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FIRST AMENDMENT TO MASTER DEED
WALNUT RIDGE
CONDOMINIUM SUBDIVISION PLAN NO. 351

THIS FIRST AMENDMENT TO MASTER DEED ("Amendment") is made and executed this 7th day of September, 2001, by WALNUT RIDGE DEVELOPMENT, L.L.C., a Michigan limited liability company (hereinafter referred to as "Developer"), whose address is 45000 River Ridge Drive, Suite 200, Clinton Township, Michigan 48038.

WITNESSETH:

WHEREAS, Developer has entered into a certain Option Agreement (the "Option Agreement") with Toll MI II Limited Partnership, a Michigan limited partnership ("Toll"), as assignee of Toll Bros., Inc. pursuant to which Developer has granted to Toll the exclusive right and option to purchase 88 of the 108 units in the Condominium (as are more particularly described on Exhibit A, attached hereto and a made a part hereof (the "Toll Units").

WHEREAS, The Developer has agreed not to exercise certain of its rights under the Master Deed without the prior written consent of Toll, as well as certain other matters, all as provided herein.

NOW, THEREFORE, the Developer does, upon the recording hereof, amend the Master Deed as follows:

1. Developer agrees not to exercise any of its rights, or consent or grant its approval, under the following provisions of the Master Deed and Bylaws without the prior written consent of Toll, which consent shall not be unreasonably withheld or delayed:

- Article VII, Section 2, of the Master Deed;
- Article VII, Section 5, of the Master Deed;
- Article IX (excluding Section 5) of the Master Deed;
- The proviso at the end of the first sentence of paragraph (j) of Section 3 of Article VI of the Bylaws;
- Paragraph (k) of Article VI, Section 3 of the Bylaws;
- Article VI, Section 8 of the Bylaws;
- The first sentence of Article IX, Section 2 of the Bylaws;
- Article XI, Section 5 of the Bylaws; and
- Article XVI, Section 4 of the Bylaws.



2. Developer agrees not to exercise any of its rights, or consent or grant its approval, under the following provisions of the Master Deed and Bylaws without the prior written consent of Toll, which consent may be withheld by Toll in its sole discretion:

Article VI of the Master Deed;
Article VIII of the Master Deed;
Article IX, Section 5 of the Master Deed;
Article X of the Master Deed; and
Article XXI of the Bylaws.

3. Until the Transitional Control Date, no assessments shall be made with respect to any of the Toll Units in an amount in excess of \$750 per annum, per Unit, unless such assessments are pursuant to a budget approved by Toll in writing, which approval shall not be unreasonably withheld, delayed or conditioned. All such assessments shall be made only for expenses incurred after the date hereof. If Toll does not object to any proposed budget with fifteen (15) days after receipt, Toll shall be deemed to have approved such budget. In no event shall any special assessments be made without the prior written approval of Toll, which approval shall not be unreasonably withheld, delayed or conditioned. In addition, Toll shall have the same rights and benefits as the Developer has under Article II, Section 8 of the Bylaws.

4. Toll shall have the right to remove any trees on any Toll Units without Developer's consent or approval.

5. Developer hereby waives any requirements, conditions, restrictions, or obligations set forth in subparagraph (i)(3) of Section 3 of Article VI of the Bylaws with respect to the Toll Units, including, without limitation, the \$1,000 deposit. Notwithstanding the foregoing, Toll shall, with respect to each of the Toll Units, (i) maintain a dumpster on the Unit during the course of construction, (ii) deposit all trash, garbage, scraps and other disposable items therein, (iii) keep the Unit in a sightly and clean appearance during the course of construction, and (iv) remove the dumpster and all trash, garbage, scraps and other debris from the Unit upon substantial completion of the structure. The dumpsters shall be located in an area as unobtrusive as reasonably possible.

6. Toll shall have the same rights and benefits as the Developer has under Section 2 and subparagraph (a) of Section 11 of Article VI of the Bylaws with respect to the Toll Units; provided, however, that Toll's right to lease any of the Toll Units without the Developer's or Association's prior consent shall be limited to leases where the tenant is Toll, an affiliate of Toll, or any lender to Toll.

7. As much as Developer has approved certain plans and specifications submitted by Toll, Developer hereby waives subparagraph (c) of Article VI, Section 11 of the Bylaws with respect to the Toll Units, except for any landscaping to be installed by Developer. With respect to any Toll Units and any Units owned by Developer which share a common side yard boundary, Developer and Toll shall cooperate with each other and use their good faith, reasonable efforts to coordinate the location of driveways on such adjacent Units to minimize, or eliminate if reasonably possible, locating driveways on both such adjacent Units along such common boundary.

8. Toll shall have the right, at its option, to appoint one of the initial members of the advisory board under Article X of the Bylaws.



9. At the option of Toll, and so long as no Monetary Defaults exist under the Option Agreement, at any time after the earlier of (i) the date on which Developer has conveyed fee title to or has signed purchase agreements for all of the Units owned by Developer and has commenced construction thereunder, and (ii) the acquisition of fee title to at least twenty (20) of the Toll Units by Toll, Developer shall assign to Toll all of its rights as "Developer" under this Master Deed (the "Developer's Rights") and in such case Toll shall assume all of the obligations under or relating to the Developer's Rights which arise and accrue after the date of such assignment; provided, however, that in no event shall Toll be deemed a "successor developer" under the Act or be responsible for the construction, installation, completion or repair of any improvements or Common Elements required to be installed or constructed by the original Developer under this Master Deed. Such assignment shall include an indemnification by Toll with respect to all of Developer's obligations under or relating to the Developer's Rights assumed by Toll and an indemnification by Developer in favor of Toll with respect to all of Developer's obligations under the Master Deed which are not assumed by Toll. If Developer assigns the Developer's Rights to Toll pursuant to this paragraph, Toll shall afford the Developer the same rights as are afforded Toll under this Amendment, except for the rights granted under paragraphs 9 and 10 of this Amendment.

