RIVERVIEW HILLS ASSOCIATION

PURCHASER INFORMATION BOOK

From:

W WATTS
CONSTRUCTION
(269)345-3859
www.wattconstruction.com

RIVERVIEW HILLS

PURCHASER INFORMATION BOOK

RIVERVIEW HILLS CONDOMINIUM
RECEIPT OF PURCHASER INFORMATION BOOKLET AND EXPLANATION
OF SECTION 84a OF THE CONDOMINIUM ACT

Dear Potential Purchaser:

At this time, we are furnishing you with the Riverview Hills Condominium Purchaser Information Booklet which includes:

A. Disclosure Statement;
B. Recorded Master Deed, including Condominium Bylaws attached as Exhibit "A" and Condominium Subdivision Plan attached as Exhibit "B", and all amendments thereto, and Declaration of Restrictions;
C. Unit Purchase Agreement;
D. Escrow Agreement;
E. Riverview Hills Condominium Association Articles of Incorporation;
F. Condominium Buyer's Handbook;
G. Waiver of Nine-Day Review Period under Section 84 of the Michigan Condominium Act.

As provided in Section 84a of the Michigan Condominium Act, as amended, your Purchase Agreement, including all addenda, if any, (a copy of which you previously received or which is delivered herewith) cannot become binding until the elapse of nine (9) business days from today. During that time, you should be sure to carefully read the accompanying documents which control the operation of the Project and are of extreme importance to you in understanding the nature of the interest which you are purchasing and your relationship with the Condominium Project, its Co-Owners and the Developer. Please sign and return to us the additional copy of this Receipt to acknowledge that it and the above-described documents have been delivered to you.

Very truly yours,
WATTS CONSTRUCTION COMPANY,
a Michigan corporation

____
By: ______________________
Its: ______________________

RECEIPT OF DESCRIBED DOCUMENTS ACKNOWLEDGED BY:

________________________________ Unit No.: ____________

________________________________ Dated: ______________

(If more than one (1) purchaser, all must sign.)

4069033.2\109553-00005
DRAFT 09/29/09 2:11 PM

RIVERVIEW HILLS CONDOMINIUM
RECEIPT OF PURCHASER INFORMATION BOOKLET AND EXPLANATION
OF SECTION 84a OF THE CONDOMINIUM ACT

Dear Potential Purchaser:

At this time, we are furnishing you with the Riverview Hills Condominium Purchaser Information Booklet which includes:

A. Disclosure Statement;
B. Recorded Master Deed, including Condominium Bylaws attached as Exhibit "A" and Condominium Subdivision Plan attached as Exhibit "B", and all amendments thereto, and Declaration of Restrictions;
C. Unit Purchase Agreement;
D. Escrow Agreement;
E. Riverview Hills Condominium Association Articles of Incorporation;
F. Condominium Buyer's Handbook;
G. Waiver of Nine-Day Review Period under Section 84 of the Michigan Condominium Act.

As provided in Section 84a of the Michigan Condominium Act, as amended, your Purchase Agreement, including all addenda, if any, (a copy of which you previously received or which is delivered herewith) cannot become binding until the elapse of nine (9) business days from today. During that time, you should be sure to carefully read the accompanying documents which control the operation of the Project and are of extreme importance to you in understanding the nature of the interest which you are purchasing and your relationship with the Condominium Project, its Co-Owners and the Developer. Please sign and return to us the additional copy of this Receipt to acknowledge that it and the above-described documents have been delivered to you.

Very truly yours,
WATTS CONSTRUCTION COMPANY,
a Michigan corporation

____
By: ______________________
Its: ______________________

RECEIPT OF DESCRIBED DOCUMENTS ACKNOWLEDGED BY:

______________________________ Unit No.: ____________

______________________________ Dated: ____________

(If more than one (1) purchaser, all must sign.)

A

RIVERVIEW HILLS CONDOMINIUM

DISCLOSURE STATEMENT

A forty-one (41) unit residential site condominium located in the Township of Cooper, Kalamazoo County, Michigan

Successor Developer:	Watts Construction Company 5071 Gull Road Kalamazoo, Michigan, 49048
Original Developer:	Riverview Hills, LLC 70186 Hartshorn Terrace Union, Michigan 49130

The effective date of this Disclosure Statement is September 30, 2009.

The effective date of the Original Disclosure Statement is August 15, 2005.

THE BUREAU OF COMMERCIAL SERVICES OF THE MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH (FORMERLY KNOWN AS THE DEPARTMENT OF COMMERCE) IS DESIGNATED AS THE "ADMINISTRATOR" FOR CONDOMINIUMS BY THE MICHIGAN CONDOMINIUM ACT. THE BUREAU MAKES NO REVIEW OF CONDOMINIUM DOCUMENTS, HOWEVER, NOR ANY RECOMMENDATIONS AS TO THE MERITS OF ANY PROJECT OR THE PURCHASE OF UNITS IN THE PROJECT.

THIS DISCLOSURE STATEMENT IS NOT A SUBSTITUTE FOR THE MASTER DEED, THE CONDOMINIUM BUYER'S HANDBOOK OR OTHER APPLICABLE LEGAL DOCUMENTS AND BUYERS SHOULD READ ALL SUCH DOCUMENTS TO FULLY ACQUAINT THEMSELVES WITH THE PROJECT AND THEIR RIGHTS AND RESPONSIBILITIES RELATING THERETO.

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

TABLE OF CONTENTS
(continued)

DISCLOSURE STATEMENT

RIVERVIEW HILLS CONDOMINIUM

I. Introduction

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

This Disclosure Statement, together with copies of the legal documents required for the creation and operation of the project, are furnished to each purchaser pursuant to the requirement of Michigan law that the Developer of a condominium project disclose to prospective purchasers the characteristics of the condominium units which are offered for sale.

II. The Condominium Concept

A condominium is a form of real property. A condominium unit has the same legal attributes as any other form of real property under Michigan law and may be sold, mortgaged or leased, subject only to such restrictions as are contained in the condominium documents.

Each Co-owner receives a deed to their individual condominium unit. The Riverview Hills Condominium is a "site" condominium project in which the purchased unit consists of an "envelope" of land and airspace within which a residential dwelling has been constructed. Each Co-owner owns, in addition to their unit, an undivided interest in the common facilities ("common elements") which service the project. Title to the common elements is included as part of, and is inseparable from, title to the individual condominium units. Each Co-owner's proportionate share of the common elements is determined by the percentage of value assigned to their unit in the Master Deed.

All portions of the project not included within the units constitute the common elements. Limited common elements are those common elements which are set aside for use by less than all unit Co-owners. General common elements are all common elements other than limited common elements.

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

III. Description of the Condominium Project

A. General. Riverview Hills Condominium is a residential site condominium project located in Cooper Township, Kalamazoo County, Michigan. The project has a total of forty-one (41) Units. The Condominium may be contracted or expanded.

B. Master Deed. The Master Deed contains definitions of terms used within the condominium documents, sets forth the percentage of value assigned to each unit, generally describes the units, designates general and limited common elements and sets forth the relative responsibilities for maintaining them. The Master Deed also covers easements and sets forth the procedure for amending the condominium documents. Article VIII of the Master deed covers easements and Article IX reserves in favor of the Developer the right to amend the Condominium Documents to make minor changes therein, to provide for the correction of errors and to comply with the requirements of certain lending institutions. A copy of the Master Deed and its three subsequent amendments are in the Purchaser Information Booklet.

C. Condominium Bylaws. The Condominium Bylaws contain provisions relating to the operation, management and fiscal affairs of the condominium and, in particular, set forth the provisions relating to assessments of Association members for paying the costs of operation of the condominium project. The Condominium Bylaws contain certain restrictions upon the ownership, occupancy and use of the condominium project. The Condominium Bylaws also contain provisions permitting the adoption of rules and regulations governing the common elements. At the present time no rules and regulations have been adopted by the Board of Directors of the Association.

D. Condominium Subdivision Plan. The Condominium Subdivision Plan is a three dimensional survey depicting the physical location and boundaries of each of the units and all of the common elements in the project.

E. Declaration of Restrictions. The Declaration of Restrictions contains specific restrictions against the use of the units. The Declaration of Restrictions has been superseded and replaced by the Second Amendment to the Master Deed, both of which are in the Purchaser Information Booklet.

IV. The Developer.

A. Developer's Background and Experience. The Original Developer, Riverview Hills, LLC, is a Michigan liability company, whose address is 70186 Hartshorn Terrace, Union, Michigan, 49130, and whose sole member is Jeffrey A. Chupp. Mr. Chupp has developed two other residential condominiums. The Successor Developer, Watts Construction Company, is a Michigan corporation, whose address is 5071 Gull Road, Kalamazoo, Michigan, 49048, and has developed and participated in the development of numerous residential condominium projects, including Hunter's Place, Hunter's Run, Hunter's Run No. 2, Merrybrook, and Fleetwood, in Comstock, Michigan.

B. Legal Proceedings Involving the Condominium Project or the Developer. The Developer is not presently aware of any pending judicial or administrative proceedings involving the condominium project or the Developer.

V. Operation and Management of the Condominium Project.

A. The Condominium Association. The responsibility for management and maintenance of the project is vested in Riverview Hills Condominium Association, a Michigan non-profit corporation (the "Association"). The Association consists of all the Co-owners of the condominium. The Association may hire a property management company to operate the Project on its behalf. The Association has not hired a property management agent as of the date of this Disclosure Statement.

The procedural operations of the Association are set forth in the Articles of Incorporation which are contained in the Purchaser Information Booklet and the Condominium Bylaws which are attached as Exhibit "A" to the Master Deed. The Association is governed by its Board of Directors which is elected by the Co-owners at the annual meeting of members. The Directors are responsible for electing Officers for the Association. The Developer is entitled to cast votes for any unit held in its name. As such, the initial Board of Directors will be designees of the Developer.

B. Percentages of Value. The percentage of value assigned to each unit determines the value of each Co-owners vote, its proportionate share of regular and special Association assessments and the proceeds of administration of the project. The percentage of value of each unit are equal. The total value of the project is 100.

C. Project Finances.

1. Budget. The Condominium Bylaws require the Board of Directors to adopt an annual budget for the operation of the project. The initial budget was formulated by the Developer and is intended to provide for the normal and reasonably predictable expenses of administration of the project, and to include a reserve for replacement of major structural and other components of the project in the future. Inasmuch as the budget must be prepared in advance, it reflects estimates of expenses made by the Developer based in part upon experience in similar projects and in part upon the estimates of others. To the extent that estimates prove inaccurate during actual operations and to the extent that the goods and services necessary to service the condominium project change in cost in the future, the budget and the expenses of the Association also will require revision. The current budget of the Association is included within this Disclosure Statement.

2. Assessments. Each Co-owner must contribute to the Association in proportion to the percentage of value of the unit(s) assigned to the Co-owner. The Developer is, of course, required to maintain at its expense all incomplete units owned by it. The Board of Directors may also levy special assessments in accordance with the Condominium Bylaws. The Developer must contribute to the Association in accordance with the percentages of value assigned to completed Units owned by it. The Developer is, of course, required to maintain at its expense all incomplete Units owned by it.

3. Possible Additional Liability. Pursuant to Section 84a of the Condominium Act, each purchaser is advised of the possible liability of each Co-owner under Section 58 of the Condominium Act:

> If the mortgagee of a first mortgage of record or other purchaser of a condominium unit obtains title to the condominium unit as a result of foreclosure of the first mortgage, such person, its successors and assigns, is not liable for the assessments by the administering body chargeable to the unit which became due prior

to the acquisition of title to the unit by such person. The unpaid assessments are deemed to be common expenses collectible from all of the condominium unit owners including such persons, its successors and assigns.

D. Condominium Association Management Contract. The Condominium Bylaws permit the Association to engage a management agent. No management agent has been selected as of the effective date of this document.

E. Insurance. The condominium documents require that the Association carry liability insurance and worker's compensation insurance if applicable, with respect to all common elements of the Condominium. The insurance policies have deductible clauses and, to the extent thereof, losses will be borne by the Association. The Association Board of Directors is responsible for obtaining insurance coverage for the Association. Each Owner's pro rata share of the annual Association insurance premiums is included in the annual assessment. The Association insurance policies are available for inspection during normal working hours. A copy of the Certificate of Insurance with respect to the Condominium will be furnished upon demand to each Owner upon closing the sale of his Unit. The Association should periodically review all insurance coverage to be assured of its continued adequacy and Owners should each do the same with respect to their personal insurance. The Name of the insurance company is ______________________________. The agent is ________________________, whose address is ____________________________, and whose telephone number is __________.

Each Co-owner in this project will be responsible for maintaining fire and extended coverage insurance on such Co-owner's Unit and the Dwelling and other improvements located thereon, as well as personal property, liability and other personal insurance coverage. It shall be each Co-owner's responsibility to determine by personal investigation or from his own insurance advisors the nature and extent of insurance coverage adequate to his needs and thereafter to obtain insurance coverage for his personal property and any additional property, fixtures and equipment located within his Dwelling and Unit or elsewhere on the Condominium and for his personal liability for occurrences within his Unit or upon limited common elements appurtenant to his Unit, if any, and also for alternative living expense in the event of fire, and the Association shall have absolutely no responsibility for obtaining such coverages.

F. Real Estate Broker. ____________________________________ shall serve as the real estate broker with regard to the initial sales of units by Developer. The sales agent is __________________________ whose address is ______________________________________ and whose telephone number is ___________________________________. ___________________________________ has represented sellers and buyers with regard to the sale of numerous homes.

G. Restrictions on Ownership, Occupancy and Use. The Condominium Bylaws set forth restrictions upon the ownership, occupancy and use of a unit in the condominium project. It is impossible to paraphrase these restrictions without risking the omission of some portion that may be of significance to a purchaser. Consequently, each purchaser should examine the restrictions with care to be sure that they do not infringe upon an important intended use. The following are some of the more significant restrictions:

1. There are limitations upon physical changes which may be made to the common elements and the units in the condominium, and upon the use of common elements and units.

2. Reasonable rules and regulations may be adopted by the Board of Directors of the Association concerning the use of common elements, without vote of co-owners.

3. There are restrictions on the types of pets which may be kept on the Condominium.

None of the restrictions apply to the commercial activities or signs of the Developer and the Developer is also not subject to the restrictions upon the lease of any of the units it owns.

H. Recreational Facilities. There are no recreational facilities related to the Condominium.

VI. Rights and Obligations as Between Developer and Co-owners.

A. Before Closing. The respective obligations of the Developer and the purchaser of a condominium unit in the project prior to closing are set forth in the Purchase Agreement and the Escrow Agreement. Both of those documents should be closely examined by all purchasers in order to ascertain the disposition of earnest money deposits advanced by purchaser at the time of closing, anticipated closing adjustments, and the obligation of both parties with respect to modifications to the standard unit and extra installations.

B. At Closing. Each purchaser will receive by deed fee simple title to the unit, subject to no liens or encumbrances other than the condominium documents and those other easements and restrictions as are specifically set forth in the condominium documents, title insurance commitment, and/or purchase agreement.

C. After Closing. Subsequent to the purchase of the unit, relations between the Developer and the Co-owner are governed by the Master Deed and the Condominium Act, except to the extent that any contractual provisions of the Purchase Agreement are intended to survive the closing.

D. Escrow. The Developer shall place any deposits or funds it receives from a unit purchaser in escrow with an independent escrow agent, Metropolitan Title Company, 7117 South Westnedge Avenue, #1, Portage, Michigan, 49002-4201. After the expiration of the unit purchaser's right to withdraw from the transaction, the Developer shall retain the amounts in escrow or provide other adequate security to assure completion of the uncompleted structures and improvements labeled under the terms of the condominium documents as "Must be Built." The Escrow Agent will not release funds to Developer in connection with the purchase of a unit until conveyance of legal or equitable title of the unit to the purchaser and receipt by the Escrow Agent of a Certificate from a licensed professional engineer or architect. Such Certificate shall state that those portions of the phase of the project in which the unit is located and which are labeled on the subdivision plan as "Must be Built" are substantially complete or shall state the amount of work necessary for substantial completion. Such Certificate shall confirm that recreational or other facilities which are labeled on the subdivision plan as "Must be Built," whether located within or outside of the phase of the project in which the condominium unit is located, and which are intended for common use are substantially complete or indicate the amount necessary for substantial completion thereof. Upon receipt of such Certificate, Escrow Agent shall pay to Developer the sums from Purchaser which were escrowed over and above the amount required to complete the "Must be Built" items mentioned above.

In the event the purchaser withdraws from the Purchase Agreement prior to the time the Purchase Agreement becomes a binding purchase agreement, all sums paid to Escrow Agent by said purchaser shall be returned provided purchaser or Developer has timely notified Escrow Agent of the withdrawal.

VII. Local Governmental Taxes and Utility Service.

A. Local Government. The Project is located in the Township of Cooper, and County of Kalamazoo. It is in the Parchment Public School District.

B. Real Property Taxes. Taxes upon the condominium units are assessed by the Township of Cooper, the County of Kalamazoo and the Parchment Public School District. Except for the year in which the project is established, real property taxes and assessments are levied individually against each unit in the project. The separate taxes and assessments cover the unit and its proportionate share of the common elements. No taxes or assessments are levied independently against the common elements. In the year in which the project is established the taxes and assessments for the units covered by the Master Deed are billed to the Association and are paid by the owners of such units in proportion to the percentages of value assigned to the units owned by them.

C. Utilities. Utilities provided to Units are individually metered and the costs shall be paid by the condominium Unit Owners. The following utility services are available to the condominium:

1. Electricity – Consumers Energy
2. Gas – Consumers Energy
3. Cable Television – Charter Communications
4. Telephone – SBC

SEPTIC SYSTEMS AND WATER WELLS MUST BE INSTALL BY THE PURCHASERS OF THE UNITS.

VIII. Warranties - None Given by Developer.

The Developer provides no warranties of any kind with regard to the condominium project. Express warranties are not provided unless specifically stated. A portion of the Purchase Agreement is herein reprinted in full for your information and convenience.

ENTIRE AGREEMENT

THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES. NO REPRESENTATIONS, WARRANTIES, UNDERTAKINGS, OR PROMISES, WHETHER ORAL, IMPLIED OR OTHERWISE, CAN BE MADE OR HAVE BEEN MADE BY EITHER DEVELOPER OR ITS AGENTS OR BROKERS, TO PURCHASER OR ANYONE ELSE UNLESS EXPRESSLY STATED HEREIN OR UNLESS MUTUALLY AGREED IN WRITING BY THE PARTIES. ALL AMENDMENTS, SUPPLEMENTS OR RIDERS HERETO, IF ANY, SHALL BE IN WRITING EXECUTED BY BOTH PARTIES AND ATTACHED TO THIS AGREEMENT. PURCHASER SHALL NOT RECORD THIS AGREEMENT OR ANY MEMORANDUM THEREOF.

IX. Easements and Restrictions.

The Condominium Project and the Units contained therein are subject to the easements, restrictions, encumbrances and encroachments as described in the Master Deed and described in each title insurance commitment and title insurance policy furnished to buyers.

X. Intentionally Deleted.

XI. Purpose of Disclosure Statement.

The Developer has prepared this Disclosure Statement in good faith, in reliance upon sources of information believed to be accurate and in an effort to disclose material facts about the project which it believes satisfy the requirements of the purchaser. Each purchaser is urged to engage a competent lawyer or other advisor in connection with his or her decision to purchase a unit. In accepting title to the unit in the condominium project each purchaser shall be deemed to have waived any claim or right arising out of or relating to any material defect, omission or misstatement as contained within or omitted from this Disclosure Statement. The terms used herein are defined in the Condominium Act.

The Michigan Department of Labor and Economic Growth does not endorse the project nor pass upon the value or merit of the development nor make any recommendation with regard to the purchase of a unit and any representation to the contrary is improper. The Michigan Department of Labor and Economic Growth publishes The Condominium Buyer's Handbook which the Developer has delivered to you. The Developer assumes no obligation, liability, or responsibility as to the statements contained therein or omitted from the Condominium Buyer's Handbook.

The descriptions of the Master Deed and other instruments contained herein are summarized and may not completely and adequately express the content of the various condominium documents. Each purchaser is referred to in the original Master Deed and other original instruments as contained within the Purchaser Information Booklet. In accordance with the proposed rules of the Michigan Department of Labor and Economic Growth, legal phraseology, technical terms and terms of art have been minimized and brevity has been the objective to the extent consistent with the purposes of the Disclosure Statement and rules of the Michigan Department of Labor and Economic Growth.

XII. Intentionally Deleted.

XIII. Budget and Assessments.

Each Co-owner in the condominium may be required to pay annual assessments for their share of the common expenses of the condominium. These amounts, if required, will be used to operate and maintain the condominium. Assessments must be paid in a timely manner, since operation of the condominium is dependent on the availability of funds. If required, assessments will be due by the first day of each year. In the event a Co-owner fails to pay their assessment in a timely manner, the Condominium Bylaws provide that the Condominium Association may impose a lien upon the delinquent Co-owner's unit, collect interest at the rate set forth therein, and impose other penalties. The Condominium Bylaws should be consulted for further details.

The amount of the assessment will be determined by the Co-owner's percentage of value in the condominium. The anticipated budget for the first year of the condominium is attached hereto as Exhibit A. Like most expenses today, the expenses in the budget are subject to changes as a result of changing costs in the economy. The budget expenses contained herein represent the Developers best estimate of those expenses at this time. However, these expenses may increase from year to year due to cost increases, the need to repair, replace, maintain or improve the common elements.

Each Co-owner must pay other charges in connection with their ownership of a unit in the condominium. For example, each Co-owner is responsible for paying real estate taxes levied on their unit and their undivided interest in the common elements. The amount of the taxes will be determined by the assessor of the Township of Cooper. The Developer expects the assessor to base its tax on the estimated market value of the unit. The Condominium Association will pay no real estate taxes.

In addition, each Co-owner may be required to pay special assessments. Special assessments may be levied by the Board of Directors where the regular assessment proves inadequate, common elements need to be replaced or expanded, or for emergencies. The Condominium Bylaws should be examined for further details about special assessments.

There are no other fees, payments or services which are paid or furnished directly or indirectly by the Developer which will later become an expense of administration.

XIV. Legal Matters.

John Novak of Miller, Canfield, Paddock and Stone, P.L.C., 277 South Rose Street, Suite 5000, Kalamazoo, Michigan, served as legal counsel in connection with the preparation of this Disclosure Statement and related documents. Legal counsel has not passed upon the accuracy of the factual matters herein contained.

XV. Unusual Circumstances.

The Developer is not aware of any unusual circumstances with regard to this condominium other than the following:

A. There are special rules regarding the subdivision, consolidation, and modification of units as set forth in the Master Deed.

B. It is expressly understood and agreed that the Developer provides no warranties of any kind, implied or otherwise, with regard to the Condominium.

C. Co-owners are responsible for maintaining their own lawns, trees, berms and shrubbery on their unit in good order and repair.

D. Each unit shall have an easement, to the extent necessary and as disclosed in the Master Deed, on, over, under and across any other unit to maintain, extend, replace or tap into any public or private utility.

E. There are limitations on the extent to which the structures can be improved, modified, changed, rebuilt or otherwise used and no dwellings, structures, or other improvements may be constructed upon any unit except in accordance with the Condominium Documents.

EXHIBIT A

ESTIMATED OPERATING BUDGET 2009

ANNUAL INCOME

Assessment of Units:	
Unit No. 1 - 41 (non-Developer Units)	$50.00 /year
TOTAL REVENUE	**$2,050.00 /year**
Buy-in Fee ($50.00/closing) *Reserve Contribution*	**$1,600.00**

ANNUAL EXPENSE

Administrative Expenses	
Insurance (property & liability)	$1,000.00
Accounting	$200.00
Legal	$0.00
Professional Management	$0.00
Bank Service Fees	$0.00
Maintenance Expenses	
Landscape Maintenance	$250.00
General Common Element Maintenance	$250.00
Miscellaneous Maintenance	$100.00
Total Operating Expense:	**$1,800.00**
Reserve Account:	
10% Operating Contribution	$180.00
Buy-in Fees	$1,600.00
***Total Reserve**	**$1,780.00**
TOTAL EXPENSES:	**$1,980.00**

*Reserve for major repair and replacement of common elements is based on 10% of the anticipated first year's budget and buy-in fees. There is no assurance that this amount will be adequate.

4069046.2\109553-00005
DRAFT 09/25/09 11:23 AM

B

THIRD AMENDMENT TO MASTER DEED RIVERVIEW HILLS

This Third Amendment to Master Deed (the "Amendment") is made and executed on this 29th day of October, 2009, by Watts Construction Company, a Michigan corporation, whose address is 5071 Gull Road, Kalamazoo, Michigan, 49048 (the "Developer"), as successor developer to Riverview Hills, LLC, a Michigan limited liability company (the "Original Developer"), pursuant to the provisions of the Riverview Hills Master Deed, as amended, and the Michigan Condominium Act, (being Act 59 of the Public Acts of 1978, as amended, hereafter the "Act").

Background

Riverview Hills is a condominium project (the "Condominium") established by the Original Developer pursuant to the Master Deed dated July 14, 2005, and recorded August 15, 2005, at Instrument No. 2005-037591, Kalamazoo County Records, and known as Kalamazoo County Condominium Subdivision Plan Number 181; as amended by the First Amendment to Master Deed Riverview Hills, dated August 23, 2005, and recorded August 31, 2005, at Instrument No. 2005-040699, Kalamazoo County Records; and as further amended by the Second Amendment to Master Deed for Riverview Hills, dated May 15, 2007, and recorded May 22, 2007, at Instrument No. 2007-019398, Kalamazoo County Records (the "Second Amendment"), itself amended by the First Amendment to First Amendment to Master Deed for Riverview Hills, dated October 29, 2009, and recorded November 2, 2009, at Instrument No. 2009-037426, Kalamazoo County Records (collectively, the "Master Deed").

Pursuant to Article IX of the Master Deed and the Act, this Third Amendment to Master Deed is made and recorded for the following purposes: (i) amend the minimum square footage requirements for primary structures; (ii) amend the minimum setback requirement for primary structures; (iii) clarify the prohibition against temporary structures and manufactured housing; (iv) clarify the restrictions on recreational and commercial vehicles; (v) clarify the requirement that Co-owners must abide by applicable law; (vi) amend the restrictions on displays of personal property outside the primary structure; (vii) amend the Association's obligations with respect to books and records; (viii) amend the timing and structure of assessments; and (ix) clarifying the applicable building and use restrictions by amending and restating the same herein. No additional Units are being added to the Condominium. No change to the Units' respective percentages of value is being effected by this Amendment.

This Amendment is made by the Developer pursuant to the Developer's rights reserved in Article IX of the Master Deed and with the consent of the Developer which owns greater than 2/3rds of the Units in the Condominium, and this Amendment shall be deemed effective immediately upon recording.

Amendment

NOW, THEREFORE, the Developer does, upon recording hereof, make the following amendments to the Master Deed.

