Unit or Common Element to another Unit or a public area, located in any of the other Units or elsewhere in the Condominium which serve such Unit Owner's Unit including an easement to connect to existing utilities including, but not limited to utilities for gas, electricity, water and ventilation. This easement right shall

include a right to gain access to the parking spaces located in the Garage Unit by the tenants, guests and invitees of the Residential Unit, in accordance with the Parking Agreement. In addition, the Association shall have a right of access to each Unit to maintain, repair or replace the Common Elements contained therein or elsewhere in the Condominium; provided that nothing shall give the Association the right to enter any apartments within the Residential Unit without the prior written permission of the Co-owner of the Residential Unit. All easements and rights of access described in this Section shall be exercised in such a manner, as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Units for their permitted purposes. Such entries shall be permitted on not less than one day's notice to the Co-owner of such Unit, except that no notice will be necessary in the case of an "emergency" (i.e., a condition requiring repair or replacement immediately necessary for the preservation or safety of the building or for the safety of occupants of the building, or other persons, or required to avoid the suspension of any necessary service in the building).

**Section 6. Easement For Trash, Refuse and Recycling Transit.** The Co-Owner of the Residential Unit is granted a non-exclusive easement over and across the "Trash Transit Easement Area" on the Upper-Mid Level Floor Plan as shown on the Condominium Subdivision Plan, solely for the purpose of transporting trash and recycling from the Trash Room and Recycling Area to the Trash Ramp and Exit as also depicted on the Condominium Subdivision Plan. Utilization of the Trash Transit Easement Area and the Trash Ramp and Exit shall be subject to the performance standards therefore set forth in the Bylaws.

**Section 7. Other Easements.** The Association shall have the right to grant such further easements over or with respect to General Common Elements of the Condominium as may be necessary or desirable in furtherance of development, usage, coordinated maintenance and operation of the building in which the Units are located and to confer responsibilities and jurisdiction for administration and maintenance of such easements upon the Association.

## ARTICLE IX

### OTHER

**Section 1. Special Assessment District.** The Co-Owners and the Association agree to be included in a future special assessment district along with other benefitting property, for the construction of additional improvements to Washington Street and First Street such as street widening, storm sewers, curb and gutter, sidewalks, bike paths, street lights, and the planting of trees along Washington Street and First Street frontage when such improvements are determined by the City to be necessary.

## ARTICLE X

### AMENDMENT

This Master Deed and the Condominium Subdivision Plan may be amended with the consent of a Majority of the Unit 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 above to the contrary.

**Section 2. Mortgagee Consent.** Amendments shall require the approval of first mortgagees only in accordance with Section 90a of the Act.

**Section 3. By Developer.** Pursuant to Section 90(1) of the Act, the Developer hereby reserves the right, on behalf of itself and on behalf of the Association, to amend this Master Deed and the other Condominium Documents without approval of any Co-owner or mortgagee for the purposes of correcting survey or other errors and for any other purposes 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 and 80% in number and in value of non-Developer Co-owners.

**ARTICLE XI**

**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; provided, however, that no such assignment shall relieve the Developer of its obligations and liabilities under the Condominium Documents without the prior written consent of the City in its sole discretion. Any such assignment or transfer shall be made by appropriate instrument in writing duly recorded in the office of the Washtenaw County Register of Deeds.

**Ann Arbor City Apartments LLC**  
a Delaware limited liability company

By: Village Green Residential Properties LLC

By: \_\_\_\_\_

\_\_\_\_\_, its: \_\_\_\_\_

STATE OF MICHIGAN            )  
                                          ) SS.  
COUNTY OF \_\_\_\_\_        )

The foregoing Master Deed was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2011, in the State of Michigan, County of \_\_\_\_\_, by \_\_\_\_\_, \_\_\_\_\_ of Village Green Residential Properties LLC, on behalf of Ann Arbor City Apartments LLC, a Delaware limited liability company, on behalf of the company.

\_\_\_\_\_  
Notary Public, State of Michigan, County of \_\_\_\_\_  
My commission expires: \_\_\_\_\_

Acting in the County of \_\_\_\_\_

Master Deed drafted by:

James C. Adams of Ufer & Spaniola, P.C.  
5440 Corporate Drive, Suite 250  
Troy, Michigan 48098

After recording, please return to:  
Thomas W. Forster II  
Honigman Miller Schwartz and Cohn LLP  
130 S. 1<sup>st</sup> Street, 4<sup>th</sup> Floor  
Ann Arbor, Michigan 48104