10. Inasmuch as Toll is not obligated to construct, and in fact has not constructed, any Common Elements, in no event shall Toll be deemed a "successor developer" under the Act.

11. If Toll seeks Developer's consent, approval or waiver under the Master Deed for any matter, such consent, approval or waiver shall not be unreasonably withheld.

12. Anything contained herein to the contrary notwithstanding, Toll hereby acknowledges that if the Option Agreement is terminated as evidenced by the termination and discharge of the Memorandum of Option by written instrument signed by Optionor and Optionee, (a) Developer shall have the right to record an amendment to this Master Deed (the "Future Amendment") negating and rendering ineffective this Amendment as to only those Units not acquired by Toll prior to the termination of the Option Agreement, which Toll Units shall be identified in the Future Amendment and (b) subsequent third parties shall have the right to rely on the Future Amendment without any further inquiry or investigation. If Developer records the Future Amendment, and Developer has transferred the Developer's Rights to Toll, then upon the request of Developer, Toll shall transfer back to Developer all of the Developer's Rights. In addition, if Developer records a Future Amendment, then notwithstanding paragraph 2 of this Amendment, Toll shall not unreasonably withhold its consent or approval of any exercise by Developer of its rights under Article X of the Master Deed and/or Article XXI of the Bylaws.

14. Except as modified by this Amendment, the Master Deed shall remain in full force and effect and is hereby ratified and confirmed.

ASSUMPTION

The undersigned hereby acknowledges its obligations under the foregoing First Amendment to Master Deed for Walnut Ridge and assumes all of its obligations described therein, subject to the terms and conditions of the Master Deed as amended by such First Amendment to Master Deed.

The undersigned has executed this Instrument as of the 7th day of September, 2001.

WITNESSES:

TOLL MI II LIMITED PARTNERSHIP, a Michigan limited partnership

By: Toll MI GP Corp., a Michigan corporation, general partner

Patricia R Rice
PATRICIA R RICE

Jennifer Fletcher
Jennifer Fletcher
Jennifer Fletcher

By: Thomas E. Carnaghi

Its: Vice President

STATE OF MICHIGAN)
) ss.
COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me this 10 day of September, 2001, by Thomas E. Carnaghi, the Vice President of Toll MI GP Corp., a Michigan corporation, general partner of Toll MI II Limited Partnership, a Michigan limited partnership, on behalf of said limited partnership.

TRICIA DEDVUKAJ
NOTARY PUBLIC OAKLAND CO., MI
MY COMMISSION EXPIRES Jan 14, 2006

Tricia Dedvukaj
Notary Public
Oakland County, Michigan
My commission expires: 01/14/06



EXHIBIT A

Land in the Township of Scio, Washtenaw County, Michigan, described as follows:

Units 1 through 50, 52 through 54, 56, 58, 60 through 73, 76, 77, 78, 80, 81, 82, 83, 87, 90, 93, 94, 99, 100, 101 and 104 through 108, of WALNUT RIDGE CONDOMINIUM, a Condominium according to the Master Deed thereof recorded in Liber 3994, Page 300, Washtenaw County Records, and designated as Washtenaw County Condominium Subdivision Plan No. 351, and any amendments thereto, together with an undivided interest in the common elements of said condominium as set forth in said Master Deed and as described in Act 59 of the Public Acts of Michigan of 1978, as amended.

Tax Id Nos.

- 08-13-300-002
- 08-13-300-027
- 08-13-400-008
- 08-13-400-007
- 08-13-400-012
- 08-13-400-013
- 08-13-400-001



CONSENT AND SUBORDINATION

The undersigned, FIRST FEDERAL OF MICHIGAN, is the mortgagee under the Construction Mortgage and Security Agreement, dated December 4, 1998, recorded in Liber 3828, Page 938, Washtenaw County Records, which mortgage encumbers the Condominium (as defined in the foregoing First Amendment to Master Deed).

For valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the undersigned, the undersigned hereby consents to the execution of the foregoing First Amendment to Master Deed by Developer, and to the terms and provisions thereof. In addition, the undersigned hereby acknowledges and agrees that the above-described mortgage and the undersigned's interest in the Condominium created thereby shall be subordinate to the terms and provisions of the Master Deed and the foregoing First Amendment to Master Deed, except as provided therein.

IN WITNESS WHEREOF, the undersigned has executed this Consent and Subordination as of the 7th day of September, 2001.

WITNESSES:

Beverly Ann Ballentine
Joseph D. Dennison
Donna R. DeJoy

FIRST FEDERAL OF MICHIGAN, the Michigan operating name of Charter One Bank, F.S.B.

By: Joseph D. Dennison
Joseph D. Dennison

Its: Vice President

Address for notices:

1250 West 14 Mile Road
Troy, Michigan 48083
Attention: Commercial Real Estate Dept.

STATE OF MICHIGAN)
) ss.
COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me this 7th day of September, 2001, by Joseph D. Dennison, Vice President of First Federal of Michigan, the Michigan operating name of Charter One Bank, F.S.B., a federal savings bank on behalf of said bank.

Beverly Ann Ballentine
Beverly Ann Ballentine, Notary Public
Macomb County Michigan
My commission expires: January 2, 2004

BEVERLY ANN BALLENTINE
Notary Public, Macomb County, Michigan
Acting in Oakland County
My Commission Expires January 2, 2004