1. Amendment to Second Amendment and Condominium Bylaws. Section 1 through Section 33 of the Second Amendment and Article VI of the Condominium Bylaws, entitled "Restrictions", are hereby deleted, superseded, replaced, amended, and restated in their entirety with Exhibit "A" to this Amendment.

2. Amendment to Article I, Section 3 of the Condominium Bylaws. Article I, Section 3 of the Condominium Bylaws is hereby deleted, superseded, and replaced in its entirety with the following:

> "The Association shall keep detailed books of account showing all expenditures and receipts affecting the Condominium and its administration, and which shall specify the operating, maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other Association records shall be maintained in accordance with Section 57 of the Act. The books, records and contracts concerning the administration and operation of the Condominium project shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours on working days at a place the Association designates within Van Buren County. The Association shall prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does such audit need to be a certified audit. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual audited financial statement within 90 days following the end of the Association's fiscal year upon request therefor. The costs of any such audit and any accounting expenses shall be expenses of administration."

3. Amendment to Article II, Section 5 of the Condominium Bylaws. Article II, Section 5 of the Condominium Bylaws is hereby deleted in its entirety.

4. Amendment to Article VII of the Condominium Bylaws. Section 2, Section 3, Section 4, and the last sentence of Section 1 of Article VII of the Condominium Bylaws are hereby deleted, superseded, and replaced in their entirety with the following:

> "The Association shall give to the holder of any first mortgage covering any Unit in the Condominium any written notice to which such holder is entitled to receive under the Condominium Act."

5. Assessments. Pursuant to its rights under Section 23 of the Second Amendment, the Developer hereby amends the Master Deed, Condominium Documents, and all other Condominium Documents, all as amended, to deleted, in its entirety, any and all reference to a maximum amount which may be charged or assessed against any Unit by the Association. In addition, all references contained in the Master Deed, Condominium Documents, and all other Condominium Documents, all as amended, which indicates, directly or by implication, that Condominium assessments are to be levied monthly are hereby modified to provide that such assessments are to be levied at such times as the Board of Directors shall determine, in its sole and absolute discretion, are appropriate, as provided in Article II, Section 3(e) of the Condominium Bylaws.

6. Conflicts. In the event of a conflict or inconsistency between the terms of this

Amendment and the terms of the Master Deed, Condominium Bylaws, Second Amendment, or any of the other Condominium Documents, the terms of this Amendment shall govern. In all other respects, other than as hereinabove indicated, the Master Deed, including attachments and amendments, is hereby ratified and affirmed.

7. Definitions. Except as otherwise defined herein, all of the capitalized terms used herein that are defined in the Master Deed shall have the definitions given to such terms in such Master Deed.

This Third Amendment to Master Deed has been executed by the Developer as of the date and year set forth above.

WATTS CONSTRUCTION COMPANY,
a Michigan corporation

By: [signature]
Name: Jay A Watts
Its: President

STATE OF MICHIGAN)
) ss.
COUNTY OF KALAMAZOO)

The foregoing instrument was acknowledged before me this 29th day of October, 2009, by Jay A. Watts, the President of WATTS CONSTRUCTION COMPANY, a Michigan corporation, on behalf of the corporation

[signature]

SARA E. FRASZ
NOTARY PUBLIC, STATE OF MI
COUNTY OF KALAMAZOO
MY COMMISSION EXPIRES Apr 9, 2013
ACTING IN COUNTY OF Kalamazoo

Notary Public, Kalamazoo County, Michigan
Acting in Kalamazoo County, Michigan
My Commission expires: April 9, 2013

Drafted by, and when recorded return to:
John M. Novak, Esq.
Miller, Canfield, Paddock & Stone, PLC
277 South Rose Street, Suite 5000
Kalamazoo, Michigan 49007
(269) 381-7030

2009-037502
Page: 3 of 10
11/03/2009 11:37A
FIRST AMERICAN AMND-Kalamazoo ROD

<u>Exhibit "A"</u>

ARTICLE VI
RESTRICTIONS

<u>Section 1. Association Access.</u> The Association or its duly authorized agents, shall have access to each Unit from time to time during reasonable working hours, upon notice to the Co-Owner thereof, as may be necessary for the maintenance, repair or replacement of any of the General Common Elements. The Association or its agents, shall also have access to each Unit at all times without notice, as maybe necessary to make emergency repairs or to prevent damage to the General Common Elements or to another Unit, It shall be the responsibility of each Co-Owner to provide the Association means of access to his Unit during all periods of absence and. in the event of the failure of such Co-Owner to provide 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 caused thereby or for repair or replacement of any damages to his Unit.

<u>Section 2. Rules and Regulations.</u> Reasonable regulations consistent with the Act, the Master Deed and these Bylaws, concerning the use of the General Common Elements may be made and amended from time to time by any Board of Directors, including the First Board of Directors (or its successors elected by the Developer). Copies of all such regulations and amendments thereto shall be furnished to all Co-Owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative of each Co-Owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than sixty percent (60%) of all Co-Owners in number and in value.

<u>Section 3. Tenants.</u> Tenants or non-Co-owner occupants shall comply with all the conditions of the Condominium Documents of the condominium, and all leases and rental agreements shall so state.

<u>Section 4. Co-Owner Maintenance.</u> Each Co-Owner shall maintain his Unit and any Limited Common Elements appurtenant thereto from which he has maintenance responsibility in a safe, clean and sanitary condition that is satisfactory to the Association. Each Co-Owner shall also use due care to avoid damaging any of the Common Elements including, but not limited to, any telephone, water, plumbing, electrical or other electrical conduits and systems and any other 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 any of the Common Elements by him or his family, guests, agents, tenants or invitees, unless such damages or costs are covered by insurance carried by the Association in which case there shall be no such payment of damages or costs (unless reimbursement to the Association is excluded by virtue of a deductible insurance policy 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 shall be assessed to and collected from the responsible Co-Owner as though it were an approved special assessment in the manner provided in Article II of the Condominium Bylaws.

<u>Section 5. Applicability to Developer.</u> None of the restrictions contained in this Article VI shall apply to the commercial activities or signs, if any, of the Developer during the construction and sales period as hereinafter defined, or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation and these Bylaws as the same may be amended from time to time. During the construction and sales period, the Developer and/or its agents, are irrevocably authorized, permitted and empowered to sell, lease, or rent Units to any purchaser or lessee on any terms and conditions as it shall deem appropriate. For the purposes of the Condominium Documents, the "construction and sales period" shall be deemed to continue so long as Developer owns any Unit which he offers for sale. Until all Units in the entire Condominium (including the initial stage and any successive stages) are sold by Developer, Developer shall have the right to maintain a sales office, a business office, a construction office, model office Unit, storage

areas, reasonable parking incident to the foregoing, and such access to, from and over the Condominium as may be reasonable to enable construction and sale of the entire Condominium by Developer. During the construction and sales period, Developer shall have full right to utilize all or any portion, of any Unit for office and sales purposes or any other purposes reasonably incident to the development and sale of the Condominium.

Section 6. Identification of Architectural Control Committee. Each dwelling unit built on any Unit(s) (hereinafter referred to as "Unit(s)) must be built by a builder approved by the Developer. In order to maintain harmonious structural design, no building for the principle use of residential dwelling may be erected on any Unit unless and until the plans and specifications therefor have been approved in writing by the Riverview Hills Architectural Control Committee as further set forth herein. For all sections and/or phases of Riverview Hills, there is hereby created the Riverview Hills Architectural Control Committee (sometimes the "ACC" or "Committee"), which shall consist of three (3) persons, appointed by the Developer, Riverview Hills, LLC, or its successors and assigns, who shall serve until they are removed by the Developer or have resigned. After the Developer has no interest in any Units, then the Board of Directors of the Condominium Association shall serve on the ACC unless the Board appoints a person(s) to act on its behalf. This Committee may designate any one of its members to act on its behalf. In the event of any vacancy on the Committee, the Developer or the Board of Directors (after the Director no longer has any interest in any Units) shall appoint a replacement. The Committee shall have the authority to approve all plans and specifications for all structures to be erected in the subdivision. No construction of any structure shall be commenced until the Committee shall have issued its written approval. The decision of the Committee shall be entirely within its discretion.

Section 7. Architectural Control.

A. Land Use and Building Type. No dwelling shall be erected, altered, placed or permitted to remain on any Unit other than one single-family dwelling not to exceed two and one-half (2 1/2) stories in height and a private garage for not more than three (3) cars; exceptions may be made to this section only if they are unanimously approved in writing by the Committee.

B. Home Occupations. No Unit or Units shall be used for any purpose other than a single-family residence.

C. Sales and Promotions. The Developer, or its assignee, may make use of one (1) Unit, which may have improvements thereon, for realty sales and promotion purposes, notwithstanding anything which may appear to the contrary herein.

D. Architectural Control. No building or other improvement or structure of any kind, nature, or material (collectively any "structure") shall be erected, constructed, placed, maintained or altered on any Unit, nor shall the natural topography or draining of any Unit be altered, until the construction plan for the structure or for the topographical alterations have been approved in writing by the Committee. No approval for the placement or location of any structure on the Condominium Premises shall be valid unless the same is in writing. The plans must show floor plan, quality of construction materials, outside colors to be used, harmony of external design with existing structures and location with respect to Unit lines, topography and finish grade elevation. Plans shall include placement on the Unit with detail showing all pavement and well and septic system location, including how the well and septic systems are positioned in relation to neighboring Units and structure, to ensure that all such well and septic systems within the Condominium comply with Kalamazoo County Health Department Regulations. One (1) set of complete plans must be submitted. It will be retained in the Developer's office and will not be returned to the Co-owner. The Committee's approval or disapproval as required in the covenants shall be in writing with reasons for the denial stipulated. No structure of any kind which does not comply fully with such approved plans shall be erected, constructed, placed or maintained upon any Unit, and no changes or deviations in or from such plans as approved shall be made without the Committee's prior written consent.

Neither the Developer, the Committee, nor any member thereof, nor any of their respective heirs, personal representatives, successors or assigns, shall be liable to anyone by reason of any mistake in judgment, negligence or nonfeasance arising out of or relating to the approval or disapproval or failure to approve any plans so submitted, nor shall they, or any of them, be responsible or liable for any structural defects in such plans or any drainage problems resulting therefrom. Every person and entity who submits plans to the Committee, agrees, by submission of such plans, that (s)he or it will not bring any action or suit against the Committee or the Developer to recover any damages or to require the Committee or the Developer to take, or refrain from taking, any action. Neither the submission of any complete sets of plans to the Developer's office for review by the Committee, nor the approval thereof by the Committee, shall be deemed to guarantee or require the actual construction of the building or structure therein described, and no adjacent Unit Co-owner may claim any reliance upon the submission and/or approval of any such plans for the buildings or structures described therein.

Section 8. Dwelling Size.

A. General Restrictions. No dwelling shall be permitted on any Unit with a living floor area of the main structure, exclusive of one-story open porches and garages, of less than the following number of square feet for the following types of dwellings. The minimum square footage will be the following:

Type of House	Minimum Square Footage
Ranch Style	1100
1-1/2 & 2 Story	900 square feet on the ground floor, exclusive of open porches and garages

However, the Committee may consider and allow a Unit Co-owner's request for smaller square footage allowance if the plans for the residence show that the residence to be built is architecturally and aesthetically consistent with other residences in Riverview Hills Condominium.

B. Garages. All dwellings must have a full size attached garage which is capable of storing at least two (2) automobiles but not to exceed space for three (3) automobiles without written consent from the Committee.

Section 9. Building Location. No building shall be located on any Unit nearer to the front right-of-way line than the minimum building setback lines required by the Township Ordinances. Each building shall be located not nearer than ten (10) feet from any side Unit line. No dwelling shall be located closer than forty (40) feet to any rear Unit line. In any event, no building shall be located on any Unit nearer than forty (40) feet to the front Unit line, or, in the case of a corner Unit, to any side street line, nor nearer than ten (10) feet to an interior side Unit line. For the purpose of this covenant, eaves, steps, and open porches shall (at the Developer's discretion) not be considered as a part of the buildings; but notwithstanding this, no building nor any structure attached to any building (e.g., an eave or gutter) may be located nearer than ten (10) feet from any other Unit.

Section 10. Nuisances. No obnoxious or offensive activity shall be carried on upon said Unit, nor shall anything he done thereon which may become an annoyance or nuisance in the neighborhood.

Section 11. Temporary Structures. No trailer, basement, tent, shack, garage or other outbuilding may be used, at any time, as a residence either temporarily or permanently. No manufactured or modular home shall be permitted in the Condominium.

Section 12. Leases. Leases of all or any portion of any Unit shall comply with the requirements of the Condominium Bylaws and Section 112 of the Michigan Condominium Act. No leases of any dwelling units may be entered into without the prior approval of the Developer and no such lease may have duration of less than one (1) year.

Section 13. Storage. No Unit shall be used for storage of old lumber, boats, cart, materials, or debris, which would tend to make the Unit unsightly in appearance and character.

Section 14. Pools and Recreational Facilities. No above ground pools shall be permitted. In-ground pools and permanent or paved recreational athletic facilities (including, but not limited to, tennis, basketball and volleyball courts) may not be erected, built or installed on any Unit unless and until the plans and specifications therefore have been approved in writing by the Riverview Hills Committee, as provided in paragraph 1 hereof. Any and all lighting fixtures for any such facilities are also subject to such prior approval.

Section 15. Detached Buildings. The construction and placement of any detached pet shelter, play house, structures designed for the storage of lawn tools, toys, swimming pool apparatus, or any other personal property must be of a quality construction, and must be maintained in attractive and neat appearance and blend with the established home and the plans therefore shall be submitted to the Committee for approval before beginning construction. Maximum size for detached buildings, including storage buildings and pool houses, shall be 10' x 12' unless written exception is given by the Committee. The Committee shall have the authority to require protective screening around these structures.

Section 16. Driveways. No stone or cinder driveways shall be permitted. All driveways are to be a minimum of ten (10) feet wide and must be constructed of concrete or asphalt. The depth of the concrete shall be at least four (4) inches thick.

Section 17. Signs. No sign of any kind shall be displayed to the public view on any Unit except one (1) sign of not more than five (5) square feet advertising home for sale or rent, or a sign of any dimension used by a builder to advertise the property during the construction and sales period. There is reserved to the Developer, its successors and assigns, the right to construct signs as they desire in order to foster promotion and effect sales of Units or structures in said Condominium. No sign shall be permitted to promote the sale of an undeveloped Unit except by Developer or with Developer's written consent.

Section 18. Livestock, Poultry, and Hazardous Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Unit, except dogs, cats or other household pets may be kept, provided they are not kept, bred or maintained for any commercial purposes and are not permitted to become a neighborhood nuisance or hazard in any manner. No vicious or attack trained dogs shall be kept on any Unit.

Section 19. Garbage and Refuse Disposal; Open Burning Prohibited. No Unit shall be used or maintained as a dumping ground for rubbish, grass clippings, leaves, tree limbs, or compost. Trash, garbage or other waste shall not be kept except in sanitary containers. All equipment for storage or disposal of such materials shall be kept in a clean sanitary condition. No open burning shall be permitted on any Unit, whether in incinerators, containers or otherwise. The prohibition against burning shall include, but not be limited to, trash, waste, refuse, building materials, leaves, tree limbs, grass clippings, debris and any other material of any kind or description. The Co-owner shall be permitted to have a campfire (or barbecue) pit up to three (3) feet in diameter for clean burning wood or charcoal. Grass clippings, leaves, and other waste may not be placed on any other property in Riverview Hills. Any debris placed anywhere in the Condominium may be cleaned up by the Developer at the offender's expense.

While a home is under construction, all debris shall be contained in such a manner that it will not be permitted to litter adjoining properties. If loose debris becomes a general nuisance, the Association, at the option of the Committee, may elect to clean up the debris at the cost of the Unit Co-owner. Notwithstanding the foregoing, the provisions of this Section 19 shall not apply to the conduct or activities of the Developer or the Developer's designated contractor or builder performed in connection with the initial construction of a dwelling and/or related improvements upon a Unit.

Section 20. Sight Distance at Intersection. No fence, wall, hedge or shrub planting which obstructs sight lines at elevation between two (2) and six (6) feet above the roadways shall be placed or permitted to remain on any corner Unit within the triangular area formed by the street property lines and a line connecting them at points twenty-five (25) feet from the intersection of the street lines; or, in the case of a rounded property corner, from the intersection of the street property lines extended. The same sight-line limitations shall apply on any Unit within ten (10) feet from the intersection of a street property line with the edge of a driveway. No trees shall be permitted to remain within such distances of such intersection unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

Section 21. Completion Date. Any structure for which construction has commenced (which shall include any excavation or earth moving) must be completed within a period of one (1) year from the commencement date, or thereafter completely removed. The side, front, and rear yards of each Unit shall be planted with grass, sod, or ground cover, unless otherwise approved by the Committee, within one hundred twenty (120) days after the structure is completed, or the structure is occupied as a residence, whichever is earlier. If the same Co-owner or Co-owners own two or more contiguous Units, the Units shall be considered as one Unit for landscaping control purposes, and shall be maintained in accordance with these provisions. In addition, on wooded Units where there is a separation between the tree line and the curb, all areas between the tree line and the curb must he planted with grass, sod, or ground cover.

Undeveloped or vacant Units shall be kept free of rubbish and weeds; and grass height shall be maintained at a reasonable length. Upon violation of this provision and after giving the Co-owner ten (10) days notice to cure the condition, the Association, at the option of the Board of Directors, may elect to perform such maintenance at the cost of the Co-owner. The Developer shall be exempt from this paragraph No. 21, but shall maintain unsold Units at the Developer's discretion.

Section 22. Fuel Storage Tanks. No oil or fuel storage tanks may be installed underground or concealed within the main structure of the dwelling, basement, or attached garage.

Section 23. Unit Division. There shall be no subdivision or sale of any Unit by a Co-owner for the purpose of building an additional dwelling.

Section 24. Lighting. A dusk to dawn light (or gas light) of the type approved by the Committee shall be installed by the builder or Unit Co-owner on each Unit in front of the front building setback line. If electric, post lights shall be equipped with automatic operators (electric eye) to provide light from sundown to dawn.

Section 25. Recreational and Commercial Vehicles: Parking. Unless otherwise approved by the Association in writing, no recreational or commercial vehicles (campers, trailers, trucks, boats, straight trucks, moving trucks, snowmobiles, motor home, other recreational vehicle, or any other type of said vehicles) nor any inoperable vehicle may be stored in the front or back yard of any Unit. However, such recreational and inoperable vehicles may be stored on the driveway on a short term basis (no longer than one (1) week) or may be stored on the garage side of the yard if stored on concrete or asphalt. No passenger car or truck may be parked on any street between the hours of 2:00 o'clock a.m. and 6:00 o'clock a.m.

Section 26. Utilities and Television Antennas. All public utility services, either in the streets or on any Units, including but not limited to electric, gas, telephone service, and cable television, shall be located underground, or shall not be visible. No outside above ground television, AM, FM, or short wave radio antennas of any type shall be erected or maintained on any Units or structures in Riverview Hills. Satellite dishes are prohibited unless they are less than two (2) feet in diameter. All street or Unit lighting shall be situated on posts with no lines visible. To assure the enforcement of this restriction, the Developer, for itself, its successors and assigns, does hereby agree:

A. Utility Poles and Overhead Lines. To prohibit the erection and use of overhead wires, poles and other facilities of any kind, including but not limited to those associated with electrical, television, cable or telephone service electrically or by telephone from poles and overhead wires around the perimeter or the Condominium. Nothing herein should be construed to prohibit street lighting or ornamental yard light if serviced by underground wire or cable.

B. Electrical Service. To require that the Co-owner of any building erected on the property install electric service of sufficient capacity to meet engineering standards of the electric utility company.

C. Restoration. To require Co-owners to assume all responsibility and restoration of paved and planted areas made necessary by maintenance, replacement or expansion of the underground facilities.

D. Accessibility. To require accessibility to all strips in which underground service is located for operation, maintenance or replacement of facilities.

E. Underground Service Laterals. To require that the Co-owner of any building erected on the property pay for hook up of the building's utilities to the existing underground utilities.

Section 27. Septic Systems. Until such time as a sanitary sewer system is constructed in the Condominium or an individual sewage disposal system is approved by the Michigan Health Department, a sanitary septic tank shall be installed at the Unit Co-owner's expense for each dwelling erected in the Condominium. Such septic tank shall be of a type and construction and located on the individual Unit so that it is approved in writing by the appropriate regulatory agency such as the Kalamazoo County Health Department. No other sanitary provision or device for sewage disposal shall be installed or permitted to remain in this Condominium. Septic systems must be located with consideration to neighboring wells to comply with all county regulations. All private water wells shall be placed in a location not interfering with adjacent septic tanks and systems and shall be constructed in accordance with all ordinances, rules and regulations pertaining thereto.

Section 28. Amendment of Covenants. These covenants may only be amended in the manner provided in the Condominium Bylaws and the Condominium Act.

Section 29. Duration of Covenants. These covenants shall be perpetual in the manner provided in the Condominium Bylaws and the Condominium Act.

Section 30. Separability of Covenants. Invalidation of any one (1) of the covenants or restrictions by judgment of a Court of competent jurisdiction shall in no way affect any of the other covenants or restrictions and all other provisions of these restrictions shall remain in full force and effect.

Section 31. Enforcement of Covenants. These covenants may be enforced in the manner provided in the Condominium Bylaws and the Condominium Act.

Section 32. Trash Pick Up. All trash pick up shall be completed on one specified day of each week with the Condominium Association to elect the same by a majority vote.

Section 33. Landscaping. All Units shall be maintained in good and orderly fashion, with appropriate landscaping in keeping with the pattern established in the Condominium. No Units shall be permitted to be overgrown or weed infested.

Section 34. Maintenance: of Common Areas and Drainage Structures. All General Common Elements, including, but not limited to, entrances, landscaping sprinklers, ponds, mounded plantings, walking paths, and drainage and retention areas and structures, may be maintained by a local professional maintenance company approved by the Condominium Association. The Developer shall bear the costs of any shortages of funds at the Developer's discretion until such time when enough Units are sold to produce sufficient revenue to maintain said areas and structures in an aesthetically pleasing and functional manner.

Section 35. Mailboxes. Mailboxes shall be installed in front of each home, placed for easy access for mail and newspaper delivery and landscaped to he aesthetically pleasing. Said mailbox shall be of similar design and materials to match the home, or, to be decided by the Developer, designed with a newspaper receptacle directly beneath the mailbox. The mailbox or post shall have numbers three (3) inches tall on both sides of the mailbox or pose so as to be visible to the oncoming traffic from both directions.

Section 36. Effective Date. These restrictions shall be deemed to be attached to and shall be considered a part of the Riverview Hills Condominium and shall become effective upon the recording of the same in the Kalamazoo County Register of Deeds.

Section 37. Prohibited Activities. No Co-owner shall take any action on or with respect to the Unit or any other property within the Condominium, which violates any federal, state or local statute, regulation, rule or ordinance.

Section 38. Personal Property. No Co-owner shall display, hang or store any clothing, laundry or other articles of personal property upon his Unit outside of the primary dwelling situated thereupon, or which may be visible from the outside of his Unit or such dwelling (other than draperies, blinds or curtains of a customary nature and appearance), or paint or decorate the outside of his Unit, or install outside his Unit any radio or television antenna, window air-conditioning unit, awning or other equipment, fixtures or items of any kind, without the prior written permission of the Committee.

FIRST AMENDMENT TO
FIRST AMENDMENT TO MASTER DEED
FOR RIVERVIEW HILLS CONDOMINIUM

This First Amendment to First Amendment to Master Deed for Riverview Hills Condominium (the "Amendment") is made and executed on this 29 day of October, 2009, by Watts Construction Company, a Michigan corporation, whose address is 5071 Gull Road, Kalamazoo, Michigan, 49048 (the "Developer"), as successor developer to Riverview Hills, LLC, a Michigan limited liability company (the "Original Developer"), pursuant to the provisions of the Riverview Hills Master Deed, as amended, and the Michigan Condominium Act, (being Act 59 of the Public Acts of 1978, as amended, hereafter the "Act").

Background

On August 31, 2005, the Original Developer caused that certain First Amendment to Master Deed for Riverview Hills Condominium, dated August 23, 2005, to be recorded with the Kalamazoo County Register of Deeds at Instrument No. 2005-040699, Kalamazoo County Records (the "First First Amendment").

On May 22, 2007, the Original Developer caused that certain First Amendment to Master Deed for Riverview Hills Condominium, dated May 15, 2007, to be recorded with the Kalamazoo County Register of Deeds at Instrument No. 2007-019398, Kalamazoo County Records (the "Second First Amendment").

This Amendment is made and recorded for purposes of renaming the Second First Amendment in order to relieve confusion in the record between the First First Amendment and the Second First Amendment.

This Amendment is made without the unanimous consent of all Co-owners and Mortgagees pursuant to the Developer's rights reserved in the Master Deed and under the Act, and this Amendment shall be deemed effective immediately upon recording.

Amendment

NOW, THEREFORE, the Developer does, upon recording hereof, make the following amendments to the Master Deed.

1. Renaming of Second First Amendment. The phrase "First Amendment" in the Second First Amendment is hereby deleted, superseded, and replaced in its entirety everywhere such phrase appears in the Second First Amendment with the following phrase: "Second Amendment".

2. Conflicts. In the event of a conflict or inconsistency between the terms of this

Amendment and the terms of the Second First Amendment, the terms of this Amendment shall govern. In all other respects, other than as hereinabove indicated, the Second First Amendment, including attachments and amendments, is hereby ratified and affirmed.

7. Definitions. Except as otherwise defined herein, all of the capitalized terms used herein that are defined in the Second First Amendment shall have the definitions given to such terms in such Second First Amendment.

This First Amendment to First Amendment to Master Deed for Riverview Hills Condominium has been executed by the Developer as of the date and year set forth above.

WATTS CONSTRUCTION COMPANY,
a Michigan corporation

By: [signature]
Name: Jay A Watts
Its: President

STATE OF MICHIGAN)
COUNTY OF KALAMAZOO)

The foregoing instrument was acknowledged before me this 29th day of October, 2009, by Jay A. Watts, the President of WATTS CONSTRUCTION COMPANY, a Michigan corporation on behalf of the corporation.

[signature]
Sara E. Fradz
Notary Public, Kalamazoo County, Michigan
Acting in Kalamazoo, County, Michigan
My Commission expires: April 9, 2013

SARA E. FRADZ
NOTARY PUBLIC, STATE OF MI
COUNTY OF KALAMAZOO
MY COMMISSION EXPIRES Apr 9, 2013
ACTING IN COUNTY OF Kalamazoo

Drafted by, and when recorded return to:
John M. Novak, Esq.
Miller, Canfield, Paddock & Stone, PLC
277 South Rose Street, Suite 5000
Kalamazoo, Michigan 49007
(269) 381-7030

4068572.3\109553-00005
DRAFT 10/01/09 10:47 AM

2009-037426
Page: 2 of 2
11/02/2009 04:18P
FIRST AMERICAN AMND-Kalamazoo ROD

FIRST AMENDMENT TO MASTER DEED FOR RIVERVIEW HILLS CONDOMINIUM

Riverview Hills, LLC, a Michigan limited liability company, whose address is 70186 Hartshorn Terrace, Union City, Michigan 49130 ("Developer") is the Developer of the Riverview Hills Condominium ("Condominium"), a Condominium Project established pursuant to the Master Deed thereof, recorded on August 15, 2005 at instrument number 2005-037591 in the Kalamazoo County Register of Deeds, and pursuant to the authority granted in the Michigan Condominium Act and the authority reserved in the Master Deed, Developer hereby amends the Master Deed with this First Amendment to Master Deed ("First Amendment").

In accordance with Article IX of the Master Deed, this Amendment is made without the consent of any Co-Owner or mortgagee because, among other things, this First Amendment does not materially alter or change any of the rights of any Co-Owner or mortgagee of any Unit in the Project. The Master Deed for the Riverview Hills Condominium is amended as follows:

Amendment to Declaration of Restrictions. The original Declaration of Restrictions, recorded on August 15, 2005 at instrument number 2005-037592 shall be deleted and replaced in its entirety by the following restrictions which shall bind and benefit all of the property in the Condominium Project. Notwithstanding the foregoing, any improvements located within the Condominium Project on or before the date of the recording of this First Amendment shall be subject to the original Declaration of Restrictions. However, the purpose of this First Amendment is to completely replace the Declaration of Restrictions and, therefore, the original Declaration of Restrictions shall be void and have no effect and therefore, except as set forth herein, only the restrictions set forth in this First Amendment shall cover, bind and benefit all of the property within the Condominium Project:

1. Identification of Architectural Control Committee. Each dwelling unit built on any Unit(s) (hereinafter referred to as "lot(s)) must be built by a builder approved by the Developer. In order to maintain harmonious structural design, no building for the principle use of residential dwelling may be erected on any lot unless and until the plans and specifications therefore have been approved in writing by the Riverview Hills Architectural Control Committee as further set forth herein. For all sections and/or phases of Riverview Hills, there is hereby created the Riverview Hills Architectural Control Committee (sometimes the "ACC" or "Committee"), which shall consist of three (3) persons, appointed by the Developer, Riverview Hills, LLC, or its successors and assigns, who shall serve until they are removed by the Developer or have resigned. After the Developer has no interest in any Units, then the Board of Directors of the Condominium Association shall serve on the ACC unless the Board appoints a

person(s) to act on its behalf. This Committee may designate any one of its members to act on its behalf. In the event of any vacancy on the Committee, the Developer or the Board of Directors (after the Director no longer has any interest in any Units) shall appoint a replacement. The Committee shall have the authority to approve all plans and specifications for all structures to be erected in the subdivision. No construction of any structure shall be commenced until the Committee shall have issued its written approval. The decision of the Committee shall be entirely within its discretion.

2. A. Land Use and Building Type. No dwelling shall be erected, altered, placed or permitted to remain on any lot other than one single-family dwelling not to exceed two and one-half (2 1/2) stories in height and a private garage for not more than three (3) cars; exceptions may be made to this section only if they are unanimously approved in writing by the Committee.

B. Home Occupations. No lot or lots shall be used for any purpose other than a single-family residence.

C. Sales and Promotions. The Developer, or its assignee, may make use of one (1) lot, which may have improvements thereon, for realty sales and promotion purposes, notwithstanding anything which may appear to the contrary herein.

D. Architectural Control. No building or other improvement or structure of any kind, nature, or material (collectively any "structure") shall be erected, constructed, placed, maintained or altered on any lot, nor shall the natural topography or draining of any lot be altered, until the construction plan for the structure or for the topographical alterations have been approved in writing by the Committee. No approval for the placement or location of any structure on the Condominium Premises shall be valid unless the same is in writing. The plans must show floor plan, quality of construction materials, outside colors to be used, harmony of external design with existing structures and location with respect of lot lines, topography and finish grade elevation. Plans shall include placement on the lot with detail showing all pavement and well and septic system location, including how the well and septic systems are positioned in relation to neighboring lots and structure, to ensure that all such well and septic systems within the Condominium comply with Kalamazoo County Health Department Regulations. One (1) set of complete plans must be submitted. It will be retained in the Developer's office and will not be returned to the owner. The Committee's approval or disapproval as required in the covenants shall be in writing with reasons for the denial stipulated. No structure of any kind which does not comply fully with such approved plans shall be erected, constructed, placed or maintained upon any lot, and no changes or deviations in or from such plans as approved shall be made without the Committee's prior written consent.

Neither the Developer, the Committee, nor any member thereof, nor any of their respective heirs, personal representatives, successors or assigns, shall be liable to anyone by reason of any mistake in judgment, negligence or nonfeasance arising out of or relating to the approval or disapproval or failure to approve any plans so submitted, nor shall they, or any of them, be responsible or liable for any structural defects in such plans or any drainage problems resulting therefrom. Every person and entity who submits plans to the Committee, agrees, by submission of such plans, that (s)he or it will not bring any action or suit against the Committee or the Developer to recover any damages or to require the Committee or the Developer to take, or refrain from taking, any action. Neither the submission of any complete sets of plans to the Developer's office for review by the Committee, nor the approval thereof by the Committee, shall be deemed to guarantee or require the actual construction of the building or structure therein described, and no adjacent lot owner may claim any reliance upon the submission and/or approval of any such plans for the buildings or structures described therein.

3. Dwelling Size.

A. General Restrictions. No dwelling shall be permitted on any lot with a living floor area of the main structure, exclusive of one-story open porches and garages, of less than the following number of square feet for the following types of dwellings. In specific given areas, minimum square footage will be the following:

Type of House	Minimum Square Footage
Ranch Style	1,400 square feet
1 ½ & 2 Story	1,700 square feet

However, the Committee may consider and allow a lot owner's request for smaller square footage allowance if the plans for the residence show that the residence to be built is architecturally and aesthetically consistent with other residences in Riverview Hills Condominium.

B. Garages. All dwellings must have a full size attached garage which is capable of storing at least two (2) automobiles but not to exceed space for three (3) automobiles without written consent from the Committee.

4. Building Location. No building shall be located on any lot nearer to the front right-of way line than the minimum building setback lines required by the Township Ordinances. Each building shall be located not nearer than ten (10) feet from any side lot line. No dwelling shall be located closer than forty (40) feet to any rear lot line. For the purpose of this covenant, eaves, steps and open porches shall (at the Developer's discretion) not be considered as a part of the buildings; but notwithstanding this, no building nor any structure attached to any building (e.g., an eave or gutter) may be located nearer than ten (10) feet from any other lot.

5. Nuisances. No obnoxious or offensive activity shall be carried on upon said lot, nor shall anything be done thereon which may become an annoyance or nuisance in the neighborhood.

6. Temporary Structures. No structures of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as a residence, either temporarily or permanently.

7. Leases. No leases of any dwelling units may be entered into without the prior approval of the Developer and no such lease may have duration of longer than one (1) year.

8. Storage. No lot shall be used for storage of old lumber, boats, cars, materials, or debris, which would tend to make the lot unsightly in appearance and character.

9. Pools and Recreational Facilities. No above ground pools shall be permitted. In-ground pools and permanent or paved recreational athletic facilities (including, but not limited to, tennis, basketball and volleyball courts) may not be erected, built or installed on any lot unless and until the plans and specifications therefore have been approved in writing by the Riverview Hills Committee, as provided in paragraph 1 hereof. Any and all lighting fixtures for any such facilities are also subject to such prior approval.

10. Detached Buildings. The construction and placement of any detached pet shelter, play house, structures designed for the storage of lawn tools, toys, swimming pool apparatus, or any other personal property must be of a quality construction, and must be maintained in attractive and neat appearance and blend with the established home and the plans therefore shall be submitted to the Committee for approval before beginning construction. Maximum size for detached buildings, including storage buildings and pool houses, shall be 10' x 12', unless written exception is given by the Committee. The Committee shall have the authority to require protective screening around these structures.

11. Driveways. No stone or cinder driveways shall be permitted. All driveways are to be a minimum of ten (10) feet wide and must be constructed of concrete. The depth of the concrete shall be at least four (4) inches thick.

12. Signs. No sign of any kind shall be displayed to the public view on any lot except one (1) sign of not more than five (5) square feet advertising home for sale or rent, or a sign of any dimension used by a builder to advertise the property during the construction and sales period. There is reserved to the Developer, its successors and assigns, the right to construct signs as they desire in order to foster promotion and effect sales of lots or structures in said development. No sign shall be permitted to promote the sale of an undeveloped lot except by Developer or with Developer's written consent.

13. Livestock, Poultry and Hazardous Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except dogs, cats or other household pets may be kept, provided they are not kept, bred or maintained for any commercial purposes and are not permitted to become a neighborhood nuisance or hazard in any manner. No vicious or attack trained dogs shall be kept on any lot.

14. Garbage and Refuse Disposal; Open Burning Prohibited. No lot shall be used or maintained as a dumping ground for rubbish, grass clippings, leaves, tree limbs, or compost. Trash, garbage or other waste shall not be kept except in sanitary containers. All equipment for storage or disposal of such materials shall be kept in a clean sanitary condition. No open burning shall be permitted on any lot, whether in incinerators, containers or otherwise. The prohibition against burning shall include, but not be limited to, trash, waste, refuse, building materials, leaves, tree limbs, grass clippings, debris and any other material of any kind or description. The homeowner shall be permitted to have a campfire (or barbecue) pit up to three (3) feet in

diameter for clean burning wood or charcoal. Grass clippings, leaves, and other waste may not be placed on any other property in Riverview Hills. Any debris placed anywhere in the Condominium may be cleaned up by the Developer at the offender's expense.

While a home is under construction, all debris shall be contained in such a manner that it will not be permitted to litter adjoining properties. If loose debris becomes a general nuisance, the Association, at the option of the Committee, may elect to clean up the debris at the cost of the lot owner.

15. Sight Distance at Intersection. No fence, wall, hedge or shrub planting which obstructs sight lines at elevation between two (2) and six (6) feet above the roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points twenty-five (25) feet from the intersection of the street lines; or, in the case of a rounded property corner, from the intersection of the street property lines extended. The same sight-line limitations shall apply on any lot within ten (10) feet from the intersection of a street property line with the edge of a driveway. No trees shall be permitted to remain within such distances of such intersection unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

16. Completion Date. Any structure for which construction has commenced (which shall include any excavation or earth moving) must be completed within a period of one (1) year from the commencement date, or thereafter completely removed. The side, front, and rear yards of each lot shall be planted with grass, sod, or ground cover, unless otherwise approved by the Committee, within one hundred twenty (120) days after the structure is completed, or the structure is occupied as a residence, whichever is earlier. If the same owner or owners own two or more contiguous lots, the lots shall be considered as one lot for landscaping control purposes, and shall be maintained in accordance with these provisions. In addition, on wooded lots where there is a separation between the tree line and the curb, all areas between the tree line and the curb must be planted with grass, sod, or ground cover.

Undeveloped or vacant lots shall be kept free of rubbish and weeds; and grass height shall be maintained at a reasonable length. Upon violation of this provision and after giving the owner ten (10) days notice to cure the condition, the Association, at the option of the Board of Directors, may elect to perform such maintenance at the cost of the owner. The Developer shall be exempt from this paragraph No. 16, but shall maintain unsold lots at the Developer's discretion.

17. Fuel Storage Tanks. No oil or fuel storage tanks may be installed underground or concealed within the main structure of the dwelling, basement, or attached garage.

18. Lot Division. There shall be no subdivision or sale of any lot by a homeowner for the purpose of building an additional dwelling.

19. Lighting. A dusk to dawn light (or gas light) of the type approved by the Committee shall be installed by the builder or lot owner on each lot in front of the front building

setback line. If electric, post lights shall be equipped with automatic operators (electric eye) to provide light from sundown to dawn.

20. Recreational and Commercial Vehicles; Parking. No recreational or commercial vehicles (campers, trailers, trucks, boats, straight trucks, moving trucks, snowmobiles, or any other type of said vehicles) may be located or kept in any open areas in this Condominium where the same can be seen, whether such open areas are on or off of the lot of any lot owner. No passenger car or truck may be parked on any street between the hours of 2:00 o'clock a.m. and 6:00 o'clock a.m.

21. Utilities and Television Antennas. All public utility services, either in the streets or on any lots, including but not limited to electric, gas, telephone service, and cable television, shall be located underground, or shall not be visible. No outside above ground television, AM, FM, or short wave radio antennas of any type shall be erected or maintained on any lots or structures in Riverview Hills. Satellite dishes are prohibited unless they are less than two (2) feet in diameter. All street or lot lighting shall be situated on posts with no lines visible. To assure the enforcement of this restriction, the Developer, for itself, its successors and assigns, does hereby agree:

A. Utility Poles and Overhead Lines. To prohibit the erection and use of overhead wires, poles and other facilities of any kind, including but not limited to those associated with electrical, television, cable or telephone service electrically or by telephone from poles and overhead wires around the perimeter or the Condominium or development. Nothing herein should be construed to prohibit street lighting or ornamental yard light if serviced by underground wire or cable.

B. Electrical Service. To require that the owner of any building erected on the property install electric service of sufficient capacity to meet engineering standards of the electric utility company.

C. Restoration. To require owners to assume all responsibility and restoration of paved and planted areas made necessary by maintenance, replacement or expansion of the underground facilities.

D. Accessibility. To require accessibility to all strips in which underground service is located for operation, maintenance or replacement of facilities.

E. Underground Service Laterals. To require that the owner of any building erected on the property pay for hook up of the building's utilities to the existing underground utilities.

22. Septic Systems. Until such time as a sanitary sewer system is constructed in the Condominium or an individual sewage disposal system is approved by the Michigan Health Department, a sanitary septic tank shall be installed at the lot owner's expense for each dwelling erected in the Condominium. Such septic tank shall be of a type and construction and located on the individual lot so that it is approved in writing by the appropriate regulatory agency such as

the Kalamazoo County Health Department. No other sanitary provision or device for sewage disposal shall be installed or permitted to remain in this Condominium. Septic systems must be located with consideration to neighboring wells to comply with all county regulations. All private water wells shall be placed in a location not interfering with adjacent septic tanks and systems and shall be constructed in accordance with all ordinances, rules and regulations pertaining thereto.

23. Amendment of Covenants. It is expressly provided that the Developer, its successors or assigns, shall have the exclusive right, for a period of ten (10) years from the date of recording the Master Deed for the Condominium, to amend any or all of the restrictions or covenants herein contained. Such amendments signed and recorded in the office of the Register of Deeds of Kalamazoo County shall become effective upon such recording. This shall include the right to waive any part of the restrictions or conditions as to any particular lot. After three (3) years from the date of recording of the Condominium, the maximum amount of Two Hundred and no/100 ($200) Dollars which may be charged to any lot annually may be amended by the recording of such amendment executed by the Developer. Such amendment signed and recorded in the office of the Register of Deeds of Kalamazoo County shall become effective upon such recording. This shall include the right to waive any part of the restrictions or conditions as to any particular lot.

24. Duration of Covenants. These covenants and restrictions are to run with the land and shall be binding on all parties and all persons claiming under them until ten (10) years after the recordation of the Condominium, at which time said covenants and restrictions shall be automatically extended for successive periods of ten (10) years, unless by a vote of the then owners of the fee title of not less than fifty-one percent (51%) of the lots covered by these covenants and restrictions, it is agreed to change such covenants or restrictions in whole or in part.

25. Separability of Covenants. Invalidation of any one (1) of the covenants or restrictions by judgment of a Court of competent jurisdiction shall in no way affect any of the other covenants or restrictions and all other provisions of these restrictions shall remain in full force and effect.

26. Enforcement of Covenants. The right to enforce these provisions by injunction, together with the right to cause the removal by due process of law of any structure, is hereby vested in each owner of a lot in Riverview Hills. These covenants and restrictions may be enforced by a civil action for damages and by any other remedy at law or in equity. If any person or persons shall violate or attempt to violate any of the covenants herein, it shall be lawful for any person or persons vested with the title to any of the lots hereinafter described, the Condominium Association, or the Developer, to proceed, either in law or in equity, against such person or persons violating or attempting to violate any such covenants, and to enjoin them from so doing, to recover damages for such violation and to seek all other appropriate relief. In the event that the Condominium Association or the Developer should employ counsel to enforce any of the foregoing covenants and restrictions, all costs incurred in such enforcement, including reasonable attorneys fees, shall be paid by the owner of such lot or lots against whom such enforcement action is brought, and the Condominium Association or the Developer, as the case

may be, shall have a lien upon such lot or lots to secure the lot owner's payment of all such costs, which lien shall be enforced in the same manner as is provided in the construction lien statutes of the State of Michigan.

27. Chimneys. All chimneys shall be of masonry construction or exterior masonry veneer.

28. Trash Pick Up. All trash pick up shall be completed on one specified day of each week with the Condominium Association to elect the same by a majority vote.

29. Landscaping. All lots shall be maintained in good and orderly fashion, with appropriate landscaping in keeping with the pattern established in the Condominium. No lots shall be permitted to be overgrown or weed infested.

30. Maintenance of Common Areas and Drainage Structures. All General Common Elements, including, but not limited to, entrances, landscaping, sprinklers, ponds, mounded plantings, walking paths, and drainage and retention areas and structures, may be maintained by a local professional maintenance company approved by the Condominium Association. The Developer shall bear the costs of any shortages of funds at the Developer's discretion until such time when enough lots are sold to produce sufficient revenue to maintain said areas and structures in an aesthetically pleasing and functional manner.

31. Tree Removal. The Committee shall have the exclusive right to approve or disapprove of any and all trees to be removed from any lot for the purpose of constructing a home, or driveway, or for landscaping or any other purposes. The homeowner and their contractor shall notify the Developer in writing of their intentions to commence construction and mark trees to be cut and removed with orange spray paint forty-eight (48) hours prior to cutting or removing to allow sufficient time for inspection of trees to be removed.

32. Mailboxes. Mailboxes shall be installed in front of each home, placed for easy access for mail and newspaper delivery and landscaped to be aesthetically pleasing. Said mailbox shall be of similar design and materials to match the home, or, to be decided by the Developer, designed with a newspaper receptacle directly beneath the mailbox. The mailbox or post shall have brass numbers three (3) inches tall on both sides of the mailbox or post, so as to be visible to the oncoming traffic from both directions.

33. Effective Date. These restrictions shall be deemed to be attached to and shall be considered a part of the Riverview Hills Condominium and shall become effective upon the recording of the same in the Kalamazoo County Register of Deeds.

Defined Terms. All the capitalized/defined terms set forth in this First Amendment shall, unless expressly set forth herein, have the same meaning as those in the original Condominium Documents for the Riverview Hills Condominium. If there is any conflict between the terms and provisions of this First Amendment and the Master Deed or other Condominium Documents for the Riverview Hills Condominium, then the terms and provisions of this First Amendment shall control the rights and obligations of all affected parties, including all Co-Owners and mortgagees

2007-019398
Page: 8 of 9
06/22/2007 10:34A
KREIS ENDERLE
RRD-Kalamazoo Rod

of any Units within the Condominium. Otherwise, this First Amendment shall become part of the Master Deed and the Master Deed and this First Amendment shall be read together and form one integrated agreement and control the rights and obligations of the affected parties.

Further Amendments. Except as provided in the Condominium Documents, the Master Deed, Condominium Bylaws, and other Condominium Documents shall not be amended unless a writing which amends the Condominium Documents is recorded in the Kalamazoo County Register of Deeds.

IN WITNESS WHEREOF, this First Amendment to the Master Deed of Riverview Hills Condominium has been executed on this 15th day of May, 2007.

Developer:

RIVERVIEW HILLS, LLC

By: [signature] Pres
Jeffrey A. Chupp
Its: President

STATE OF MICHIGAN)
) SS.
COUNTY OF KALAMAZOO)

The foregoing instrument was acknowledged before me this 15 day of May, 2007, by Jeffrey A. Chupp, President of Riverview Hills, LLC, a Michigan limited liability company.

Lisa Gibson
Lisa Gibson, Notary Public
Kalamazoo County, Michigan
Acting in Kalamazoo County, Michigan
My commission expires: 05/24/2011

Drafted by and when recorded return to:
Jeffrey D. Swenarton
Kreis, Enderle, Callander & Hudgins, P.C.
One Moorsbridge
P.O. Box 4010
Kalamazoo, MI 49003-4010

O:\REALEST\Clients\Chupp, Jeff\Riverview Hills, LLC\Purchaser Info Booklet\First Amendment to Master Deed Clean 050707.doc

2007-019398
Page: 9 of 9
05/22/2007 10:34A
KREIS ENDERLE ROD-Kalamazoo ROD

10

2005-040699
Page: 1 of 6
08/31/2005 01:14P
KREIS ENDERLE
AMND-Kalamazoo ROD

FIRST AMENDMENT TO
MASTER DEED
RIVERVIEW HILLS
(Act 59, Public Acts of 1978, as amended)

THIS FIRST AMENDMENT to the Master Deed for Riverview Hills is made and executed on August 23, 2005, and amends the Master Deed dated July 14, 2005, recorded August 15, 2005, as Document No. 2005-037591, Kalamazoo County Records. The purpose of this Amendment is as follows:

1. To correct the address of Riverview Hills, LLC, a Michigan limited liability company. The correct address is 70186 Hartshorn Terrace, Union, Michigan 49130.

2. To attach a revised Exhibit B to correct certain technical errors therein.

3. To amend Article IV, Section B(5), to read as follows:

   Wells and Septic Systems. Wells and septic systems on each of the Units are Limited Common Elements. As Limited Common Elements, such wells and septic systems shall be subject to the exclusive use and enjoyment of the Co-Owners of the Unit upon which they are located.

4. To add Article XIV, to read as follows:

ARTICLE XIV
RESTRICTED ACCESS

Units 1, 2 and 41 shall not have access to Riverview Drive, other than over Cardinal Hills Trail and Crimson Oak Avenue. This Article XIV cannot be amended without the approval of the Township.

IN WITNESS WHEREOF, this Amendment has been executed.

RIVERVIEW HILLS, LLC,
a Michigan limited liability company

By: Cindy F. Jones
Cindy F. Jones
Its: Assistant Manager

STATE OF MICHIGAN)
) ss.
COUNTY OF KALAMAZOO)

Acknowledged before me in Kalamazoo County, Michigan, on August 23, 2005 by Cindy F. Jones, Assistant Manager of Riverview Hill, LLC, a Michigan limited liability company, by authority of its Members.

Kathleen R. Madson
Kathleen R. Madson, Notary Public
State of Michigan, County of Kalamazoo
Acting in the County of Kalamazoo
My Commission Expires: 03/27/2007

DRAFTED BY AND WHEN
RECORDED RETURN TO:
Alan G. Enderle
Kreis, Enderle, Callander & Hudgins, P.C.
One Moorsbridge, P.O. Box 4010
Kalamazoo, MI 49003-4010

G:\REALEST\c\Chapp, Jeff\Riverview Hills, LLC\Purchaser Info Booklet\1st Amd to MD.doc

KALAMAZOO COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 181

EXHIBIT "B" TO THE MASTER DEED OF:

RIVERVIEW HILLS

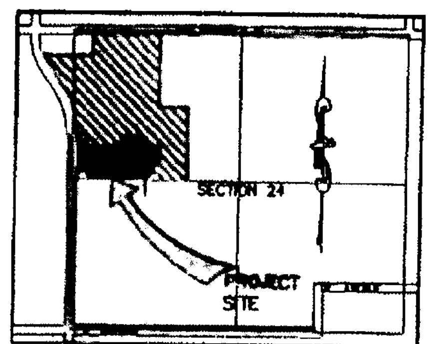
COOPER TOWNSHIP, KALAMAZOO COUNTY, MICHIGAN

[illegible]

DEVELOPER:
RIVERVIEW HILLS, LLC
A MICHIGAN LIMITED LIABILITY COMPANY
[illegible]

SURVEYOR:
[illegible]

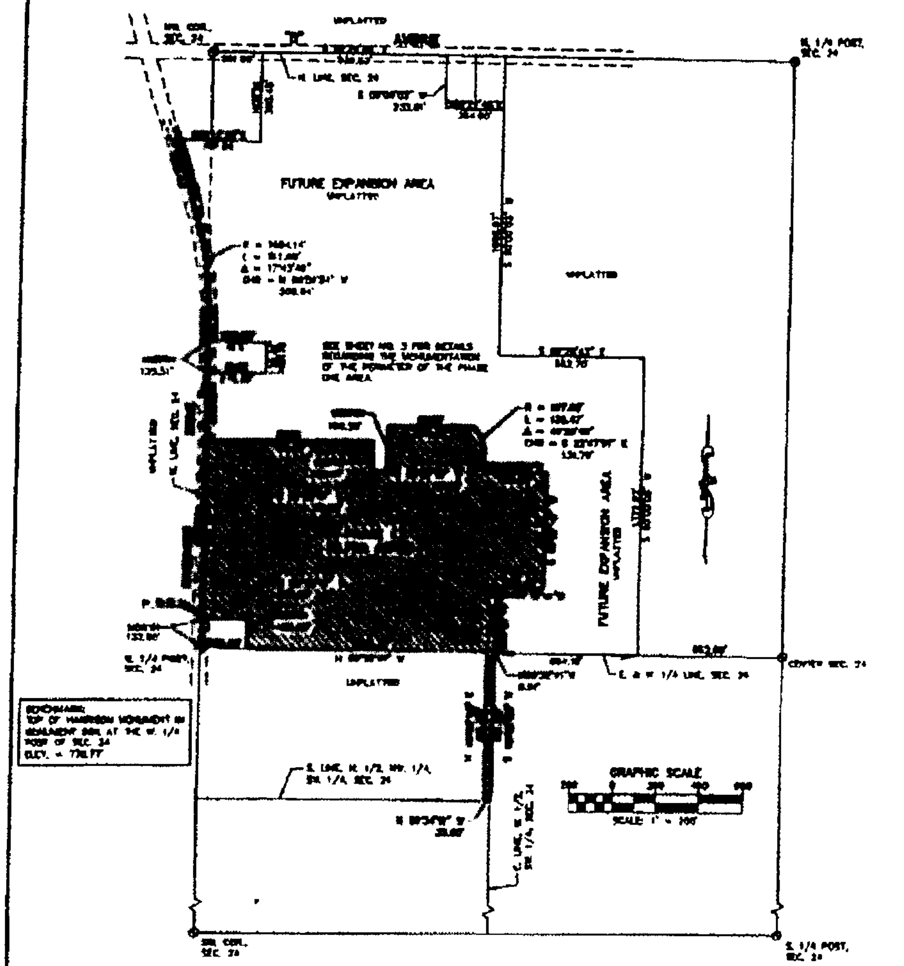
LEGAL DESCRIPTION
PART OF THE WEST HALF OF SECTION 24, [illegible] COOPER TOWNSHIP, KALAMAZOO COUNTY, MICHIGAN, [illegible]

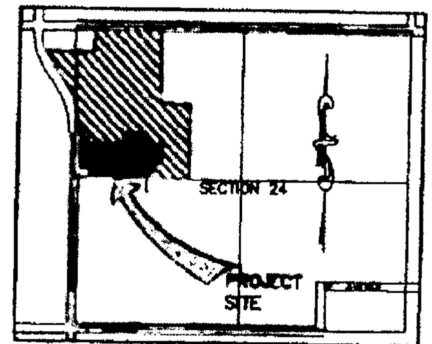


VICINITY MAP
NOT TO SCALE

SHEET INDEX
1- COVER SHEET
2- SURVEY PLAN
3- SITE PLAN
4- UTILITY PLAN

[illegible]
PROFESSIONAL SURVEYOR NO. [illegible]





VICINITY MAP
NOT TO SCALE

SURVEYOR'S CERTIFICATE

I, GARY B. [illegible], PROFESSIONAL SURVEYOR IN THE STATE OF MICHIGAN, HEREBY CERTIFY:

THAT THE SUBDIVISION PLAN KNOWN AS KALAMAZOO COUNTY CONDOMINIUM SUBDIVISION PLAN NO. [illegible], AS SHOWN ON THE ACCOMPANYING DRAWINGS, REPRESENTS A SURVEY ON THE GROUND MADE UNDER MY DIRECTION, THAT THERE ARE NO EXISTING ENCROACHMENTS UPON THE LANDS AND PROPERTY HEREIN DESCRIBED.

THAT THE REQUIRED MONUMENTS AND IRON MARKERS HAVE BEEN LOCATED IN THE GROUND AS REQUIRED BY RULES PROMULGATED UNDER SECTION 142 OF ACT NO. 59 OF THE PUBLIC ACTS OF 1978.

THAT THE ACCURACY OF THIS SURVEY IS WITHIN THE LIMITS REQUIRED BY THE RULES PROMULGATED UNDER SECTION 142 OF ACT NO. 59 OF THE PUBLIC ACTS OF 1978.

THAT THE BEARINGS, AS SHOWN, ARE NOTED ON THE SURVEY PLAN AS REQUIRED BY THE RULES PROMULGATED UNDER SECTION 142 OF ACT NO. 59 OF THE PUBLIC ACTS OF 1978.

August 18, 2005
DATE

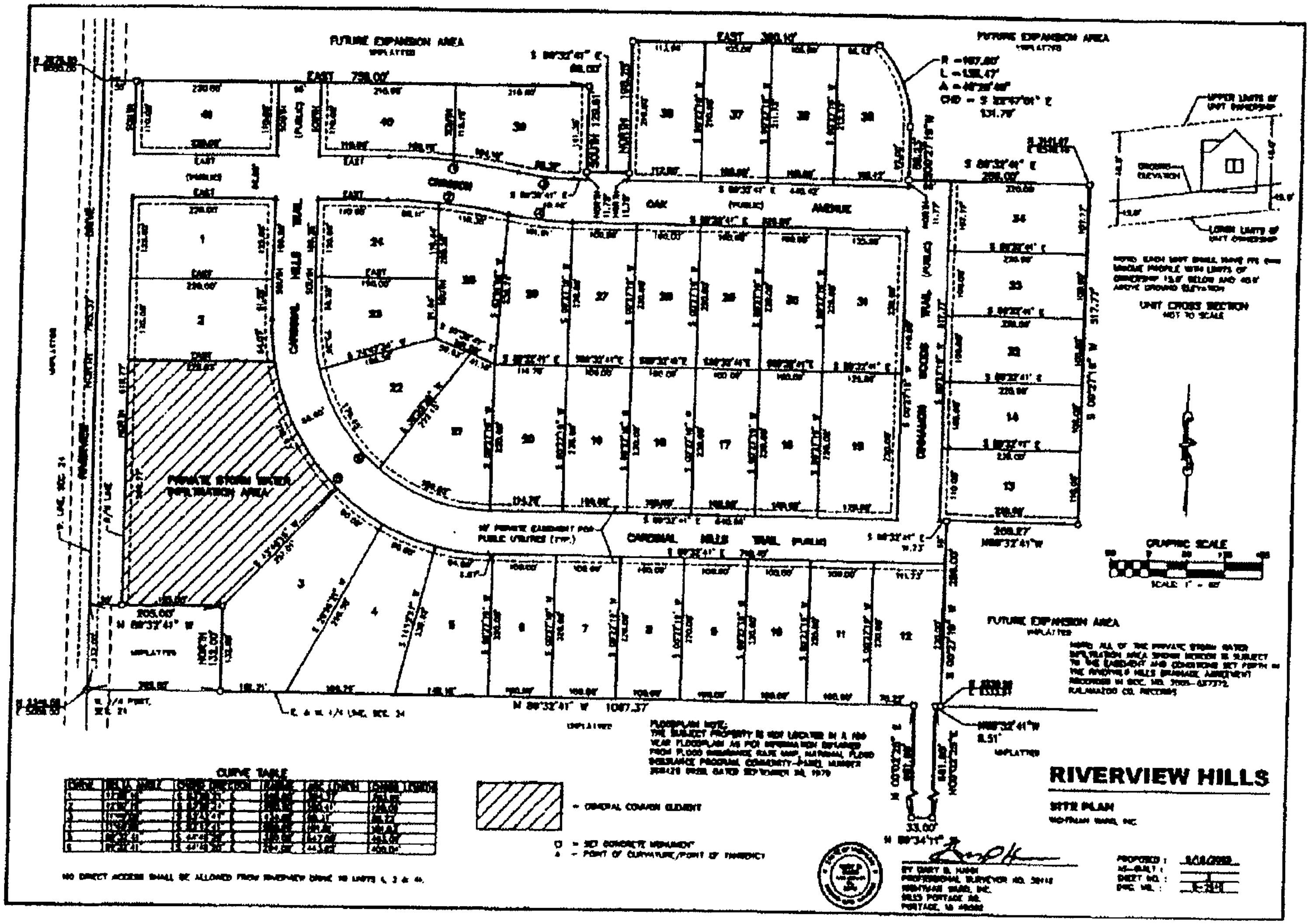
BY GARY B. [illegible]
PROFESSIONAL SURVEYOR NO. [illegible]
[illegible], INC.
[illegible] PORTAGE RD.
PORTAGE, MI [illegible]

RIVERVIEW HILLS

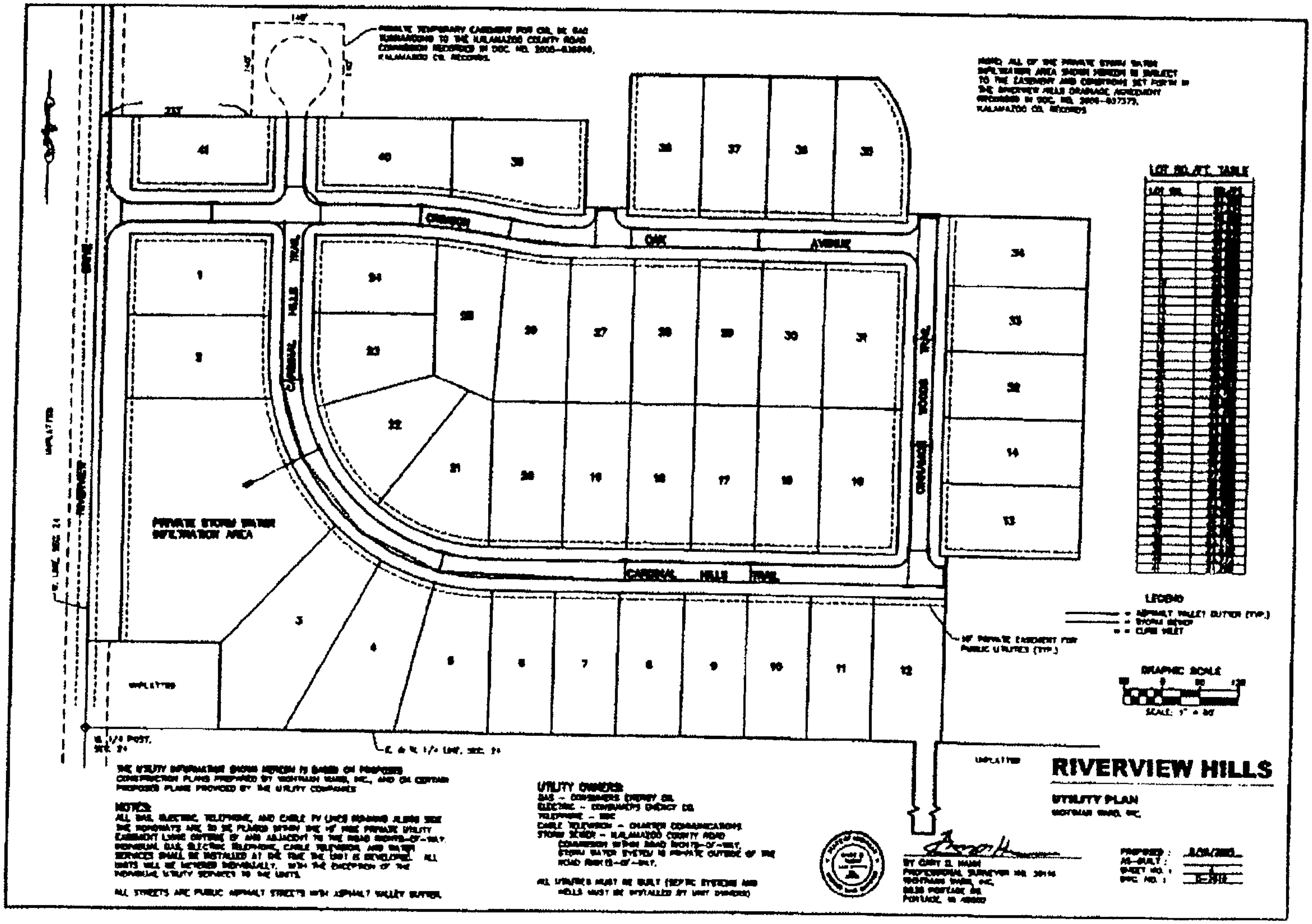
SURVEY PLAN
[illegible], INC.

[illegible], INC.
[illegible] PORTAGE RD.
PORTAGE, MI [illegible]

PROPOSED: [illegible]
AS-BUILT:
SHEET NO.: [illegible]
DWG. NO.: [illegible]



2005-040695
Page: 8 of 8
06/21/2005 01:14P
KREIS ENDERLE
Kalamazoo ROD


RIVERVIEW HILLS
UTILITY PLAN
UTILITY OWNERS
NOTES
LEGEND
GRAPHIC SCALE
LOT NO./FT. TABLE
PRIVATE STORM WATER INFILTRATION AREA
RIVERVIEW DRIVE
CARDINAL HILLS TRAIL
OAK AVENUE
CINNAMON WOODS TRAIL
UNPLATTED
1
2
3
4
5
6
7
8
9
10
11
12
13
14
16
17
18
19
20
21
22
23
24
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41

ᴊᴇ

2005-037591
Page: 1 of 45
09/15/2005 03:47P
KREIS ENDERLE   HSOE-Kalamazoo ROD

RIVERVIEW HILLS
MASTER DEED

(Act 59, Public Act of 1978, as amended)

This Master Deed which is made and executed on July 14, 2005, by **RIVERVIEW HILLS, LLC**, a Michigan limited liability company, hereinafter referred to as the "Developer" whose address is 70186 Hartshorn Terrace, Union City, Michigan 49130, pursuant to the provisions of the Michigan Condominium Act, as amended.

No conveyance of title is being made hereby and no transfer taxes are payable.

Wherever herein the words "Master Deed" are used herein, they mean this Master Deed.

RECITALS:

A. The Developer desires by recording this Master Deed together with the Condominium Bylaws attached hereto as Exhibit "A", and together with the Condominium Subdivision Plan attached hereto as Exhibit "B" (both of which are hereby incorporated 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 site condominium project under the provisions of the Act.

B. The Developer, by executing and recording this Master Deed, establishes Riverview Hills as a site condominium under the Act and declares that Riverview Hills (hereinafter referred to as the "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 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 said real property, their grantees, successors, heirs, executors, administrators and assigns. In furtherance of the establishment of the Condominium, it is provided as follows:

parcel# out of 3902-21-101-021
CCT# 211461

ARTICLE I

TITLE AND NATURE

The Condominium shall be known as Riverview Hills, Kalamazoo County Condominium Subdivision Plan No. 181. The engineering plans and specifications for the Condominium shall be filed with the Township of Cooper, State of Michigan. The Units contained in the Condominium, including the number, boundaries, dimensions and area of each Unit therein, are set forth completely in the Condominium Subdivision Plan attached as Exhibit "B" hereto. All Units are intended to be developed for single family residences. Each Co-Owner in the Condominium shall have an exclusive right to such Co-Owner's Unit and shall have undivided and inseparable rights to share the General Common Elements, as designated by the Master Deed, with other Co-Owners of the Condominium.

ARTICLE II

LEGAL DESCRIPTION

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

All that certain piece or parcel of land situated and being in the Township of Cooper, County of Kalamazoo, State of Michigan and more particularly described as follows:

> PART OF THE WEST HALF OF SECTION 24, TOWN 1 SOUTH, RANGE 11 WEST, COOPER TOWNSHIP, KALAMAZOO COUNTY, MICHIGAN, DESCRIBED AS: BEGINNING AT A POINT ON THE WEST LINE OF SAID SECTION 24 A DISTANCE OF 132.00 FEET NORTH 00 DEGREES 00' 00" EAST OF THE WEST QUARTER POST OF SAID SECTION 24; THENCE NORTH 00 DEGREES 00' 00" EAST ON SAID WEST SECTION LINE 795.37 FEET; THENCE NORTH 90 DEGREES 00' 00" EAST PERPENDICULAR TO SAID WEST SECTION LINE 756.00 FEET; THENCE SOUTH 00 DEGREES 00' 00" WEST PARALLEL WITH SAID WEST SECTION LINE 129.61 FEET; THENCE SOUTH 89 DEGREES 32' 41" EAST PARALLEL WITH THE EAST AND WEST QUARTER LINE OF SAID SECTION 24 A DISTANCE OF 66.00 FEET; THENCE NORTH 00 DEGREES 00' 00" EAST PARALLEL WITH SAID WEST SECTION LINE 198.25 FEET; THENCE NORTH 90 DEGREES 00' 00" EAST PERPENDICULAR TO SAID WEST SECTION LINE 390.10 FEET; THENCE SOUTHEASTERLY 135.47 FEET ON A 167.00 FOOT RADIUS CURVE TO THE RIGHT WHOSE CHORD BEARS SOUTH 22 DEGREES 47' 01" EAST 131.79 FEET; THENCE SOUTH 00 DEGREES 27' 19" WEST 80.23 FEET; THENCE SOUTH 89 DEGREES 32' 41" EAST PARALLEL WITH SAID EAST AND WEST QUARTER LINE 286.00 FEET; THENCE SOUTH 00 DEGREES 27' 19" WEST 517.77 FEET; THENCE NORTH 89 DEGREES 32' 41" WEST PARALLEL WITH SAID EAST AND WEST QUARTER LINE 208.27 FEET; THENCE SOUTH 00

DEGREES 27' 19" WEST 286.00 FEET TO SAID EAST AND WEST QUARTER LINE; THENCE NORTH 89 DEGREES 32' 41" WEST ON SAID EAST AND WEST QUARTER LINE 8.51 FEET TO THE EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 24; THENCE SOUTH 00 DEGREES 02' 25" WEST ON SAID EAST LINE 661.85 FEET TO THE SOUTH LINE OF THE NORTH HALF OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 24; THENCE NORTH 89 DEGREES 34' 11" WEST ON SAID SOUTH LINE 33.00 FEET; THENCE NORTH 00 DEGREES 02' 25" EAST 661.86 FEET TO SAID EAST AND WEST QUARTER LINE; THENCE NORTH 89 DEGREES 32' 41" WEST 1087.37 FEET TO A POINT THAT IS 205.00 FEET SOUTH 89 DEGREES 32' 41" EAST OF THE WEST QUARTER POST OF SAID SECTION 24; THENCE NORTH 00 DEGREES 00' 00" EAST PARALLEL WITH SAID WEST SECTION LINE 132.00 FEET; THENCE NORTH 89 DEGREES 32' 41" WEST PARALLEL WITH SAID EAST AND WEST QUARTER LINE 205.00 FEET TO THE POINT OF BEGINNING.

Together with and subject to all easements and restrictions of record, as shown on the Condominium Subdivision Plan attached hereto as Exhibit "B," and all governmental limitations or as declared and reserved herein.

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 Bylaws of Riverview Hills 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 the Condominium. Wherever used in such documents or any other pertinent instruments, the terms set forth below shall be defined as follows:

(a) The "Act" means the Michigan Condominium Act, being Act 59 of the Public Acts of 1978, as amended.

(b) "Administrator" shall mean the Michigan Department of Consumer and Industry Services which is responsible for the administration of the Act.

(c) "Association" shall mean Riverview Hills Condominium Association, a non-profit corporation, organized under Michigan law, of which all Co-Owners shall be members, which corporation shall administer, operate, manage and maintain the Condominium. Any action required of or permitted to the Association shall be exercisable by its Board of Directors unless specifically reserved to its members by the Condominium Documents or the laws of the State of Michigan.

(d) "Association Bylaws" means the corporate Bylaws of the Association.

(e) "Board" shall mean the Board of Directors of the Association.

(f) "Condominium" means Riverview Hills as an approved condominium established in conformity with the provisions of the Act.

(g) "Condominium Bylaws" means Exhibit "A" hereto, being the Bylaws setting forth the substantive rights and obligations of the Co-Owners and required by Section 8 of the Act to be recorded as part of the Master Deed.

(h) "Condominium Documents" means and includes this Master Deed and Exhibits "A" and "B" hereto, the Articles of Incorporation, Association Bylaws, and the Rules and Regulations, if any, of the Association.

(i) "Condominium Premises" means and includes the land described in Article II of this Master Deed, and all easements, rights and appurtenances belonging to the Condominium.

(j) "Condominium Subdivision Plan" means Exhibit "B" hereto.

(k) "Common Elements" where used without modification, shall mean both the General and Limited Common Elements described in Article IV hereof.

(l) "Co-Owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which owns legal or equitable title to a Unit in the Condominium. The term "Co-Owner" shall include a land contract vendee. The term "Owner," wherever used, shall be synonymous with the term "Co-Owner".

(m) "Developer" shall mean Riverview Hills, LLC, which has made and executed this Master Deed, and its successors and assigns.

(n) "Storm Water Facilities" shall mean the Private Storm Water Infiltration Area on Exhibit B and all drain pipes from the boundaries of Units, if any, and from the roads to such Storm Water Infiltration Area, all of which are General Common Elements.

(p) "Township" shall mean the Township of Cooper.

(q) "Transitional Control Date" means the date on which the Board 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.

(r) "Unit or Units" means each Unit in the Condominium as described in this paragraph with reference to the Condominium Subdivision Plan. Each Unit shall consist of all that space within the Unit boundaries as shown on Exhibit "B" hereto together with all appurtenances therein. The limits of ownership of each Unit shall extend from fifteen feet (15') below ground elevation to forty feet (40') above ground elevation.

Terms not defined in this Master Deed, 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 shall also be included to the plural where the same would be appropriate.

ARTICLE IV

COMMON ELEMENTS

The Common Elements of the Condominium described in Exhibit "B" attached hereto and the respective responsibilities for maintenance, decoration, repair, restoration, renovation or replacement thereof are as follows:

A. The General Common Elements are:

(1) **Land.** The land described in Article II hereof (other than that portion described in Exhibit "B" hereto as constituting the Units and the public roads) is a General Common Element.

(2) **Improvements.** The Storm Water Facilities are General Common Elements.

Those structures and improvements that are not General Common Elements that now or hereafter are located within the boundaries of a Condominium Unit shall be owned in their entirety by the Co-Owner of the Unit in which they are located and shall not, unless otherwise expressly provided in the Condominium Documents, constitute Common Elements.

B. The Limited Common Elements, to the extent they are not within a Unit, are:

(1) **Electricity.** The electric box, electrical lines from each electric box to a Unit, and each electrical meter, which are appurtenant to the Unit(s) directly served thereby, are Limited Common Elements. As Limited Common Elements, such electric box, lines and meter shall be subject to the exclusive use and enjoyment of the Co-Owners of the Unit(s) served by such electric box, lines and meter.

(2) **Telephone.** The telephone box and telephone lines from a main line to a Unit are appurtenant to the Unit(s) directly served thereby and are Limited Common Elements. As Limited Common Elements, such telephone box and telephone lines shall be subject to the exclusive use and enjoyment of the Co-Owners of the Unit(s) to which such telephone box and lines appertain.

(3) **Gas.** The gas gate valve and box, gas lines from each gas main to a Unit and each gas meter are appurtenant to the Unit(s) directly served thereby and are Limited Common Elements. As Limited Common Elements, such gate valve and box, lines and meter shall be subject

to the exclusive use and enjoyment of the Co-Owners of the Unit to which such gate valve, box, lines and meter appertain.

(4) **Telecommunications.** Telecommunication lines from a service main line to a Unit (including cable TV) are appurtenant to the Unit(s) directly served thereby and are Limited Common Elements. As Limited Common Elements, such lines shall be subject to the exclusive use and enjoyment of the Co-Owners of the Unit to which such lines appertain.

(5) **Sewer and Water.** Sanitary sewer and water lines from a service mainline to a Unit are appurtenant to the Units directly served thereby, and are Limited Common Elements. As Limited Common Elements, such lines shall be subject to the exclusive use and enjoyment of the Co-Owners of the Unit to which such lines appertain.

Some or all of the utility lines, systems (including mains and service leads) and equipment 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 Limited Common Elements only to the extent of 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.

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

(1) Each Co-Owner shall be responsible for the maintenance, repair and replacement of the Limited Common Elements appurtenant to such Co-Owner's unit, all surface and subsurface improvements within such Co-Owner's Unit and the land and landscaping within such Co-Owner's Unit.

(2) The costs of maintenance, repair and replacement of all General Common Elements, shall be borne by the Association. The Association shall be responsible for snow removal from all private roads and for the maintenance thereof.

D. No Co-Owner shall use his Unit or the Common Elements in any manner inconsistent with the purposes of the Condominium 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. No Unit shall be used for purposes other than as a dwelling for a single family.

E. Until it has conveyed title to the last unsold Unit owned by the Developer, including any Unit in the Future Development Area, the Developer has the irrevocable right, subject to applicable laws and ordinances:

(1) To use the Common Elements for sales, administrative, rental, or storage purposes, and

(2) To use any of the unsold Units for sales (including sales offices), administrative or management purposes, and

(3) To place signs on the Common Elements for sales and promotional purposes.

ARTICLE V

UNIT DESCRIPTION AND PERCENTAGE OF VALUE

A. **Description of Units.** Each Unit in the Condominium is described in this paragraph with reference to the Condominium Subdivision Plan attached hereto as Exhibit "B". Each Unit shall consist of the land contained within the Unit boundaries and within the Unit Cross Section, as shown on sheet 3 of Exhibit "B", together with all appurtenances thereto.

B. **Percentage of Value.** The percentage of value assigned to each Unit shall be equal. The determination that the percentages of value should be equal was made after reviewing the comparative characteristics of each Unit in the Condominium which would affect maintenance costs and value, and concluding that there are no material differences among the Units insofar as the allocation of percentage of value is concerned.

The percentage of value assigned to each Unit shall be determinative of each Co-Owner's respective share in the proceeds and the expenses of administration and the value of such Co-Owner's vote at meetings of the Association. The total value of the Condominium is one hundred (100%) percent.

ARTICLE VI

CONTRACTIBLE CONDOMINIUM

A. Developer reserves the right, but is not obligated, to contract the Condominium.

B. There are no restrictions or limitations on Developer's right to contract the Condominium except as stated in this Article VI. The consent of any Co-Owner shall not be required to contract the Condominium. All of the Co-Owners and mortgagees of Units and persons interested or who become interested in the Condominium from time to time shall be deemed to have irrevocably and unanimously consented to contraction of the Condominium and any amendment or amendments of this Master Deed to effectuate the contraction and to any 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 or its successors as agents and attorney for the purpose of executing such amendment or amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendments may be made without the necessity for re-recording an entire Master Deed or the exhibits thereto and may incorporate by reference all or any pertinent portions of this Master Deed and the Exhibits herein. Nothing herein contained, however, shall in any way obligate Developer to contract the Condominium.

C. The Developer's right to contract the Condominium shall expire six (6) years after the initial recording of this Master Deed.

D. The land which may be withdrawn from the Condominium includes all land described in Article II hereof but does not include the land occupied by any Unit which has been conveyed to a non-developer Co-Owner and the roadway and Common Elements adjacent to such Unit and such contiguous land thereto as may be necessary to comply with setback and space requirements imposed by any statute, ordinance or building authority. The land which may be withdrawn may be withdrawn as one parcel or in separate parcels at different times in any order.

E. The minimum number of Units which may remain after the contraction is two (2) Units.

F. Any amendment to the Master Deed which alters the number of Units in the Condominium shall proportionately readjust the existing percentages of value of Units to preserve a total value of one hundred (100%) percent for the entire Condominium. Percentages of value shall be readjusted and determined in accordance with the method and formula described in Article V of this Master Deed.

G. Any contraction shall be deemed to have occurred at the time of the recording of an amendment to this Master Deed embodying all essential elements of the contraction. At the conclusion of the contraction of the Condominium, not later than 180 days after completion of construction, a consolidating Master Deed and plans showing the Condominium "as built" shall be prepared and recorded by the Developer. A copy of the recorded consolidating Master Deed shall be provided to the Association.

ARTICLE VII

EXPANSION OF CONDOMINIUM

A. **Area of Future Development**. The Condominium established pursuant to this Master Deed, consisting of forty-one (41) Units, is intended to be the first stage of an Expandable Condominium under the Act to contain in its entirety a maximum of one hundred twenty-five (125) Units. Additional Units, if any, will be established upon all or some portion or portions of the land described (herein referred to as "Future Development Area" and shown on Exhibit B).

PART OF THE NORTHWEST QUARTER OF SECTION 24 AND THE NORTHEAST QUARTER OF SECTION 23, TOWN 1 SOUTH, RANGE 11 WEST, COOPER TOWNSHIP, KALAMAZOO COUNTY, MICHIGAN, DESCRIBED AS: BEGINNING AT A POINT ON THE WEST LINE OF SAID SECTION 24 A DISTANCE OF 927.37 FEET NORTH OF THE WEST QUARTER POST OF SAID SECTION 24; THENCE NORTH ON THE WEST LINE OF SAID SECTION 24 A DISTANCE OF 300.00 FEET; THENCE EAST PERPENDICULAR TO SAID WEST LINE 270.00 FEET; THENCE NORTH PARALLEL WITH SAID WEST LINE 135.51 FEET; THENCE WEST

PERPENDICULAR TO SAID WEST LINE 270.00 FEET TO SAID WEST LINE; THENCE NORTH ON SAID WEST LINE 103.54 FEET; THENCE NORTHWESTERLY 511.88 FEET ON A 1,654.14 FOOT RADIUS CURVE TO THE LEFT WHOSE CHORD BEARS NORTH 08 DEGREES 51' 54" WEST 509.84 FEET; THENCE NORTH 17 DEGREES 43' 49" WEST 306.96 FEET; THENCE SOUTH 89 DEGREES 17' 37" EAST 393.99 FEET; THENCE NORTH 390.45 FEET TO THE NORTH LINE OF SAID SECTION 24; THENCE SOUTH 89 DEGREES 24' 46" EAST ON SAID NORTH LINE 839.53 FEET; THENCE SOUTH 00 DEGREES 00' 03" WEST 233.01 FEET; THENCE SOUTH 89 DEGREES 24' 46" EAST 264.00 FEET; THENCE SOUTH 00 DEGREES 00' 03" WEST 1,090.67 FEET; THENCE SOUTH 89 DEGREES 28' 43" EAST 662.70 FEET; THENCE SOUTH 00 DEGREES 00' 05" WEST 1,322.92 FEET TO THE EAST AND WEST QUARTER LINE OF SAID SECTION 24; THENCE NORTH 89 DEGREES 32' 41" WEST ON SAID QUARTER LINE 654.18 FEET; THENCE NORTH 00 DEGREES 27' 19" EAST 286.00 FEET; THENCE SOUTH 89 DEGREES 32' 41" EAST 208.27 FEET; THENCE NORTH 00 DEGREES 27' 19" EAST 517.77 FEET; THENCE NORTH 89 DEGREES 32' 41" WEST 286.00 FEET; THENCE NORTH 00 DEGREES 27' 19" EAST 80.23 FEET; THENCE NORTHWESTERLY 135.47 FEET ON A 167.00 FOOT RADIUS CURVE TO THE LEFT WHOSE CHORD BEARS NORTH 22 DEGREES 47' 01" WEST 131.79 FEET; THENCE WEST 390.10 FEET; THENCE SOUTH 198.25 FEET; THENCE NORTH 89 DEGREES 32' 41" WEST 66.00 FEET; THENCE NORTH 129.61 FEET; THENCE WEST 756.00 FEET TO THE POINT OF BEGINNING.

B. **Increase in Number of Units.** Any other provisions of this Master Deed notwithstanding, the number of Units in the Condominium may, at the option of the Developer, from time to time, be increased by the addition to this Condominium of all or any portion of the Future Development Area and the establishment of Units thereon. The location, nature, appearance, design (interior and exterior) and structural components of the dwellings and other improvements to be constructed within the Future Development Area shall be determined by Developer, in its sole discretion. No Unit shall be created within the Future Development Area, as an addition to this Condominium, that is not restricted exclusively to residential use.

C. **Expansion Not Mandatory.** Nothing herein contained shall in any way obligate the Developer to enlarge the Condominium beyond the phase established by this Master Deed and the Developer may, in its discretion, establish all or a portion of the Future Development Area as a separate condominium project (or projects), or any other form of development. There are no restrictions on the election of the Developer to expand the Condominium other than as explicitly set forth herein. There is no obligation on the part of the Developer to add to the Condominium other than as explicitly set forth herein. There is no obligation on the part of the Developer to add to the Condominium, all or any portion of the Future Development Area, nor is there any obligation to add portions thereof in any particular order, nor to construct particular improvements thereon in any specific locations.

D. **Amendment to the Master Deed and Modification of Percentages of Value.** Expansion of the Condominium 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 and at the discretion of the Developer in which the percentages of value set forth in Article V hereof shall be proportionately readjusted in order to preserve a total value of one hundred (100%) percent for the entire Condominium resulting from such amendment or amendments to this Master Deed. The precise determination of the readjustments in percentages of value shall be made 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 Condominiums.

E. **Redefinition of Common Elements.** Such amendment or amendments to the Master Deed shall also contain such further definitions and redefinitions of General or Limited Common Elements as may be necessary to adequately describe, serve and provide access to the additional parcel or parcels being added to the Condominium by such amendment. In connection with any such amendment(s), the Developer shall have the right to change the nature of any Common Elements previously included in the Condominium for any purpose reasonably necessary to achieve the purposes of this Article, including, but not limited to, the connections of roadways and utilities that may be located on, or planned for the Future Development Area, and to provide access to any Unit that is located on, or planned for the Future Development Area from the roadways and utilities located in this Condominium.

F. **Consolidating Master Deed.** A Consolidating Master Deed shall be recorded pursuant to the Act when the Condominium is finally concluded, as determined by the Developer, in order to incorporate into one set of instruments all successive stages of development. The Consolidating Master Deed, when recorded, shall supersede the previously recorded Master Deed and all amendments thereto.

G. **Consent of Interested Persons.** All of the Co-Owners and mortgagees of Units and other persons interested or to become interested in the Condominium, from time to time, shall be deemed to have irrevocably and unanimously consented to such amendment or amendments to this Master Deed to effectuate the purpose and intent to this Article VII and to any proportionate reallocation of percentages of value of existing Units which the Developer may determine necessary in conjunction with such amendment or amendments. All such interested persons irrevocably appoint the Developer as agent and attorney for the purposes of execution of such amendment or amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendment(s) may be effected without the necessity of rerecording 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.

H. The Developer's right to expand the Condominium Project shall expire six (6) years after the initial recording of this Master Deed.

ARTICLE VIII

EASEMENTS

A. **Grant of Easements by Association.** The Association, acting through its lawfully constituted Board (including any Board 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, subject, however, to the approval of the Developer so long as the Developer shall own any Unit. No easement created under the Condominium Documents may be modified or obligations with respect thereto varied without the consent of each person benefited thereby.

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

C. **Easements and Other Rights Retained by the Developer.**

1. Road Easement. In addition to all other rights reserved to it under this Master Deed, the Developer reserves for the benefit of itself, and its agents, employees, guests, invitees, independent contractors, successors, and assigns, a perpetual easement for the unrestricted use of any roads now or hereafter located in the Condominium for the purpose of (a) ingress to and egress from all or any portion of (i) the Condominium Premises, and (ii) the Future Development Area and any other land in the vicinity of the Condominium Premises now owned or hereafter acquired by the Developer (including land removed from the Condominium); (b) complying with any governmental regulation, or installing and servicing the roads, utilities, or Storm Water Facilities, as shown on Exhibit "B," or (c) for any other lawful purpose. This easement shall burden the Condominium and benefit the Developer, and any other land in the vicinity of the Condominium now owned or hereafter acquired by Developer (and as such land may from time to time be subdivided) in perpetuity. This provision shall not be amended or deleted by any amendment to the Master Deed.

2. Utility Easement. The Developer hereby reserves the right, for the benefit of itself, its successors and assigns, and all future owners of the Future Development Area and any land acquired by the Developer contiguous thereto or to the Condominium Premises, or any portion or portions thereof, perpetual easements to utilize, tap, tie into, extend and enlarge all utility lines located in the Condominium, including, but not limited to, water, gas, storm and sanitary sewer mains, and to use the Storm Water Facilities for storm water runoff. In the event the Developer, its successors or assigns, thus utilizes, taps, ties into, extends or enlarges any utilities located in the Condominium, it shall be obligated to pay all of the expenses reasonably necessary to restore the

Condominium Premises to its state immediately prior to such utilization, tapping, tying-in, extension or enlargement. The costs of maintenance, repair, and replacement of utility lines shared by the Co-Owners and the owner or owners of any land benefited by the foregoing easement shall be borne by all such persons proportionately based upon the ratio of the number of residential dwellings located upon the adjoining land to the total number of residential dwellings sharing the utilities. This provision shall not be amended or deleted by any amendment to the Master Deed.

The Developer reserves the right, at any time prior to the Transitional Control Date, to grant easements for utilities over, under and across the Condominium Premises to appropriate governmental agencies or public utility companies and to transfer title of utilities to state, county or local governments. Any such easements or transfer of title may be conveyed by the Developer without the consent of any Co-Owner, mortgagee or other person and shall be evidenced by an appropriate amendment to this Master Deed and to Exhibit B hereto. 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 easement or transfer of title.

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

E. **Telecommunications Agreements.** The Association, acting through its duly constituted Board and subject to the Developer's approval until all Units are sold, 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 of periodic subscriber service fees as may be necessary, convenient, or desirable to provide for telecommunications, videotext, broad band cable, earth antenna and similar services (collectively "Telecommunications") to the Condominium or any Unit therein. Notwithstanding the foregoing, in no event shall the Board enter into any contract or agreement or grant any easement, license of right of entry or do another 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 receipt affecting the administration of the Condominium within the meaning of the Act and shall be paid over and shall be the property of the Association.

ARTICLE IX

AMENDMENT OF CONDOMINIUM DOCUMENTS

A. Except as herein provided with respect to rights reserved by the Developer, the Condominium Documents may be amended by the Developer or the Association without the consent of all of the Co-Owners and/or mortgagees if the amendment does not materially alter or change the rights of a Co-Owner or mortgagee. An amendment which does not materially change the right of a Co-Owner or mortgagee includes, but is not limited to, a modification of the types and sizes of unsold Units and their appurtenant Limited Common Elements. An amendment that does not materially change the rights of a mortgagee further includes, but is not limited to, any change in the Condominium Documents that, in the written opinion of an appropriately licensed real estate appraiser, does not detrimentally change the value of any Unit affected by the change.

B. Notwithstanding anything in this Article X to the contrary, to the extent that the Act or the Condominium Documents require a vote of mortgagees of Units on amendment of the Condominium Documents, the following procedures shall apply.

(1) The date on which the proposed amendment is approved by the requisite majority of Co-Owners is considered the "control date".

(2) Only those mortgagees who hold a duly recorded mortgage or a duly recorded assignment of a mortgage against 1 or more Units in the Condominium on the control date are entitled to vote on the amendment. Each mortgagee entitled to vote shall have 1 vote for each Unit that is subject to its mortgage or mortgages, without regard to how many mortgages the mortgagee may hold on a particular Unit.

(3) The Association shall give a notice to each mortgagee entitled to vote containing all of the following:

(a) A copy of the amendment or amendments as passed by the Co-Owners.

(b) A statement of the date that the amendment was approved by the requisite majority of Co-Owners.

(c) An envelope addressed to the entity authorized by the Board for tabulating mortgagee votes.

(d) A statement containing language in substantially the form described in subsection (4).

(e) A ballot providing spaces for approving or rejecting the amendment and a space for the signature of the mortgagee or an officer of the mortgagee.

(f) A statement of the number of Units subject to the mortgage or mortgages of the mortgagee.

(g) The date by which the mortgagee must return its ballot.

(4) The notice provided by subsection (3) shall contain a statement in substantially the following form:

"A review of the Association records reveals that you are the holder of 1 or more mortgages recorded against title to 1 or more Units in Riverview Hills. The Co-Owners of the Condominium adopted the attached amendment to the Condominium Documents on (control date). Pursuant to the terms of the Condominium Documents and/or the Michigan condominium Act, you are entitled to vote on the amendment. You have 1 vote for each Unit that is subject to your mortgage or mortgages.

The amendment will be considered approved by mortgagees if it is approved by 66-2/3% of the mortgagees. In order to vote, you must indicate your approval or rejection on the enclosed ballot, sign it, and return it not later than 90 days from (the control date). Failure to timely return a ballot will constitute a vote for approval. If you oppose the amendment you must vote against it".

(5) The Association shall mail the notice required by subsection (3) to the mortgagee at the address provided in the mortgage or assignment for notices by certified mail, return receipt requested, postmarked within 30 days after the control date.

(6) The amendment shall be considered to be approved by the mortgagees if it is approved by 66 2/3% of the mortgagees whose ballots are received, or are considered to be received, in accordance with Section C below, by the entity authorized by the Board to tabulate mortgagee votes not later than 100 days after the control date. In determining the 100 days, the control date itself shall not be counted but the one-hundredth day shall be included unless the one-hundredth day is a Saturday, Sunday, legal holiday, or holiday on which the United States postal service does not regularly deliver mail.

(7) The Association shall maintain a copy of the notice, proofs of mailing of the notice, and the ballots returned by mortgagees for a period of 2 years after the control date.

(8) Notwithstanding any provision of the Condominium Documents to the contrary, mortgagees are entitled to vote on amendments to the Condominium Documents only under the following circumstances:

(a) A change in the method or formula used to determine the percentage of value assigned a Unit subject to the mortgagee's mortgage.

(b) 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.

(c) Elimination of a requirement for the Association to maintain insurance on the Condominium as a whole or a Unit subject to the mortgagee's mortgage or allocation of responsibility for obtaining or maintaining, or both, insurance from the Association to the Unit subject to the mortgagee's mortgage.

(d) The modification or elimination of an easement benefiting the Unit subject to the mortgagee's mortgage.

(e) The partial or complete modification, imposition, or removal of leasing restrictions Units in the Condominium.

C. Except as provided in this Article X, the Master Deed, Condominium Bylaws and Condominium Subdivision Plan may be amended, pursuant to Subsection D, below or with the consent of not less than 2/3 of the votes of Co-Owners and mortgagees, even if the amendment will materially alter or change the rights of the Co-Owners or mortgagees. A mortgagee shall have one vote for each mortgage held. Mortgagees are not required to appear at any meeting of Co-Owners, except that their approval shall be solicited through written ballots. Any mortgagee ballots not returned within ninety (90) days of mailing shall be counted as approval for the change.

D. The Developer reserves the right to materially amend the Condominium Documents to contract or expand the Condominium as herein provided, without the consent of Co-Owners or mortgagees. The Developer further reserves the right to materially amend this Master Deed or any of its Exhibits prior to the first sale of a Unit in the Condominium. Thereafter, the Developer reserves the right to materially amend the Master Deed for any of the following purposes:

(a) To amend the Condominium Bylaws, subject to any restrictions on amendments stated in the Condominium Bylaws;

(b) To correct arithmetic errors, typographical errors, survey or plan errors, deviations in construction or any similar errors in the Master Deed, Condominium Subdivision Plan or Condominium Bylaws, or to correct errors in the boundaries or locations of improvements;

(c) To clarify or explain the provisions of this Master Deed or its Exhibits;

(d) To comply with the Act or rules promulgated thereunder or with any requirements of any governmental or quasi-governmental agency or any financing institution providing mortgages on Units in the Condominium Premises;

(e) To create, grant, make, define or limit easements affecting the Condominium;

(f) To record an "as built" Condominium Subdivision Plan and/or consolidating Master Deed and/or to designate any improvements shown on the Condominium Subdivision Plan as "must be built," subject to any limitations or obligations imposed by the Act;

(g) To terminate or eliminate reference to any right which Developer has reserved to itself herein.

Amendments of the type described in this Subsection D (a) thru (g) may be made by the Developer without the consent of Co-Owners or mortgagees, and any Co-Owner or mortgagee having an interest in a Unit affected by such an amendment shall join with the Developer in amending this Master Deed.

E. The method used to determine the percentage of value of Units in the Condominium for other than voting purposes, and any provisions relating to the ability or terms under which a Co-Owner may rent a Unit, may not be modified without the consent of each affected Co-Owner and mortgagee. A Co-Owner's Condominium Unit dimensions or appurtenant Limited Common Elements may not be modified without the Co-Owner's consent.

F. Co-Owners and mortgagees of record shall be notified of proposed amendments under this Article, not less than ten (10) days before the amendment is recorded, unless a greater time shall be required by the Act.

G. The party causing or requesting an amendment to the Condominium Documents shall be responsible for costs and expenses of the amendment (including attorneys fees), except for amendments based upon a vote of a prescribed majority of Co-Owners and mortgagees the cost of which is an expense of administration.

H. A Master Deed amendment, including the consolidating Master Deed, dealing with the addition, withdrawal or modification of Units or other physical characteristics of the Project, shall comply with the standards prescribed in Section 66 of the Act for preparation of an original Condominium subdivision plan for the Project.

I. For purposes of this Article X(A) through (H), the affirmative vote of two-thirds (2/3) of the Co-Owners is two-thirds (2/3) of all Co-Owners entitled to vote as of the record date for such votes.

J. If there is no Co-Owner other than the Developer, the Developer, with the consent of any interested mortgagee, may unilaterally terminate the Condominium Project or amend the Master Deed. A termination or amendment under this section shall become effective upon the recordation thereof if executed by the Developer.

K. If there is a Co-Owner other than the Developer, then the Condominium Project shall be terminated only by the agreement of the Developer and unaffiliated Co-Owners of Condominium Units to which 4/5 of the votes in the Association appertain.

L. Agreement of the required majority of Co-Owners to termination of the Condominium shall be evidenced by their execution of the termination agreement or of ratifications thereof, and the termination shall become effective only when the agreement is so evidenced of record.

M. Upon recordation of an instrument terminating the Condominium, the property constituting the Condominium Premises shall be owned by the Co-Owners as tenants in common in proportion to their respective undivided interests in the Common Elements immediately before recordation. As long as the tenancy in common lasts, each Co-Owner or the heirs, successors, or assigns thereof shall have an exclusive right of occupancy of that portion of the property which formerly constituted the Condominium Unit.

N. Upon recordation of an instrument terminating the Condominium, any rights the Co-Owners may have to the assets of the association of Co-Owners shall be in proportion to their respective undivided interests in the common profits shall be distributed in accordance with the Condominium Documents and the Act.

O. Any amendment must conform to any requirement of the Township regarding review and approval.

P. **Recording.**

(a) An amendment to this Master Deed shall not be effective until the amendment is recorded.

(b) A copy of the recorded amendment shall be delivered to each co-owner.

Q. **Costs.** A person causing or requesting an amendment to the Condominium Documents shall be responsible for the costs and expenses of the amendment, except for amendments based upon a vote of a prescribed majority of Co-Owners, the costs of which shall be deemed expenses of administration.

ARTICLE X

CONVERTIBLE AREA

There are no convertible areas in the Condominium.

2005-037591
Page: 17 of 46

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 Developer to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing duly recorded in the Office of the Kalamazoo County Register of Deeds.

ARTICLE XII

SUBDIVISION OF A UNIT

A Unit may be subdivided at the election of the Developer until such time as Developer has conveyed the Unit to a third party Co-Owner. If Developer wishes to subdivide a Unit, the Developer shall prepare and execute an Amendment to the Master Deed showing the subdivision and shall otherwise comply with Section 49 of the Act.

ARTICLE XIII

DRAINAGE AREA AGREEMENT

The Developer has entered into a Drainage Agreement with the Board of County Road Commissioners of Kalamazoo County, Michigan, dated August 9, 2005, and recorded as Document No. 2005-037372 on August 12, 2005, Kalamazoo County Records. The said Drainage Agreement binds and burdens the Condominium, the Units, the Developer and the Association.

SIGNATURES ON THE FOLLOWING PAGE

RIVERVIEW HILLS, LLC

By: Cindy F. Jones
Cindy F. Jones
Its: Assistant Manager

STATE OF INDIANA)
) SS:
COUNTY OF ELKHART)

Before me, a Notary Public, in and for said County and State, personally appeared, Cindy F. Jones, known to me to be the Assistant Manager of Riverview Hills, LLC, acknowledged the execution of the foregoing Master Deed.

WITNESS my hand and Notarial seal this 14th day of July, 2005.

My Commission Expires: July 08, 2011

Pamela A. Szulczyk
Printed Name of Notary Public
Residing in Elkhart County, IN

Signature of Notary Public

PREPARED BY:

Alan G. Enderle
KREIS, ENDERLE,
CALLANDER & HUDGINS, P.C.
One Moorsbridge P.O. Box 4010
Kalamazoo, MI 49003-4010

2005-037591
Page: 19 of 48
08/18/2005
KREIS ENDERLE

EXHIBIT A
CONDOMINIUM BYLAWS
RIVERVIEW HILLS

ARTICLE I

ASSOCIATION OF CO-OWNERS

Section 1. Riverview Hills (the "Condominium"), located in the Township of Cooper, County of Kalamazoo, State of Michigan, shall be administered by an Association of Co-Owners, which shall be a non-profit Association, hereinafter called the "Association," organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium in accordance with the Master Deed, these Bylaws, the Articles of Incorporation, Bylaws and duly adopted Rules and Regulations of the Association, the laws of the State of Michigan, and the ordinances of the Township of Cooper. All Co-Owners in the Condominium and. all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

Section 2. Membership in the Association and voting by members of the Association shall be in accordance with the following provisions:

(a) Each Co-Owner shall be a member of the Association and no other person or entity shall be entitled to membership.

(b) The share of a Co-Owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Unit in the Condominium.

(c) Each Unit shall be entitled to vote based on its percentage of value of the Condominium.

(d) No Co-Owner, other than the Developer, shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Condominium to the Association. The vote of each Co-Owner may only be cast by the individual representative designated by such Co-Owner in the notice required in. subparagraph "(e)" below or by a proxy given by such individual representative.

(e) Each Co-Owner may file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Co-Owner. Such notice shall state the name and address of the individual representative designated, the number or numbers of the Unit or Units owned by the Co-Owner, and the name and address of each person, firm, Association, partnership, association, trust or other entity who is the Co-Owner. The individual representative designated may be changed by the Co-Owner at any time by filing a new notice in the manner herein, provided.

(f) There shall, be an annual meeting of the members of the Association commencing with the First Annual Meeting held as provided in Section 7 of this Article I. At least ten (1.0) days written notice of the time, place and subject matter of the meeting shall be given to each Co-Owner by mailing the same to each individual representative designated by the respective Co-Owners at the address indicated in the notice designating such individual representative. Other meetings may be provided, for in the Bylaws of the Association, Notice of time, place and subject matter of all meetings as provided in the corporate Bylaws of the Association, shall be given to each Co-Owner by mailing the same to each individual representative designated by the respective Co-Owners.

(g) The presence in person or by proxy of thirty (30%) percent in value of the Co-Owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required herein to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

(h) Votes may be cast in person or by proxy or by a writing duly signed by the designated voting representative not present at a given meeting in person or by proxy. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association. Cumulative voting shall not be permitted.

(i) A majority, except where otherwise provided herein, shall consist of more than fifty (50%) percent in value of those qualified to vote and present in person or by proxy (or written vote if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth and may require such majority to be one of both number and value of designated voting representatives present in person or by proxy or by written ballot, if applicable, at a given meeting of the members of the Association.

(j) Other provisions as to voting by members, not inconsistent with the provisions herein, contained, may be set forth in the Association Bylaws.

<u>Section 3</u>. The Association shall keep detailed books of account, in accordance with the Act, showing all expenditures and receipts of administration which shall specify the maintenance and repair expenses of the Common Elements and any other expenses of the Common Elements and other expenses incurred by or on behalf of the Association and the Co-Owners. Such accounts shall be open for inspection by the Co-Owners during reasonable working hours, and income, expense and position statements, the contents of which shall be defined by the Association of Co-Owners, shall be prepared at least semi-annually by qualified accountants and distributed to each Co-Owner. The books shall be audited, reviewed or compiled by an independent accountant at least once a year. Such audit, review or compilation need not be

certified. The cost of such, professional accounting assistance shall be an expense of administration. The Association shall keep current copies of the Master Deed, Bylaws, and all other Condominium Documents available for inspection by Co-Owners, prospective mortgagees and their representatives during business hours at the address of the Condominium Association's Resident Agent. Any holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of the annual financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefor. The financial reports and statements provided for in this section are not required to be certified.

Section 4. The affairs of the Association shall be governed by a Board of Directors, all of whom shall serve without compensation and who must be members of the Association except for the First Board of Directors, appointed by the Incorporator prior to the First Annual Meeting of Members held pursuant to Section 7 of this Article I. The number, term of office, manner of election, removal and replacement, meetings, quorum and voting requirements, and other duties or provisions of or relating to directors, not inconsistent with the following, shall be provided by the Association Bylaws.

(a) The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not prohibited by the Condominium Documents or required thereby to be exercised and done by the Co-Owners. In addition to the foregoing general duties imposed by these Bylaws, or any further duties which may be imposed by resolution of the members of the Association or which may be set forth in the Association. Bylaws, the Board of Directors shall be responsible specifically for the following:

(1) Management and administration of the affairs of and maintenance of the Condominium and the Common Elements thereof.

(2) To collect assessments from the members of the Association and to use the proceeds thereof for the purpose of the Association.

(3) To carry insurance and collect and allocate the proceeds thereof.

(4) To rebuild improvements after casualty.

(5) To contract for and employ persons, firms, Associations or other agents to assist in the management, operation, maintenance, administration and security of the Condominium.

(6) To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage, or lease any real or personal property (including any Unit in the Condominium and easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association, including (but without limitation) the lease or purchase of any Unit in the Condominium for use by a resident manager.

(7) To borrow money and issue evidence of indebtedness in furtherance of any and all of the purposes of the business of the Association, including but not limited to borrowing for equipment to maintain the premises, and to secure the same by mortgage, pledge, or other lien, on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of more than sixty (60%) percent of all of the members of the Association in value.

(8) To make rules and regulations in accordance with Article VI, Section 2 of these Bylaws.

(9) 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 to such committees any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board.

(10) To make rules and regulations and/or to enter into agreements with lenders, the purposes of which are to obtain mortgage financing for Unit Co-Owners.

(11) To enforce the provisions of the Condominium Documents.

(12) To deliver semiannual financial statements to the Co-Owners.

(b) The Board of Directors may designate one (1) specific real estate broker, licensed by the State of Michigan, to handle all real estate sales and rentals of Units in the project. The broker shall be located in the County of Kalamazoo, Michigan, and thereby be available locally to handle such sales and rentals of the Units in the project.

(c) The Board of Directors may employ for the Association one or more professional management agents at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 4(a) of this Article I, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association. Nothing herein shall be deemed to prevent a Co-Owner from hiring the Management Agent or any third party to manage his Unit. Such management agents may include the Developer or any person or entity related thereto provided that, pursuant to Section 55 of the Michigan Condominium Act ("Act"), the Association may void any management contract on the transitional control date or within ninety (90) days thereafter and on thirty (30) days notice at any time thereafter for cause. Also, to the extent any such management contract extends beyond one year after the transitional control date, the excess period under the contract may be voided by the Association by notice at least thirty (30) days before the expiration of the one year.

(d) All of the actions (including, without limitation, the adoption of the Bylaws and 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 named in its Articles of Incorporation or any successors thereto elected by the Developer before the First

Annual 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 annual 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 5. The Association Bylaws shall provide the designation, number, terms of office, qualifications, manner of election, duties, removal and replacement of the officers of the Association and may contain any other provision pertinent to officers of the Association in furtherance of the provisions and purposes of the Condominium Documents and not inconsistent therewith. Officers may be compensated but only upon the affirmative vote of more than sixty (60%) percent of all Co-Owners in number and in value.

Section 6. Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful, or wanton misconduct or gross negligence in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. At least ten (10) days prior to payment of any indemnification which it has approved, the Board of Directors shall notify all Co-Owners thereof. Any expenses incurred by the Association under this Section 6 shall be expenses of administration.

Section 7. The First Annual Meeting of the Members of the Association convened not later than 120 days after conveyance of legal or equitable title to nondeveloper Co-Owners of twenty-five (25%) percent of the Units that maybe created. The Association shall comply with Section 52 of the Act which provides, in part, as follows:

(a) An advisory committee of nondeveloper Co-Owners shall be established either 120 days after conveyance of legal or equitable title to nondeveloper Co-Owners of 1/3 of the Units that may be created, or one year after the initial, conveyance of legal or equitable title to a nondeveloper Co-Owner of a Unit in the project, whichever occurs first. The advisory committee shall meet with the Association Board of Directors for the purpose of facilitating communication and aiding the transition of control to the Association of Co-Owners. The advisory committee shall cease to exist when a majority of the Board of Directors of Co-Owners is elected by the nondeveloper Co-Owners.

(b) Not later than 120 days after conveyance of legal or equitable title to nondeveloper Co-Owners of 25% of the Units that maybe created, at least one director and not less than 25% of the Board of Directors of Co-Owners shall be elected by nondeveloper Co-Owners. Not later than 120 days after conveyance of legal or equitable title to nondeveloper Co-Owners of 50% of the Units that may be created not less than 33 1/3% of the Board of Directors shall be elected by nondeveloper Co-Owners. Not later than 120 days after conveyance of legal or equitable title to nondeveloper Co-Owners of 75% of the Units that may be created, and before conveyance of 90% of such Units, the nondeveloper Co-Owners shall elect all Directors, except that the Developer shall have the right to designate at least one Director as long as the Developer owns and offers for sale at least 10% of the Units in the project or as long as 10% of the Units remain that may be created.

(c) Notwithstanding the formula provided in subsection (b), 54 months after the first conveyance of legal or equitable title to a nondeveloper Co-Owner of a Unit in the project, if title to not less than 75% of the Units that may be created has not been conveyed, the nondeveloper Co-Owners have the right to elect as provided in the Condominium Documents, a number of members of the Board of Directors of Co-Owners equal to the percentage of Units they hold, and the Developer has the right to elect as provided in the Condominium Documents, a number of members of the Board of Directors equal to the percentage of Units which are owned by the Developer and for which all assessments are payable by the Developer. This election may increase, but shall not reduce, the minimum election and designation rights otherwise established in subsection (b). Application of this subsection does not require a change in the size of the Board of Directors as determined in the Condominium Documents.

(d) If the calculation of the percentage of members of the Board of Directors that the nondeveloper Co-Owners have the right to elect under subsection (b), or if the product of the number of members of the Board of Directors multiplied by the percentage of Units held by the nondeveloper Co-Owners under subsection (c) results in a right of nondeveloper Co-Owners to elect a fractional number of members of the Board of Directors, then a fractional election right of 0.5 or greater shall be rounded up to the nearest whole number, which number shall be the number of members of the Board of Directors that the nondeveloper Co-Owners have the right to elect. After application of this formula the Developer shall have the right to elect the remaining members of the Board of Directors. Application of this subsection shall, not eliminate the right of the Developer to designate one member as provided in subsection (b).

The date, time and place of such First Annual Meeting shall be set by the Board of Directors, and at least fifteen (15) days written notice shall be given to each Co-Owner. Thereafter, an annual meeting shall be held each year on such date as specified in the Association Bylaws.

ARTICLE II

ASSESSMENTS

Section 1. 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 he treated as expenses of administration.

Section 2. All expenditures affecting the administration of the Condominium shall include costs incurred in the satisfaction of any liability arising within, caused by, or connected with the Common Elements or the administration of the Condominium shall include all sums received as the proceeds of or pursuant to a policy of insurance securing the interest of the Co-Owners against liabilities or losses arising within, caused by, or connected with the Common Elements or the administration of the Condominium.

Section 3. Assessments shall be determined in. accordance with the following provisions:

(a) The Board of Directors shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those General Common Elements that must be replaced on a periodic basis must be established in the budget and must be funded by regular monthly payments as set forth in Section 6 below rather than by special assessments. Upon adoption of an annual budget by the Board of Directors, copies of said budget shall be delivered to each Co-Owner and the assessment for said year shall be established based upon said budget, although the delivery of a copy of the budget to each Co-Owner shall not affect the liability of any Co-Owner for any existing or future assessments. Should the Board of Directors, at any time determine, in the sole discretion of the Board of Directors: (1) that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium, (2) to provide replacements of existing General Common Elements, (3) to provide additions to the General Common Elements not exceeding $ 1,000.00 per Unit annually, or (4) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary.

(b) Until a residence on a Unit shall have been constructed, and a certificate of occupancy issued, the monthly assessment for such Unit shall not exceed $50. The regular monthly assessment shall be levied commencing on the first day of the calendar month after the certificate of occupancy shall be issued.

(c) Special assessments, in addition to those assessments required in (a) above, may be made by the Board of Directors from time to time and approved by the Co-Owners as hereinafter provided to meet other needs or requirements of the Association, including, but not limited to (1) assessments for capital improvements for additions of a cost exceeding SI ,000.00 per Unit annually, (2) assessment to purchase a Unit upon foreclosure of the lien for assessment described in Section 7 hereof, or (3) assessment for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subparagraph (b) (but not including those assessments referred to in subparagraph 3 (a) above which, shall be levied in the sole discretion of the Board of Directors) shall not be levied without the prior approval of more than sixty (60%) percent of all Co-Owners in value and in number.

(d) Notwithstanding anything herein to the contrary, in the event that any unusual expenses are incurred by the Association which benefit less than all of the Units, or any expenses are incurred by the Association as a result of the conduct of less than all those entitled to occupy the Units in the Condominium or by their lessees, licensees or invitees, then such expenses shall be specially assessed against the Unit involved, or if more than one Unit is involved, against all such Units, pro rata as to their percentages of value so that the total of such expenses equal the total of such assessments.

(e) All assessments, whether general or special, shall be due and payable at such times as the Board of Directors shall determine, commencing with acceptance of a deed to a Unit or with acquisition of fee simple title to a Unit by any other means. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. Assessments in default shall bear interest at the greater of seven (7%) percent or the highest legal annual interest rate permitted by the laws of the State of Michigan until paid in full. Each Co-Owner (whether one or more person or entities) shall be, and remain, personally liable (jointly and severally if the Co-Owner consists of more than one person or entity) for the payment of all assessments pertinent to his Unit which may be levied while such Co-Owner is the owner thereof.

Section 4. No Co-Owner shall be exempt from any assessment levied pursuant to this Article II by reason of his nonuse or waiver of use of any of the General Common Elements or by the abandonment of his Unit. Notwithstanding the foregoing, assessments with respect to the storm, water facilities shall be levied only in accordance with the percentages of value with respect to such facilities set forth in Article V of the Master Deed.

Section 5. At the time of any transfer of ownership of any Unit by deed, land contract, or other method, the purchaser who is an original or resale purchaser of a Unit, shall pay a non-refundable fee to the Association equal to One Thousand and 00/100 Dollars ($1,000.00). The original purchaser of any Unit shall pay, in addition to the above fee, a non-refundable fee to the Association equal to two (2) times the then monthly assessment for the Unit. These assessments shall be used by the Association for such purposes as it shall determine.

Section 6. The Association shall maintain a reserve fund for major repairs and replacements of Common Elements as required by Section 105 of the Act. The reserve fund shall be at least ten (10%) of the Association's annual budget on a noncumulative basis and may be increased by the Board of Directors. Funds contained in the reserve fund shall be used only for major repairs and replacement of Common Elements. There shall be set aside by the Association by the time of the Transitional Control Date, an amount equal to at least ten (10%) percent of the assessments levied by the Association prior to the Transitional Control Date. The minimum standard required by this Section may prove to be inadequate for a particular project. The Association should carefully analyze the Condominium to determine if a greater amount should be set aside or if additional reserve funds should be established for other purposes.

Section 7. Pursuant to Section 131 of the Act, special assessments by governmental authorities and real property taxes are to be assessed against the Units identified as such in the Condominium Subdivision Plan and not on the Condominium premises or any part thereof, except for the year in which the Condominium was established subsequent to the tax day for that year. Real property taxes and special assessments which become a lien against the

Condominium premises, or any part thereof, in that year shall be expenses of administration to be assessed against, apportioned among and paid by the Co-Owners in the manner provided in this Article II.

Section 8. Section 132 of the Act provides, with respect to construction liens, that a construction lien otherwise arising under Act No. 179 of the Public Acts of 1891, being sections 570.1 to 570.30 of the Michigan Compiled Laws, shall be subject to the following limitation set forth below. Act No. 179 of the Public Acts of 1891 has been replaced by the Construction Lien Act P. A. 497 of 1980 as amended, but construction liens remain subject to the following limitations:

"(a) Except as provided in this section a construction lien for work performed upon a Condominium Unit or upon a Limited Common Element may attach only to the Condominium Unit upon which the work was performed or to which the limited Common Element is appurtenant.

(b) A construction lien for work authorized by the developer, residential builder, or principal contractor and performed upon the Common Elements may attach only to Condominium Units owned by the Developer, residential builder, or principal contractor at the time of recording of the statement of account and lien.

(c) A construction lien for work authorized by the Association of Co-Owners may attach to each Condominium Unit only to the proportionate extent that the Co-Owner of the Condominium Unit is required to contribute to the expenses of administration as provided by the Condominium Documents.

(d) A mechanic's (construction) lien may not arise or attach to a Condominium Unit for work performed on the Common Elements not contracted by the Developer, residential builder, or principal contractor or by the association of the Co-Owners."

In the event that a construction lien attaches to a Unit or a Common Element with respect to work or materials furnished and contracted for by the Association, the Association shall either cause the lien to be removed by bonding, payment, compromise or settlement, or commence a judicial action to contest such lien. Any costs incurred by the Association in connection therewith shall be expenses of administration.

Section 9. All sums assessed, by the Association under this Article II shall he subject to, and the Association shall have all rights conferred by, Section 108 and 111 of the Act which provide as follows:

"Sec. 108(1) Sums assessed to a Co-Owner by the Association of Co-Owners that are unpaid together with interest on such sums, collecting and late charges, advances made by the Association of Co-owners for taxes or other liens to protect its lien, attorney fees, and fines in accordance with the Condominium Documents, constitute a lien upon the Unit or Units in the project owned by the Co-Owner at the time of the assessment before other liens except tax liens on the Condominium Unit in favor of any state or federal taxing authority and sums unpaid on a first mortgage of record except that past due assessments that are evidenced by a notice of lien, recorded as set forth in subsection (3), have priority over a first mortgage recorded subsequent to the recording of the notice of lien. The lien upon each Condominium Unit owned by the Co-Owner shall be in the amount assessed against the Condominium Unit, plus a proportionate share of the total of all other unpaid assessments attributable to Condominium Units no longer owned by the Co-Owner but which became due while the Co-Owner had title to the Condominium Units. The lien maybe foreclosed by an. action or by advertisement by the Association of Co-Owners in the name of the Condominium on behalf of the other Co-Owners.

(2) A foreclosure shall be in the same manner as a foreclosure under the laws relating to foreclosure of real estate mortgages by advertisement or judicial action except that to the extent the Condominium Documents provide, the Association of Co-owners is entitled to reasonable interest, expenses, costs, and attorney fees for foreclosure is six (6) months from the date of sale unless the property is abandoned, in which event the redemption period is one (1) month from the date of sale.

(3) A foreclosure proceeding may not be commenced without recordation and service of notice of lien, in accordance with the following:

(a) Notice of lien shall set forth all of the following:

(i) The legal description of the Condominium Unit or Condominium Units to which the lien attaches.

(ii) The name of the Co-Owner of record thereof.

(iii) The amounts due the Association of Co-Owners at the date of the notice, exclusive of interest, costs, attorney fees and future assessments.

(b) The notice of lien shall be in recordable form, executed by an authorized representative of the Association of Co-Owners and may contain other information that the Association of Co-Owners considers appropriate.

(c) The notice of lien shall be recorded in the office of register of deeds in the county in which the Condominium is located and shall be served upon the delinquent Co-Owner by first class mail, postage prepaid, addressed to the last known address of the Co-Owner at least 10 days in advance of commencement of the foreclosure proceeding.

(4) The Association of Co-Owners, acting on behalf of all Co-Owners, unless prohibited by the Master Deed or Bylaws, may bid in at the foreclosure sale, and acquire hold, lease, mortgage, or convey the Condominium Unit.

(5) An action to recover money judgments for unpaid assessments maybe maintained without foreclosing or waiving the lien.

(6) An action for money damages and foreclosure may be combined in one action.

(7) A receiver may be appointed in an action for foreclosure of the assessment lien and may be empowered to take possession of the Condominium Unit, if not occupied by the Co-Owner and to lease the Condominium Unit and collect and. apply the rental therefrom.

(8) The Co-owner of a Condominium Unit subject to foreclosure pursuant to this section, and any purchaser, grantee , successor, or assignee of the Co-owner's interest in the Condominium Unit, is liable for assessments by the Association of Co-owners chargeable to the Condominium Unit that become due before expiration of the period of redemption together with interest, advances made by the Association of Co-owners for taxes or other liens to protect its lien, costs, and attorney fees incurred in their collection.

(9) The mortgagee of a first mortgage of record of a Condominium Unit shall give notice to the Association of Co-owners of the commencement of foreclosure of the first mortgage by advertisement by serving a copy of the published notice of foreclosure required by statute upon the Association of Co-owners by certified mail, return receipt requested, addressed to the resident agent of the Association of Co-owners at the agent's address as shown on the records to the Michigan corporation and securities bureau, or to the address the association provides to the mortgagee, if any, in those cases where the address is not registered, within ten (10) days after the first publication of the notice. The mortgagee of a first mortgage of record of a Condominium Unit shall give notice to the Association of Co-owners of intent to commence foreclosure of the first mortgage by judicial action by serving a notice setting forth the names of the mortgagors, the mortgagee, and the foreclosing assignee of a recorded assignment of the mortgage; the date of the mortgage and the date the mortgage was recorded; the amount claimed to be due on the mortgage on the date of the notice; and a description of the mortgaged premises that substantially conforms with the description contained in the mortgage upon the Association of Co-owners by certified mail, return receipt requested, addressed to the resident agent of the Association of Co-owners at the agent's address as shown on the records of the Michigan corporation and securities bureau, or to the address the association provides to the mortgagee, if any, in those cases where the address is not registered, not less than ten (10) days before commencement of the judicial action. Failure of the mortgagee to provide notice as required by this section shall only provide the association with legal recourse and will not, in any event, invalidate any foreclosure proceeding between a mortgagee and mortgagor."

"Sec. 111 (1) Upon the sale or conveyance of a Condominium Unit, all unpaid assessments, interest, late charges, fines, costs, and attorney fees against a Condominium Unit shall be paid out of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature except the following:

(a) Amounts due the state, or any subdivision thereof, or any municipality for taxes and special assessments due and unpaid on the Condominium Unit.

(b) Payments due under a first mortgage having priority thereto.

(2) A purchaser or grantee is entitled to a written statement from the Association of Co-Owners setting forth the amount of unpaid assessments, interest, late charges, fines, costs,

and attorney fees against the seller or grantor and the purchaser or grantee is not liable for, nor is the Condominium Unit conveyed or granted subject to a lien for any unpaid assessments, interest, late charges, fines, costs, and attorney fees against the seller or grantor in excess of the amount set forth in the written statement Unless the purchaser or grantee requests a written statement from the Association of Co-Owners as provided in this act, at least 5 days before sale, the purchaser or grantee shall be liable for any unpaid assessments against the Condominium Unit together with interests, costs, fines, late charges, and attorney fees incurred in the collection thereof."

Any expenses incurred by the Association in collecting unpaid assessments, including interest, costs and attorney's fees and advances for taxes or other liens paid by the Association to protect the Association's lien, shall be chargeable to the Co-Owner in default, and shall be secured by the lien on his Unit.

The Association may also discontinue the furnishing of any services to a Co-Owner in default upon seven (7) days prior written notice to such Co-Owner of its intent to do so. A Co-Owner in default shall not be entitled to a vote at any meeting of the Association so long as such default continues.

Section 10. The Developer shall be deemed to be a Co-Owner with respect to any Units owned by the Developer after the date of the recording of the Master Deed and shall be responsible for payment of assessments in accordance with this Article, except that, prior to the first annual meeting of the Association and/or prior to the obtaining of a certificate of occupancy on the Unit, Developer shall not be required to pay full association assessments. Instead, the Developer must contribute only its proportionate share of the association's actual expenses.

Section 11. Section 58 of the Act provides that if a mortgagee of a first mortgage of record or other purchaser obtains title to the Condominium Unit as a result of foreclosure of the first mortgage, such person, its successors and assigns, is not liable for Association assessments chargeable to that Unit which became due prior to the acquisition of title to the Unit by such person. The unpaid assessments are deemed to be common expenses collectible from all Co-Owners including such person, its successors and assigns.

ARTICLE III

RESOLUTION OF DISPUTES

Section 1. Disputes, claims or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between Co-Owners and the Association shall, upon the election and written consent of the parties to any such disputes, claims or grievances and written notice to the Association, be submitted to arbitration and the parties thereto shall accept the arbitrator's decision as final and binding. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect at the time such dispute arises shall be applicable to such arbitration. At the exclusive option of a purchaser, Co-Owner, or person occupying a restricted Unit under Section 104b of the Act, a contract to settle by arbitration shall be executed by the Developer with respect to any claim that might be the subject of a civil action against the Developer, which claim involves an amount less than $2,500.00, and arises out of or relates to a purchase agreement, Condominium Unit, or Project.

At the exclusive option of the Association, a contract to settle by arbitration shall be executed by the Developer with respect to any claim that might be the subject of a civil action against the Developer, which claim arises out of or relates to the common elements of a Condominium, if the amount of the claim is $10,000.00 or less.

Section 2. No Co-Owners or the Association shall be precluded from petitioning the courts to resolve any such disputes, claims or grievances; provided, however, that election by the parties involved to submit any dispute, claim or grievance to arbitration shall preclude the parties from litigating the dispute, claim or grievance in the courts.

Section 3. All present and future Co-Owners, tenants of a Co-Owner or non-Co-Owner occupant of a Unit or any other persons acquiring an interest in or using the facilities of the Condominium in any manner, shall be subject to, and shall comply with, the Act, the Master Deed, these Condominium Bylaws, and the Articles of Incorporation, Corporate Bylaws and Rules and Regulations of the Association. In the event of a conflict between the Act and the Condominium Documents, the Act shall govern and control.

Section 4. In the event of a default by a Co-Owner, the Association shall have all the rights, powers (including the power to make Rules and Regulations implementing section 106(c) of the Act and remedies conferred, by Section 106 of the Act which provides as follows:

"Sec. 106. A default by a Co-Owner shall entitle the Association of Co-Owners to the following relief:

(a) Failure to comply with any of the terms or provisions of the Condominium Documents shall be grounds for relief, which may include without limitations, an action to recover sums due for damages, injunctive relief, foreclosure of lien if default in payment of assessment, or any combination thereof.

(b) In proceedings arising because of an alleged default by a Co-Owner, the Association of Co-Owners, or the Co-owner, if successful, shall recover the costs of the proceeding and such reasonable attorney fees as may be determined by the court to the extent the Condominium Documents expressly so provide.

(c) Such other reasonable remedies the Condominium Documents may provide including but without limitation the charging of fines against Co-Owners after notice and hearing thereon and the imposition of late charges for non-payment of assessments as provided in the Condominium Bylaws or rules and regulations of the condominium."

Section 5. In addition to the rights, powers and remedies of the Association set forth in Section 106 of the Act, the violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the Common Elements, Limited or General, or into any Unit, where reasonably necessary, and summarily remove and abate, at the expense of the Co-Owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents; provided, however, that prior to the entry into a Unit the Association shall give the affected Co-Owner at least two (2) days prior written notice of its intent to enter and, if the Co-Owner within the two (2) day period fails to correct such violation, the Association shall thereupon have the right to enter the Unit in accordance with the preceding clause.

Section 6. A. Co-Owner shall have the rights and remedies conferred by Section 107 of the Act; provided, however, that in no event shall a Co-Owner in an action commenced by him against the Association or against him by the Association be entitled to recover attorneys' fees. Section 107 provides as follows:

"Sec. 107. A Co-Owner may maintain an action against the Association of Co-Owners and its officers and directors to compel these persons to enforce the terms and provisions of the Condominium Documents. In such a proceeding, the Association of Co-owners or the Co-owner, if successful, shall recover the costs of the proceeding and reasonable attorney fees, as determined by the court, to the extent that the Condominium Documents expressly so provide. A Co-Owner may maintain an action against any other Co-Owner for injunctive relief or for damages or any combination thereof for noncompliance with the terms and provisions of the Condominium Documents or this act."

Section 7. The failure of the Association or of any Co-Owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents or the Act shall not constitute a waiver of the right of the Association or any such Co-Owner to enforce such right, provisions, covenant or condition in the future.

Section 8. All rights, remedies and privileges granted to the Association or any Co-Owners pursuant to any terms, provisions, covenants or conditions of the Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

ARTICLE IV

INSURANCE

Section 1. The Association shall carry liability insurance, and workmen's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements of the Condominium. The Association, at the election of the Board of Directors, may carry other insurance, including cross coverage for damages done by one Co-Owner to another.

Section 2. Insurance canned by the Association, pursuant to Section 1 of this Article IV shall be carried and administered in accordance with the following provisions:

(a) All such insurance shall be purchased by the Association for the benefit of the Association, and the Co-Owners and their mortgagees, as their interest may appear, and provision shall be made for the issuance of certificates of mortgagees endorsements to the mortgagees of Co-Owners. Each Co-Owner may obtain insurance coverage at his own expense upon his Unit. It shall be each Co-Owner's responsibility to obtain insurance coverage for his personal property located within his Unit or elsewhere on the Condominium and for his personal liability for occurrences within his Unit or upon Limited Common Elements appurtenant to his Unit, and also for alternative living expense in event of fire, 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.

(b) All Common Elements of the Condominium shall be insured against perils covered by a standard extended coverage endorsement, in an amount equal to the maximum insurable replacement value, as determined annually by the Board of Directors. Any improvements made by a Co-Owner within his Unit shall be covered by insurance obtained by and at the expense of said Co-Owner; 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 part of the assessments against said Co-Owner under Article II hereof.

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

(d) 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, and 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 V 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 of the Condominium.

ARTICLE V

RECONSTRUCTION AND EMINENT DOMAIN

<u>Section 1</u>. If any General Common Element of the Condominium property shall be damaged it shall be rebuilt or repaired.

<u>Section 2</u>. Any such reconstruction or repair shall be substantially in accordance with, the Master Deed and the plans and specifications for the Condominium to a condition as comparable as possible to the condition existing prior to damage unless the Co-Owners shall unanimously decide otherwise.

Section 3. If the damage is only to a part of a Unit which is the responsibility of a Co-Owner to maintain and repair, it shall be the responsibility of a Co-Owner to repair such damage in accordance with Section 4 hereof. In all other cases, the responsibility for reconstruction and repair shall be that of the Association.

Section 4. Each Co-Owner shall be responsible for the reconstruction, repair and maintenance of his Unit, except as provided in the Master Deed.

Section 5. The Association shall be responsible for the reconstruction, repair and maintenance of the General Common Elements and any incidental damage to a Unit caused by such General Common Elements or the reconstruction, repair or maintenance thereof. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall, obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that existing before 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, assessment shall be made against all Co-Owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair. The Association shall maintain a reserve fund which, at a minimum, shall be equal to ten (10%) percent of the Association's current annual budget on a non-cumulative basis. The funds contained in the reserve fund shall only be used for major repairs and replacement of Common Elements. The minimum standard required by this section may prove to be inadequate for a particular project. The Association of Co-Owners shall carefully analyze their Condominium to determine if a greater amount should be set aside, or if additional, funds should be established for other purposes. On the Transitional Control Date as defined in the Act, the reserve account shall be fully funded and Developer shall be liable for any deficiency in the same as of that date.

Section 6. The following provisions shall control upon any taking by eminent domain:

(a) In the event of any taking of an entire Unit by eminent domain, the Co-Owner of such Unit shall be entitled to receive the award for such taking and after acceptance thereof, he and his mortgagee shall thereupon be divested of all interest in the Condominium. In addition, the provisions of Section 133(2) of the Act shall control. Section 133(2) of the Act provides as follows:

> "(2) If a Condominium Unit is taken by eminent domain, the undivided interest in the Common Elements appertaining to the Condominium Unit shall thenceforth appertain to the remaining Condominium Units, being allocated to them in proportion to their respective undivided interests in the Common Elements. The court shall enter a decree reflecting the reallocation of undivided interests produced thereby, and the award shall include, without limitation, just compensation to the Co-Owner of the Condominium Unit taken for his undivided interest in the Common Element as well as for the Condominium Unit."

(b) In the event that any condemnation award shall become payable to any Co-Owner 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 Co-Owner unless it is impractical to rebuild or repair such Unit as hereinafter provided, in which event the award shall be paid to the Co-Owner and, upon such payment, the Co-Owner and his mortgagee shall thereupon be divested, of all interest in the Condominium. If only a part of a Unit is taken and it is practical to rebuild or repair such. Unit and use the same for a lawful purpose permitted by the Condominium Documents, the Association shall rebuild the same as is necessary to make it habitable and remit the balance, if any, of the condemnation proceeds pertinent to such Unit to the Co-Owner thereof. In the event that the award is insufficient to repair or rebuild the Unit, assessments shall be made against all Co-Owners for such repair or rebuilding in amounts sufficient to pay the actual or estimated cost thereof; provided, however, that if the Limited Common Elements specified in the Master Deed must be repaired or rebuilt, the cost of such repair or rebuilding in excess of the condemnation proceeds therefor shall be directly assessable against the Co-Owners of the Unit to which such Limited Common Elements appertain. In addition, the provisions of Sections 133(3) and (4) of the act, as applicable, shall control. Sections 133(3) and (4) of the act provide as follows:

> "(3) If portions of a Condominium Unit are taken by eminent domain, the court shall determine the fair market value of the portions of the Condominium Unit not taken. The undivided interest for each Condominium Unit in the Common Elements appertaining to the Condominium Units shall be reduced in proportion to the diminution in the fair market value of the Condominium Unit resulting from the taking. The portions of undivided, interest in the Common Elements thereby divested from the Co-Owners of a Condominium Unit shall be reallocated among the other Condominium Units in the Condominium in proportion to their respective undivided interests in the common elements. A Condominium Unit partially taken shall receive the reallocation in proportion to its undivided interest as reduced by the court under this subsection. The court shall enter a decree reflecting the reallocation of undivided interests produced thereby, and the award shall include just compensation to the Co-Owner of the Condominium Unit partially taken for that portion of the undivided interest in the Common Elements divested from the Co-Owner and not reinvested in the Co-Owner pursuant to subsection (4) as well as for that portion of the Condominium Unit taken by eminent domain.
>
> (4) If the taking of a portion of a Condominium Unit makes it impractical to use the remaining portion of that Condominium Unit for a lawful purpose permitted by the Condominium Documents, then the entire undivided interest in the Common Elements appertaining to the Condominium Unit shall thenceforth

appertain to the remaining Condominium Units, being 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. The court shall enter an order reflecting the reallocation of undivided interests produced thereby, and the award shall include just compensation to the Co-Owner of the Condominium Unit for the Co-Owner's entire undivided interest in the Common Elements and for the entire Condominium Unit."

(c) Upon the partial or complete taking of a Unit, the provisions of Section 133(5) of the Act shall control, as applicable. Section 133(5) provides as follows:

"(5) Votes in the Association of Co-Owners and liability for future expenses of administration appertaining to a Condominium Unit taken or partially taken by eminent domain shall thenceforth appertain to the remaining Condominium Units, being allocated to them in proportion to the relative voting strength in the Association of Co-Owners. A Condominium Unit partially taken shall receive a reallocation as though the voting strength of the Association of Co-Owners was reduced in proportion to the reduction in the undivided interests in the Common Elements."

(d) If any portion of the General Common Elements is taken by eminent domain, the Board of Directors shall determine whether to repair, rebuild or replace the portion so taken or to take such action as is deemed appropriate. Any award for such taking shall be paid to the Association for the benefit of the Co-Owners. In the event that no such affirmative vote is so obtained, the award therefore shall be allocated to the Co-Owners in proportion to their respective undivided interests in the General Common Elements. In accordance with Section 133(1.) of the Act, the Association, through the Board of Directors, may negotiate on behalf of all Co-Owners for any taking of Common Elements and any negotiated settlement shall be binding on all Co-Owners.

<u>Section 7</u>. The Association shall give any person or institution holding a first mortgage written notice, at such address as it may direct, from time to time, of any loss to or taking of the General Common Elements of the Condominium if the loss or taking exceeds $10,000 in amount.

<u>Section 8</u>. Nothing contained in the Condominium Documents shall be construed to give a Condominium Unit Owner, or any other party, priority over any rights of first mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to Condominium Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.

ARTICLE VI

RESTRICTIONS

Section 1. The Association or its duly authorized agents, shall have access to each Unit from time to time during reasonable working hours, upon notice to the Co-Owner thereof, as may be necessary for the maintenance, repair or replacements of any of the General Common Elements. The Association or its agents, shall also have access to each Unit at all times without notice, as maybe necessary to make emergency repairs or to prevent damage to the General Common Elements or to another Unit, It shall be the responsibility of each Co-Owner to provide the Association means of access to his Unit during all periods of absence and. in the event of the failure of such Co-Owner to provide 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 caused thereby or for repair or replacement of any damages to his Unit.

Section 2. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws, concerning the use of the General Common Elements may be made and amended from time to time by any Board of Directors, including the First Board of Directors (or its successors elected by the Developer). Copies of all such regulations and amendments thereto shall be furnished to all Co-Owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative of each Co-Owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than sixty percent (60%) of ail Co-Owners in number and in. value.

Section 3. Tenants or non-co-owner occupants shall comply with all the conditions of the Condominium Documents of the condominium, and all leases and rental agreements shall so state.

Section 4. Each Co-Owner shall maintain his Unit and any Limited Common Elements appurtenant thereto from which he has maintenance responsibility in a safe, clean and sanitary condition that is satisfactory to the Association. Each Co-Owner shall also use due care to avoid damaging any of the Common Elements including, but not limited to, any telephone, water, plumbing, electrical or other electrical conduits and systems and any other 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 any of the Common Elements by him or his family, guests, agents, tenants or invitees, unless such damages or costs are covered by insurance carried by the Association in which case there shall be no such, payment of damages or costs (unless reimbursement to the Association is excluded by virtue of a deductible insurance policy 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 shall be assessed to and collected from the responsible Co-Owner as though it were an approved special assessment in the manner provided in Article II of the Condominium Bylaws.

Section 5. None of the restrictions contained in this Article VI shall apply to the commercial activities or signs, if any, of the Developer during the construction and sales period as hereinafter defined, or of the Association in furtherance of it's powers and purposes set forth herein and in its Articles of Incorporation and By-Laws as the same may be amended from time to time. During the construction and sales period, the Developer or its agents, are irrevocably authorized permitted and empowered to sell, lease or rent Units to any purchaser or lessee on any terms and conditions as it shall deem appropriate. For the purposes of this Section, the construction and sales period shall be deemed to continue so long as Developer owns any Unit which he offers for sale. Until all Units in the entire Condominium (including the initial stage and any successive stages) are sold by Developer, Developer shall have the right to maintain a sales office, a business office, a construction office, model office Unit, storage areas, reasonable parking incident to the foregoing, and such access to, from and over the Condominium as may be reasonable to enable construction and sale of the entire Condominium by Developer. During the construction and sales period, Developer shall have full right to utilize all or any portion, of any Unit for office and sales purposes or any other purposes reasonably incident to the development and sale of the Condominium.

ARTICLE VII

MORTGAGES

Section 1. Any Co-Owner who mortgages his Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgages of Units." The Association may, at the written request of a mortgagee of any such Unit, report any unpaid assessments due from the Co-Owner of any such Unit. The Association shall give to the holder of any first mortgage covering any Unit in the Condominium written notification of any default in the performance of the obligations of the Co-Owner of such Unit that is not cured within sixty (60) days.

Section 2. The Association shall notify each mortgagee appearing in said book of the name of each company insuring the condominium against fire, perils covered by extended coverage, and vandalism and malicious mischief and the amounts of such coverage.

Section 3. Upon written request submitted to the Association, any holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive written notification of every meeting of the members of the Association and to designate a representative to attend such meeting.

Section 4. The Association shall give written notification to each mortgagee appearing in said book at least thirty (30) days prior to the effective date of any change in the Condominium Documents and any change of manager (not including change in employees of a corporate manager) of the Condominium.

ARTICLE VIII

AMENDMENTS

Section 1. These Condominium Bylaws may be amended in the same manner and by the same procedures as the Master Deed may be amended as set forth in Article X of the Master Deed.

ARTICLE IX

COMPLIANCE AND LIABILITY FOR NEGLIGENCE

The Association and all present or future co-owners, tenants, future tenants or any other persons acquiring an interest in. or using the facilities of the Condominium in any manner are subject to and shall comply with the Act, as amended, and the mere acquisition, occupancy or rental of any Unit or an interest therein or the utilization of or entry upon the Condominium premises shall signify that the Condominium Documents are accepted and ratified. In the event the Condominium Documents conflict with the provisions of the Act, the Act shall govern.

Each Co-Owner is liable for the expense of any maintenance, repair or replacement rendered necessary by his negligence or by that of any member of his family or his or their guests, employees, agents or lessees, but only to the extent that expense is not met by the proceeds of insurance carried by the Association.

If any Co-Owner fails to maintain or repair any part of his Unit or the Limited Common Elements required to be maintained and repaired by such Unit Owner, or if a Unit Owner becomes liable for maintenance, repair or replacement due to negligent conduct as provided in the foregoing paragraph, and if such maintenance or repair is necessary, in the sole discretion of the Association, to protect the Common Elements, or any other portion of the Condominium premises, and such failure of the Co-Owner to maintain or repair continues for a reasonable time after written notice of the necessity of such maintenance or repair has been delivered by the Association to the Co-Owner, the Association may levy a special assessment against such Unit Owner for the cost of said maintenance or repair and cause such, repairs or maintenance to be made.

ARTICLE X

DEFINITIONS

All terms used herein shall have the same meaning set forth in the Master Deed to which these Bylaws are attached as an Exhibit or as set forth in the Act.

ARTICLE XI

SEVERABILITY

In the event that any of the terms, provisions, or covenants of these Bylaws or the Condominium Documents are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify or impair in any manner whatsoever any of the other terms, provisions or covenants held to be partially invalid or unenforceable.

ARTICLE XII

RIGHTS RESERVED TO DEVELOPER

Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, including the right and power to approve or disapprove any act, use, or proposed action or any other matter or thing, may be assigned, by it to the Association or any other entity. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its consent to the acceptance of such powers and rights and such assignee or transferee shall thereupon have the same rights and. powers as herein given and reserved to the Developer.

KALAMAZOO COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 181

EXHIBIT "B" TO THE MASTER DEED OF:

RIVERVIEW HILLS

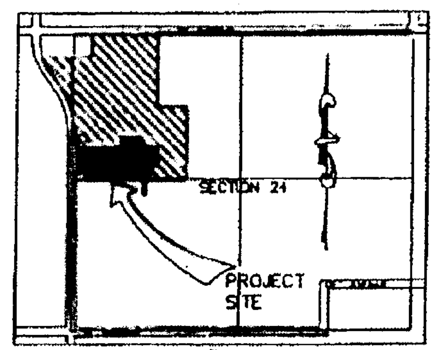
COOPER TOWNSHIP, KALAMAZOO COUNTY, MICHIGAN

2005-037591

DEVELOPER:

SURVEYOR:

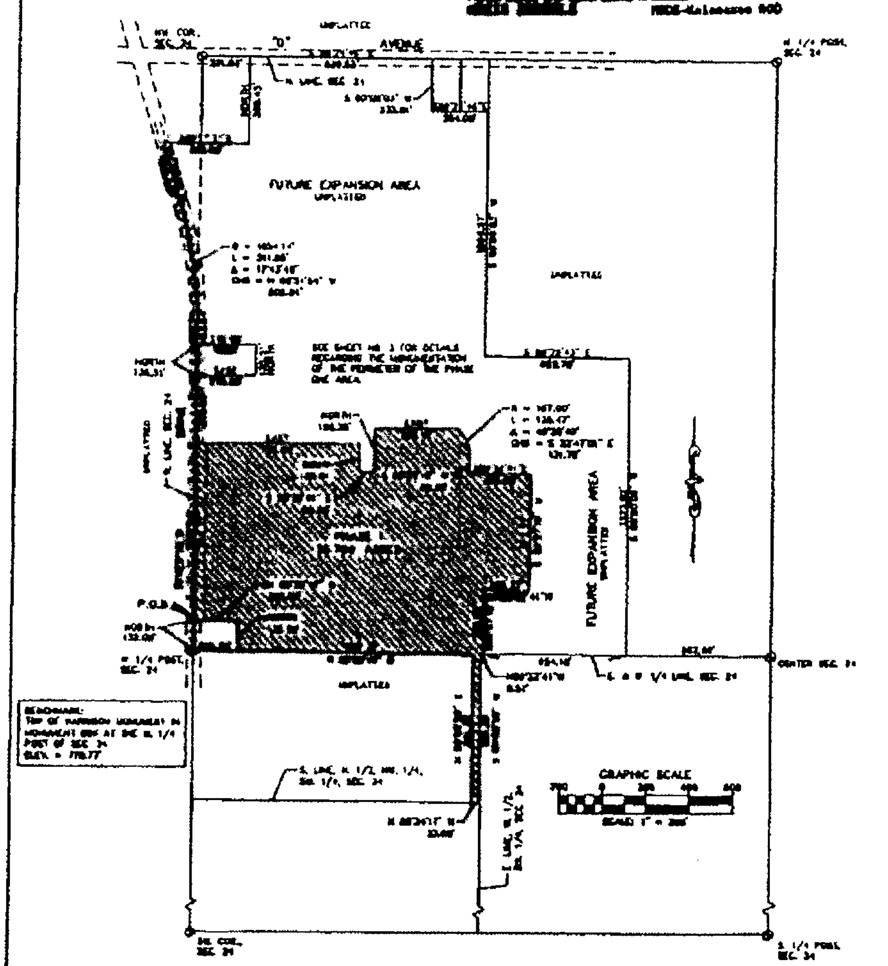
LEGAL DESCRIPTION

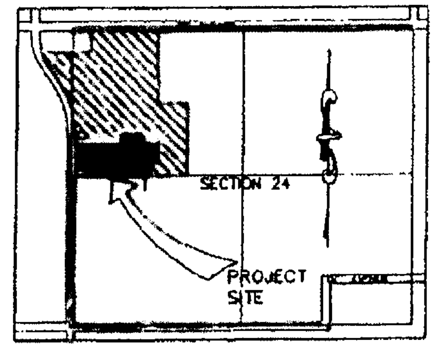


VICINITY MAP

NOT TO SCALE

SHEET INDEX





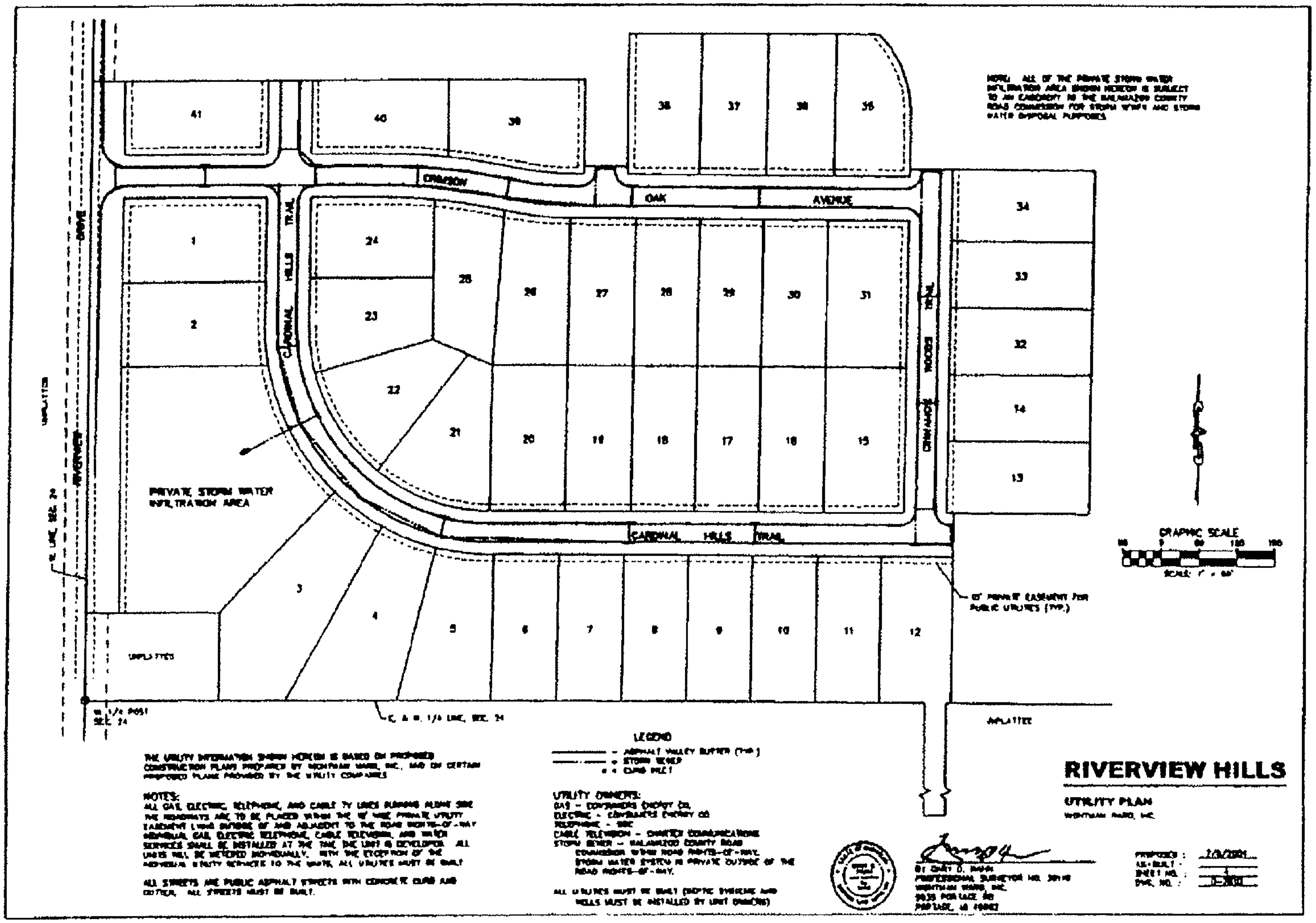
VICINITY MAP
NOT TO SCALE

SURVEYOR'S CERTIFICATE

[illegible]

RIVERVIEW HILLS

SURVEY PLAN


RIVERVIEW DRIVE
CARDINAL HILLS TRAIL
CRIMSON OAK AVENUE
CINNAMON WOODS TRAIL
PRIVATE STORM WATER INFILTRATION AREA
UNPLATTED
LEGEND
NOTES:
UTILITY OWNERS:
GRAPHIC SCALE
RIVERVIEW HILLS
UTILITY PLAN

2005-037591

\\2

DECLARATION OF RESTRICTIONS

Statement of Purpose

Riverview Hills ("Riverview Hills"), a condominium developed pursuant to Kalamazoo County Condominium Subdivision Plan No. 181, located in the Township of Cooper, Michigan, and recorded as Document No. 2005-037591, on Aug. 15, 2005, Kalamazoo County records, has been created by the Developer, Riverview Hills, LLC, whose address is 70186 Hartshorn Terrace, Union City, Michigan 49130 with the intention that it will provide building sites (identified in the condominium documents as "Units" and referred to herein as "Lots") which will accommodate single family residences. The Developer has adopted these Restrictions to ensure that dwellings constructed in Riverview Hills will be of a quality and a character so as to be representative of an enclave of first quality dwellings. All Lots in Riverview Hills are subject to these Restrictions. Lot Owners must understand and adhere to these Restrictions. The Developer has appointed an Architectural Review Committee ("ARC") which has authority for interpretation and enforcement of the Restrictions. Riverview Hills Condominium Association (the "Association") has been formed to administer, manage and maintain Riverview Hills and to enforce these Restrictions. Riverview Hills is a contractible condominium, as disclosed in the Master Deed. To the extent that Lots and other land are withdrawn from the condominium, they may not be subject to these Restrictions. The ARC has authority to deviate from the Restrictions.

Site Clearing and Construction:

1. No site clearing or building construction shall commence until the ARC shall have approved a site plan, building plans and a landscape plan. The ARC shall designate which trees must be preserved or moved and which trees can be cut and removed.

Site Plan and Building Plan:

2. Two complete sets of a site plan and a building plan, with specifications, must be submitted to the ARC. The site plan must include Lot lines, trees to be saved, moved and removed, existing and proposed grades, and all proposed improvements, including home floor plan, utility locations, driveways, decks, walks, lawns, walls, pools, privacy screens, storage facilities, and patios. The ARC must respond to the plans within thirty (30) working days (Saturday, Sunday, State and Federal holidays not being considered working days) of receipt of complete plans. Copies of the plans, when approved, will be signed by a representative of the ARC and the Lot Owner. The Lot Owner will be provided with one (1) copy of the plans, and the ARC shall retain the other copy.

Landscape Plan:

3. The Lot Owner shall also submit a landscape plan. The ARC must respond to the landscape plan within thirty (30) working days, as defined above. The ARC shall not be required to respond to the landscape plan until it shall have approved the site plan and the building plan, and its time for approval shall not begin to run until after the site plan and the building plan shall have been approved. A minimum of fifty (50%) percent of the landscape plan shall be completed within six (6) months of occupancy of the home.

Approved Builder:

4. All construction on a Lot shall be under the direction of a builder approved by the Developer.

Driveways:

5. All driveways are to be a minimum of twelve (12) feet wide and must be constructed of concrete. The depth of concrete shall be at least four (4) inches thick. Circular drives in front of homes (if any) must be a minimum of eight (8) feet wide.

Fences:

6. No Lot shall have continuous fencing around all Lot lines. The ARC will permit fencing which it considers complimentary to landscape plans and otherwise appropriate within the context of the site plan, the building plan, the landscape plan and the surrounding property.

Mailboxes and Addresses:

7. A mailbox and the number of the residence are to be placed on each Lot. The size, location, design, style and type of materials for each such mailbox and number of the residence must be approved by the ARC.

Swimming Pools:

8. Hot tubs and below ground swimming pools are permitted if adequately screened with landscaping from neighbors by a method pre-approved by the ARC. All pool equipment should be installed in a pool equipment room attached to the home. If attaching this room is an impractical hardship, then the location should be as close to the home as possible, being mindful of all setbacks and screening guidelines, with a minimum setback of twenty-five (25') feet from any Lot line. Swimming pools and fences will not be nearer than fifteen (15') feet to any Lot line and will not project with their coping more than two feet above the established grade. Fences shall be constructed as required by the Township.

Site Lighting:

9. All site lighting should be installed in such a manner that the source of the light cannot be seen from any adjoining land. Down lighting and up lighting where the source of the light is shielded from view is encouraged. Spotlights with direct glare are prohibited. Post lights shall be on a photoelectric cell.

Erosion Control During Construction:

10. During construction on the premises, erosion control measures shall be taken in accordance with the provisions of the State Erosion and Sediment Control Act, Act 347 of the Public Acts of 1972, as amended, and the requirements of the Township.

Front Yard Structures:

11. No fences, ornamental construction, or ornamental devices, or monuments (for example, bird baths, plastic flamingos, sculptures, flag poles, artificial plants, and the like) shall be placed in the front yard (defined as land between the rear of each home and the street) without the express written prior approval of the ARC.

Miscellaneous Structures:

12. Gazebos, trellises, and play structures may be acceptable if they are attractive, do not materially block the view of neighbors, and are placed so as to be complimentary to the site plan, the landscape plan and building plan.

Hours of Construction, Maintenance Activities:

13. There shall be no construction activity on any Lot prior to seven (7) a.m., and after six (6) p.m. on Monday through Saturday. There shall be no construction activity on any Lot on a Sunday. Maintenance activities (including, but not limited to, the use of power mowers, weed cutters, hedge clippers, and power saws) may only be conducted Monday through Saturday between eight (8) a.m. and seven (7) p.m., except in case of an emergency involving potential or actual property damage. Snow plowing is not included in this prohibition.

Building Square Footage Requirements:

14. All homes shall have a minimum of one thousand four hundred (1,400) square feet of finished living area. The finished living area shall not include porches, breezeways, garages, storage areas or other areas not approved by the ARC as finished living area.

Garages:

15. All residences must have an attached garage designed for at least two (but not more than three) enclosed parking spaces. Garage doors are to be de-emphasized. The doors are

recommended to be one color and the materials must be approved by the ARC. Multi-panel styles are encouraged. No garage shall be permanently enclosed or converted to other usage other than for the parking of vehicles without the substitution of another enclosed garage upon the Lot and the approval of the ARC. All garage doors shall remain closed except when entering or exiting the garage.

Unattached Structures; Outside Storage:

16. No unattached secondary structure, sheds, barns, garages, or any outside storage shall be permitted, except during construction.

Antennae:

17. External antennae or satellite dishes will be permitted if they are located in or on the residence in a location approved by the ARC. In general, the ARC will require that all such antennae or dishes be unobtrusive and hidden from the view of other residences.

Clotheslines/Drying Areas:

18. Exterior clotheslines are not permitted. No clothing, bedding, or other similar items shall be hung over or on any windows, doors, decks, walls or fences or in any exterior location.

Remodeling and Reconstruction

19. If any residence or other improvement shall be damaged or destroyed, it shall be restored as nearly as possible to the condition, design and appearance that existed prior to the damage or destruction. If any Lot Owner wishes to remodel or modify any of the exterior of the residence or change the exterior color or materials of the residence, any such remodeling or change shall require the written approval of the ARC.

Single Family Use Only:

20. The Lots can only be used for single-family residential purposes and other incidental and accessory purposes. This provision does not apply to the Developer, who may use one or more Lots or other portions of the property for model homes and/or a real estate office.

Commercial and Professional Activity on Property:

21. No commercial or professional activity, including home occupations, will be allowed at Riverview Hills, except with the consent of the ARC. This provision does not apply to the Developer in conjunction with the initial construction, development, lease and sale of Lots.

Leasing and Rental:

22. Lot Owners may lease their residence, but only for a period of one year or more and only for single-family use. No Lot Owner shall lease less than the entire residence and no tenant will be permitted to occupy except under a written lease approved by the ARC. Any such lease shall be a bona fide arms-length agreement and shall provide for rent and other terms which are similar to those for other "Class A" rental properties in Kalamazoo County.

Maintenance of Grounds:

23. Each Lot Owner must (a) maintain all improvements and landscaping on the Lot in a neat and attractive manner, and, (b) keep grass and weeds cut, and, (c) remove dead trees, dead shrubbery and dead plants, and (d) keep the exterior of improvements on the Lot clean and in a good state of repair and appearance. All mowed areas shall be irrigated by an underground watering system.

If any Lot Owner fails to maintain or repair the Lot or improvements, and if such maintenance or repair is necessary, in the sole discretion of the Condominium Association and the ARC, and such failure of the Lot Owner to maintain or repair continues for a reasonable time after written notice of the necessity of such maintenance or repair has been delivered by the Association or the ARC to the Lot Owner, the Association may levy a special assessment against such Lot Owner for the cost of said maintenance or repair and cause such repairs to be made or maintenance to be done.

Parking and Storage of Vehicles:

24. Vehicles may not be parked at Riverview Hills, except licensed, insured and operable vehicles on paved driveways and in garages. No parking is allowed on private roads. Commercial vehicles, trailers, boats, trucks, mobile homes, recreational vehicles, mopeds, bicycles, motorcycles, all-terrain vehicles, off-road vehicles, snowmobiles and similar vehicles may not be parked at Riverview Hills unless parked inside garages and concealed from public view.

Outdoor Repair Work:

25. Extensive work on any motor vehicles, boats, or machines of any kind will not be permitted outdoors at Riverview Hills, except with the consent of the ARC.

Skateboards, Motorcycles, Recreational Vehicles and Their Operation on Premises:

26. No skateboards and no motorbikes, snowmobiles, off-road vehicles, all-terrain vehicles, mopeds or other recreational vehicles may be operated on the lands or on the streets in Riverview Hills. Passenger vehicles, not otherwise prohibited by the terms of these Restrictions, may operate on streets in Riverview Hills, and then only for the purposes of ingress and egress (except for deliveries by commercial vehicles and moving trucks, delivering or removing personal

effects to and from residences). The Developer and its equipment is excluded from this provision. Bicycles may be operated only on streets in Riverview Hills.

Pets:

27. Animals, livestock or poultry may not be raised, bred or kept at Riverview Hills except dogs, cats or other small household pets, subject to the following prohibitions, conditions and clarifications:

a) No more than two (2) dogs and two (2) cats may be kept in any household.

b) If any dog or cat has a litter, the kittens or puppies must be removed within eight (8) weeks after birth, so as not to exceed the limitation on the total number of dogs and cats in any household.

c) Dogs, when out of the house, must be on a leash controlled by a person at least twelve (12) years of age. Any person walking a dog in Riverview Hills must have a container and tool so as to be able to immediately clean up the dog's droppings. It is the responsibility of the Lot Owner of any dog to ensure that its barking cannot be heard on a frequent or continuing basis by neighbors.

d) The prohibition against livestock extends to small domesticated pigs and goats, and the prohibition against poultry extends to ducks, geese and the like.

e) The right to keep any pet at Riverview Hills shall be deemed a license, revocable at any time without notice, by the Association or the ARC. This means that any Lot Owner who brings a pet in to Riverview Hills does so with the understanding that, at any time, the Association or the ARC shall have the right to require that the pet be removed.

f) The ARC may adopt such additional reasonable rules and regulations with respect to animals, as it may deem proper.

Hazardous Substances; Open Burning:

28. Lot Owners shall not cause or permit any hazardous or toxic material or substances to be released, brought upon, stored, produced, emitted, disposed of or used upon or at Riverview Hills without the prior written consent of the ARC. No open burning is permitted. Open burning is defined to mean any burning except grilling of food in a typical grill, whether charcoal or gas.

Refuse Management:

29. Garbage, refuse, rubbish, grass clippings, leaves, and other yard debris must be deposited in an attractive container, suitably located and screened from view. Dumping, pumping or storage of any wastes, except less than fifty (50) cubic feet of yard waste, is not allowed at Riverview Hills.

Nuisance:

30. Activities considered noxious, offensive or a nuisance shall not be carried on at Riverview Hills.

Firearms and Fireworks Discharge:

31. Discharging of firearms and hunting are not allowed at Riverview Hills. No fireworks or pyrotechnic devices may be discharged or ignited at Riverview Hills.

Easements:

32. The Developer reserves a perpetual easement on, over and under the ground to construct, maintain and use electric, telephone, cable TV, wires, cables, conduits, sewers, water mains and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water or other utilities on, in or over the front 10 feet of each Lot and 10 feet along one side of each Lot.

Signs:

33. No sign of any kind shall be displayed to the public view on any Lot except one (1) sign of not more than five (5) square feet advertising property for sale or rent, or a sign of any dimension used by a builder to advertise the Lot/residence for sale or rent, or a sign of any dimension used by a builder to advertise the Lot/residence during the construction and sales period. There is reserved to the Developer, its successors and assigns, the right to construct signs as they desire in order to foster promotion and effect sales of Lots or structures.

Garage Sales and Estate Sales:

34. Garage sales, porch sales and estate sales in excess of one in any twelve (12) consecutive months on any one Lot, are prohibited in Riverview Hills, unless prior approval shall be granted by the ARC.

ARC- Definition and Members:

35. The ARC has been formed to perform the duties set forth in the Restrictions to protect and enhance the quality of life at Riverview Hills. The original ARC consists of Jeffrey A. Chupp and a person appointed by him. Jeffrey A. Chupp shall have the right to appoint any additional members to the ARC and to remove any member. If, for any reason, Jeffrey A. Chupp shall not be a member of the ARC, the remaining member (s) shall have the right to appoint and remove members in their discretion.

Vacancies:

36. The ARC shall have discretion to allow variances from any of the conditions, covenants and standards contained in these Restrictions by written approval of a majority of its Members.

Transfer of Responsibility to Association:

37. Not later than one hundred twenty (120) days after the last residence in Riverview Hills shall have been constructed and sold to an original buyer, the responsibilities of the ARC, under these Restrictions, shall be transferred to the Association.

ARC to Prevail over Association:

38. Until the ARC shall transfer its responsibilities to the Association, all decisions regarding these Restrictions shall be within the exclusive jurisdiction of the ARC.

Restrictions Run with the Land:

39. The Restrictions run with the land and are binding on present and future Lot Owners at Riverview Hills. Until the last Lot in Riverview Hills is sold, the Developer shall have the right to amend, modify or change these Restrictions. No such change, modification or amendment shall affect any improvements already constructed on a Lot. Thereafter, these Restrictions may be amended, modified or changed at any time by an instrument in writing duly recorded and executed by the Lot Owners of 70 percent of the Lots and with the unanimous consent of the ARC, as long as the ARC shall continue to have responsibilities under these Restrictions. The Restrictions regarding parking on private roads, and those referring to Township requirements, may not be amended without the consent of the Township. The Restrictions regarding Wells/Sewage Disposal Systems may not be amended without the consent of the Kalamazoo County Human Services Department.

Savings Clause:

40. Invalidation of any one or more of these Restrictions will not affect any of the other Restrictions which will remain in full force and effect.

Abatement:

41. Whenever a violation of the Restrictions exists, the ARC, the Developer or the Association shall have the right, but not the obligation, to enter upon a Lot to abate or remove the violation. Such entry and abatement or removal shall not be deemed a trespass or make the Developer or the Association liable for any damages as a result of such abatement.

2005-037592
Page: 8 of 12
08/15/2005 03:47P
KRETZ ENDERLE REST-Kalamazoo ROD

Special Assessment or Fines:

42. Subject to the provisions of its by-laws and the Condominium By-Laws, and any hearing rights granted by the Act, the Association may levy a special assessment and/or a fine or fines on a Lot Owner who is violating the Restrictions. The fine and/or special assessment shall be in an amount that is determined by the Association and shall be a lien against the Lot.

Suit for Damages:

43. Civil proceedings may be instituted for recovery of damages against those violating or attempting to violate the Restrictions.

Injunctive Relief:

44. Civil proceedings may be instituted against those violating or attempting to violate the Restrictions for the purpose of preventing or enjoining all or any such violations or attempted violations.

Costs and Attorney Fees:

45. All attorney fees and costs related to a suit for damages and/or injunctive relief shall be paid by the persons against whom the proceedings were commenced, if any part of the relief sought shall be granted.

Remedies Cumulative:

46. The remedies set forth in these Restrictions shall be cumulative and not exclusive. If any other remedies are herein or hereafter provided, they shall be available.

Non-Waiver:

47. The failure of the Developer, Association or Lot Owners to enforce any Restriction or any other obligation, right, power, privilege, authority or reservation herein contained, however long continued, shall in no event be deemed a waiver of the right to enforce the same thereafter as to the same breach or violation, or as to any other breach or violation thereof occurring prior to subsequent thereto.

Assignments:

48. The Developer shall have the sole and exclusive right at any time and from time to time to transfer and assign to any person, firm or corporation, including, but not limited to, the Association, any or all rights, powers, easements, privileges, authorities and reservations given to or reserved by the Developer by any part or paragraph of these Restrictions.

Developer's Rights:

49. The Developer reserves and shall have the sole and exclusive right:

(a) To modify and amend these Restrictions at any time before the first Lot shall be sold and as may be required by the Federal National Mortgage Association, or other issuer of first mortgages upon the Lots without acquiring the approval or joinder of any other Lot Owner or mortgagee.

(b) To amend these Restrictions for the purpose of curing any error or ambiguity in or any inconsistency between the provisions contained herein without acquiring the approval or joinder of any other Lot Owner or mortgagee.

(c) To include in any contract, deed, sublease agreement or other instrument hereafter made any additional covenants or Restrictions.

(d) To use any unsold Lot as an aide in selling Lots or as a sales office, construction office, or parking lot, and shall further be allowed to install signs advertising the sale of Lots, construction trailers and sales trailers. The Developer will further have the right to complete construction of all improvements to the Common Areas contemplated by its development plan and to transact any business to consummate the sale of Lots, and all sales office and model furniture shall not be considered Association property and shall remain the property of the Developer.

Additional Restrictions:

50. No Lot Owner, without the prior written approval of the ARC, may impose any additional restrictions on any part of Riverview Hills.

Paragraph Headings:

51. The paragraph headings contained herein are for reference purposes only and shall not in any way affect the meaning, content or interpretations hereof.

Restrictions Limited to Lots Only:

52. These Restrictions shall be deemed to apply only to the Lots and not to other land owned by the Developer or to any property withdrawn from Riverview Hills by the Developer, unless the Developer otherwise decides.

Water Wells/Sewage Disposal Systems:

53. (a) Sewage disposal system will consist of septic tanks and tile trenches/drain beds. The maximum allowable stone below the sewer tile will be 12 inches.

(b) The sewage disposal systems and water wells for all Units shall be located as shown on the plans dated June 18, 2004. No deviations from this plan can be permitted that will impact any other unit. Driveways for Units 13, 14, 32, 33 and 34 must also be located as shown on the said plans.

(c) Water wells shall be drilled to a minimum depth of 80 feet and have 50 feet of screen submergence. Wells shall maintain a 75-foot isolation to sewage disposal systems. Water softening and/or iron removal equipment may be necessary. If, due to varying geological conditions, the specified well depth is not feasible, it is the responsibility of the well permit holder or licensed well drilling contractor to contact the health officer at the Kalamazoo County Human Services Department prior to finishing the water well. The health officer may issue a variance provided the well produces adequate water quality/quantity and provides long-term water quality protection.

(d) Sewage disposal systems will be a minimum of 75 feet from all water wells, 100 feet from retention ponds and 25 feet from drain easements.

(e) Utilities must be located so as not to interfere with the designated sewage disposal system locations.

(f) Pre-leveling of Units 13, 14, 32, 33 and 34 will be required prior to or during the issuance of a sewage disposal system permit. Retaining walls may be necessary.

(g) Due to restricted Unit size, yard improvements (outbuildings, pools, etc.) shall not be permitted if they will impact the water well and/or sewage disposal system locations.

2005-037592
Page: 11 of 12

The Developer has executed these Restrictions by its Manager.

DEVELOPER:

RIVERVIEW HILLS, LLC

By: Cindy F. Jones
Cindy F. Jones
Its: Assistant Manager

STATE OF INDIANA)
) SS:
COUNTY OF ELKHART)

Before me, a Notary Public, in and for said County and State, personally appeared, Cindy F. Jones, known to me to be the Assistant Manager of Riverview Hills, LLC, acknowledged the execution of the foregoing Master Deed.

WITNESS my hand and Notarial seal this 25th day of May, 2005.

My Commission Expires: July 09, 2011

Pamela A. Szulczyk
Printed Name of Notary Public
Residing in Elkhart County, IN

Signature of Notary Public

DRAFTED BY AND WHEN
RECORDED RETURN TO:
Alan G. Enderle
Kreis, Enderle, Callander & Hudgins, P.C.
OneMoorsbridge, P.O. Box 4010
Kalamazoo, MI 49003-4010

2005-037502
Page: 12 of 12
KREIS ENDERLE REST-Kalamazoo ROD

G:\REALEST\clients\Chapp, Jeff\Riverview Hills, LLC\Purchaser Info Booklet\Declaration of Restrictions_05.23.05.doc

C

RIVERVIEW HILLS CONDOMINIUM
PURCHASE AGREEMENT

This Purchase Agreement (the "Agreement") is made and entered between Watts Construction Company, a Michigan corporation, whose address is 5071 Gull Road, Kalamazoo, Michigan, 49048 ("Developer"), as successor Developer to Riverview Hills, LLC, a Michigan limited liability company, and _________________________________ ("Purchaser").

1. Unit. Developer agrees to sell and Purchaser agrees to Purchase Unit Number ____ of Riverview Hills Condominium, a site condominium located in the Township of Cooper, Kalamazoo County, Michigan ("Condominium"), together with an undivided interest as a tenant in common in the common areas and facilities being the common elements of the Condominium (hereafter, the "Unit"). The site plan of the Condominium which includes the Unit has been delivered to Purchaser, who acknowledges receipt of the same. Developer reserves the right to make changes in the site plan, the Unit, and the Condominium Documents, as permitted by the Condominium Documents.

2. PURCHASE PRICE. The purchase price for the Unit, which Purchaser acknowledges he has examined, together with an undivided interest in the common elements appertaining thereto, shall be ____________________________ Dollars ($__________). Purchaser has deposited with the Developer the sum of ________________________ Dollars ($__________), which shall be held in escrow as provided in Paragraph 3 below and applied to the Purchase Price at closing.

3. ESCROW. Developer and Purchaser hereby agree that all amounts received by Developer under this Agreement shall be deposited in an escrow account with Metropolitan Title Company, 7117 South Westnedge Avenue, #1, Portage, Michigan, 49002-4201 ("Escrow Agent") in accordance with the Michigan Condominium Act, and pursuant to the terms of an Escrow Agreement between Developer and Escrow Agent, a copy of which is attached hereto and incorporated by reference herein. If Purchaser withdraws from this Agreement in accordance with Paragraph 5 below or terminates this Agreement pursuant to Paragraph 8 below, all amounts deposited with Escrow Agent under this Agreement shall be returned to Purchaser within three (3) business days in full satisfaction of all rights of Purchaser, and thereupon this Agreement, and all rights and liabilities of Purchaser and Developer hereunder, shall be terminated. After the expiration of the withdrawal period described in Paragraph 5 below, Developer is required to retain sufficient funds in escrow or other sufficient security to assure completion of only those uncompleted structures and improvements labeled in the Condominium Documents "must be built."

4. UNIT CO-OWNER'S ASSOCIATION. The Riverview Hills Condominium Association, a Michigan non-profit corporation (the "Association"), will be responsible for administering the affairs of the Condominium, for operating and maintaining the common elements of the Condominium, for enforcing the use and occupancy restrictions and any rules and regulations of the Association. Each co-owner shall be a member of the Association and will be subject to the Bylaws and regulations thereof. A representative of the person or persons owning each unit will be entitled to one (1) vote in the affairs of the Association, the value of which shall be equal to the percentage allocated to the Unit owned by such co-owner in the

Master Deed. Purchaser hereby agrees to abide by the terms, provisions, declarations, covenants and restrictions contained in the Master Deed, Bylaws, and Condominium Subdivision Plan of Riverview Hills Condominium and the Articles of Incorporation, and Rules and Regulations, if any, of the Association, all as amended (collectively referred to as the "Condominium Documents"), the contents of which are as Developer, in its sole discretion, has determined appropriate, but which are in compliance with the Michigan Condominium Act.

5. RECEIPT OF DOCUMENTS; WITHDRAWAL. On the date set forth in the Receipt executed by Purchaser which is incorporated by reference herein (the "Document Receipt Date"), Purchaser received from Developer:

(a) Copies of the Condominium Documents, including the recorded Master Deed with the Condominium Bylaws attached as Exhibit "A" and the Condominium Subdivision Plan attached as Exhibit "B";

(b) A copy of this Agreement in a form which was complete and ready for signature by Purchaser together with a copy of the Escrow Agreement;

(c) A Condominium Buyers Handbook published by the Michigan Department of Consumer and Industry Services, containing in a prominent location and in boldface type, the telephone number and address designated by the Michigan Department of Consumer and Industry Services for responding to complaints;

(d) A receipt containing an explanation form pursuant to Section 84a of the Condominium Act; and

(e) A Disclosure Statement for Riverview Hills Condominium.

Unless Purchaser waives the right to withdraw, Purchaser may withdraw from this Agreement without cause and without penalty if the withdrawal is made by written notice to Developer before the conveyance of title to the Unit and within nine (9) business days after the Document Receipt Date. If Purchaser does not withdraw, this Agreement shall become binding upon the expiration of nine (9) business days after the Document Receipt Date. The calculation of the nine (9) business day withdrawal period shall include the Document Receipt Date if such date is a business day. The term "business day" as used in this Agreement means a day other than a Sunday or legal holiday. After the expiration of the withdrawal period, the Developer is required to retain sufficient funds in escrow or to provide sufficient security to assure completion of only those uncompleted structures and improvements labeled under the terms of the Condominium Documents, "must be built".

6. CLOSING. This sale shall be closed upon payment of the purchase price and delivery of a deed as required by this Agreement. The closing shall be held at the offices of Escrow Agent or at such other place designated by Developer. The closing shall occur within ten calendar days after Developer notifies Purchaser that Developer is prepared to tender title.

7. CLOSING COSTS. Purchaser shall pay for recording the deed to the Unit mortgage costs (if any), a proportionate share of the insurance reserve contribution (if any), a buy-in fee to the Association equal $50.00, any other costs incurred at Purchaser's request, and

other closing costs customarily paid by purchasers of comparable real estate in Kalamazoo County, Michigan. Developer shall pay transfer taxes related to the sale of the Unit, the cost of releases of any financing related to the Unit and the cost of an owner's policy of title insurance, with standard exceptions, in the amount of the Purchase Price.

8. PROPERTY INSPECTIONS. Purchaser shall have ten (10) days from the date of this Agreement to have the Unit and Common Elements inspected for any and all matters desired by Purchaser including wood destroying insects, structural integrity, condition of mechanical systems, environmental status and health and safety conditions by established inspector(s) and/or appropriately licensed individuals of Purchaser's choice. All such inspections shall be at Purchaser's expense. If such inspections reveal any evidence of unacceptable conditions, Purchaser shall furnish Developer with a written statement of requested corrective action(s) along with a copy of the inspection report(s) and written estimate(s). These must be received by Developer no later than ten (10) days after the last dated acceptance of this Agreement. Developer shall respond in writing to Purchaser within five (5) days as to whether Developer will agree to pay for the requested corrective action and/or repair of the Unit in accordance with the inspection report(s) and estimate(s). If Developer does not agree to pay for repairs as requested or fails to respond, Purchaser shall have three (3) days from receipt of Developer's written refusal (if any), or from the expiration of Developer's allowed time, to terminate this Agreement by providing written notice to Developer.

9. POSSESSION. Developer agrees to deliver possession of the Unit at the time of closing, unless otherwise mutually agreed by Purchaser and Developer.

10. TITLE INSURANCE. At or prior to closing, the Developer shall provide Purchaser with a standard form commitment for issuance of a policy of title insurance by Escrow Agent showing title in Purchaser subject to (a) the standard exceptions contained in the policy; (b) all matters of record, all public laws and ordinances, all easements presently existing or hereafter granted provided they do not unreasonably interfere with the use of the Unit; (c) all covenants, restrictions and rules and regulations of the Condominium, including, without limitation, all matters disclosed by the Master Deed, Condominium Bylaws, Condominium Subdivision Plan, and/or any other Condominium Documents; and (d) all service contracts affecting the Condominium presently existing or entered hereafter. Promptly after closing Developer shall cause to be issued and delivered to Purchaser an owner's policy of title insurance in the amount of the purchase price subject to the foregoing exceptions. If the owner's policy or commitment shows a defect in Developer's title such that Developer's title is not marketable, Developer shall have 120 days from receipt of written notice of said defect from Purchaser to cure said defect. If Developer fails to clear its title, then Purchaser may, as its exclusive option, terminate this Agreement.

11. PRORATIONS. General real estate taxes, rents, assessments, insurance, and any other items customarily prorated are to be adjusted to the date of closing. General real estate taxes shall be prorated on the basis of the last ascertainable tax bill and taxes shall be deemed to cover the year in which they first become due and payable. If the last ascertainable tax bill is assessed on the entire Condominium, then the tax on the Unit shall be computed by multiplying the total tax bill by the percentage of value assigned to the Unit. In such case, Purchaser shall

pay to Developer, upon receipt of a bill, Purchaser's proportionate share of such taxes accruing after the closing, which shall be held in escrow. If Purchaser shall on the date of this contract have possession of the Unit as a tenant or as lessee under written lease, its possession shall continue on that basis and all rent payments shall be made when due until this sale is closed and at closing, Purchaser's interest as tenant or lessee shall be merged into its title as Co-Owner. At closing, the Purchaser shall pay the pro-rata share of the current monthly assessment for the Unit and an additional sum equal to two month's assessments.

12. CANCELLATION RIGHTS OF PURCHASER. In the event that Purchaser notifies Developer in writing at any time prior to the time this Agreement becomes a binding purchase agreement as specified in Paragraph 5 above, that Purchaser wishes to withdraw from this Agreement for any reason, the amounts theretofore paid under this Agreement will be refunded in full satisfaction and termination of any rights of Purchaser and thereupon all rights and liabilities of Purchaser and Developer of any sort hereunder shall wholly cease and terminate.

13. CANCELLATION RIGHTS OF DEVELOPER. If Developer determines not to establish any portion of the Condominium or to make substantial changes in the site plan or other Condominium Documents, then Developer shall so notify Purchaser in writing. In any of such events, Developer reserves the right to return all sums received for the right to purchase the Unit to Purchaser or their successors, and thereupon, all rights of Purchaser shall cease and terminate without further liability on the part of the Developer.

It is understood that Purchaser's credit is subject to approval by Developer and by any proposed mortgagee. In the event that either Developer or such mortgagee determines that Purchaser does not meet credit requirements for participation in this project, then Developer shall return to Purchaser all of the sums paid hereunder and this Agreement shall be deemed null and void and all of Purchaser's and Developer's rights shall cease and terminate without further liability on the part of either party.

14. DEFAULT. If the Purchaser shall default in any of the payments or obligations called for in this Agreement and such default shall continue for ten (10) days after written notice sent by the Developer to the Purchaser, then, forthwith at the option of the Developer all rights of Purchaser under this Agreement shall terminate. If Purchaser's rights are terminated subsequent to this Agreement becoming a binding purchase agreement as provided above, any amount paid toward the Purchase Price may, at the option of Developer, be retained by the Developer as liquidated damages; provided, however, that such liquidated damages shall in no event exceed twenty percent (20%) of the Purchase Price. In lieu of accepting such liquidated damages, Developer may pursue such other legal and equitable remedies as may be available to it, including the right (which is hereby granted) to have this Agreement specifically enforced. If Purchaser's rights terminate prior to the time this Agreement becomes binding, all sums paid by Purchaser shall be refunded and neither party shall have any further obligations under this Agreement.

15. ADVERTISING. For the purposes of completing the sales promotion of this condominium development, Developer, its agents, successors and assigns, are hereby given full right and authority to maintain on the Condominium (excluding the Unit) until the sale of the last

condominium unit therein, such signs, banners, transient parking, sales offices and model units as Developer may desire, together with the rights of ingress and egress therefrom for Developer and its agents, successors and assigns, and any of their respective licensees or invitees. Developer shall restore the facilities to habitable status upon termination of use.

16. Intentionally Deleted.

17. ASSIGNABILITY. Purchaser shall not assign, set over or transfer this Agreement or any of Purchaser's rights or interest hereunder without the prior written consent of the Developer, and at Developer's option any such purported assignment shall be void and of no effect.

18. NO IMPLIED WARRANTIES. PURCHASER WARRANTS THAT NO BROKER (OTHER THAN A COMPANY RELATED TO OR AFFILIATED WITH THE DEVELOPER) WAS INSTRUMENTAL IN SHOWING OR SELLING THE UNIT. PURCHASER ACKNOWLEDGES THAT PURCHASER IS BUYING THE UNIT AND THE UNIT COVERED BY THIS AGREEMENT WITHOUT WARRANT OR REPRESENTATION OF ANY KIND, EXPRESS OR IMPLIED, BY DEVELOPER, OR BY ANY AGENT OR BROKER OF DEVELOPER, UNLESS EXPRESSLY STATED HEREIN OR IN THE MASTER DEED OF SAID PROJECT.

19. ENTIRE AGREEMENT. THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES. NO REPRESENTATIONS, WARRANTIES, UNDERTAKINGS, OR PROMISES, WHETHER ORAL, IMPLIED OR OTHERWISE, CAN BE MADE OR HAVE BEEN MADE BY EITHER DEVELOPER OR ITS AGENTS OR BROKERS, TO PURCHASER OR ANYONE ELSE UNLESS EXPRESSLY STATED HEREIN OR UNLESS MUTUALLY AGREED IN WRITING BY THE PARTIES. ALL AMENDMENTS, SUPPLEMENTS OR RIDERS HERETO, IF ANY, SHALL BE IN WRITING EXECUTED BY BOTH PARTIES AND ATTACHED TO THIS AGREEMENT. PURCHASER SHALL NOT RECORD THIS AGREEMENT OR ANY MEMORANDUM THEREOF.

20. NOTICES. All written notices required or permitted hereunder and all notices of change of address shall be deemed sufficient if personally delivered or sent by ordinary first class mail or by registered or certified mail, postage prepaid, and return receipt requested, addressed to the recipient party at the address shown below such party's signature to this Agreement. For purposes of calculating time periods under the provisions of this Agreement, notice shall be deemed effective upon mailing or personal delivery whichever is applicable.

21. USAGE OF TERMS. The pronouns and relative words herein used shall be construed respectively to include the masculine, feminine and neuter genders and the singular and plural numbers unless the contract indicates a contrary intention.

22. BINDING AGREEMENT. The covenants herein shall bind the heirs, personal representatives, administrators, executors, assigns and successors of the respective parties.

23. PARTIAL INVALIDITY. The invalidation of any portion of this Agreement shall not affect the validity of the remainder.

24. MERGER. All understandings and agreements heretofore made between the parties hereto are merged in this Agreement which expresses the parties' entire agreement, and no representations, warranties, or conditions or statements, oral or written, not contained herein shall be considered a part hereof. This Agreement may not be altered, enlarged, modified or changed except by an instrument in writing executed by all of the parties hereto. Anything to the contrary herein contained notwithstanding, it is specifically understood and agreed by the parties hereto that the acceptance of the delivery of the deed at the time of the closing hereunder shall constitute full compliance by the Developer with the terms of this Agreement, that none of the terms hereof, except as otherwise herein specifically provided, shall survive settlement and the terms hereof shall be merged into and extinguished by the delivery of the deed at the time of the closing of the title.

25. MISCELLANEOUS. The laws of the State of Michigan shall govern the interpretation, validity and construction of the terms and conditions of this Agreement. All disputes under this Agreement shall be determined or resolved in the appropriate court located in Kalamazoo County, Michigan. The captions of this Agreement are for the convenience of the parties and shall not be considered as a material part hereof. This Agreement may be executed in counterparts, each of which, when so executed, may be considered an original. This Agreement may be executed by facsimile and/or pdf email and such signatures shall have the same force and effect as original signatures.

26. ARBITRATION. AT THE EXCLUSIVE OPTION OF THE PURCHASER, ANY CLAIM WHICH MIGHT BE THE SUBJECT OF A CIVIL ACTION AGAINST THE DEVELOPER WHICH INVOLVES AN AMOUNT LESS THAN $2,500.00, AND ARISES OUT OF OR RELATES TO THE PURCHASE AGREEMENT OR THE UNIT OR PROJECT TO WHICH THIS AGREEMENT RELATES, SHALL BE SETTLED BY BINDING ARBITRATION CONDUCTED BY THE AMERICAN ARBITRATION ASSOCIATION. THE ARBITRATION SHALL BE CONDUCTED IN ACCORDANCE WITH APPLICABLE LAW AND THE CURRENTLY APPLICABLE RULES OF THE AMERICAN ARBITRATION ASSOCIATION. JUDGMENT UPON THE AWARD RENDERED BY ARBITRATION MAYBE ENTERED IN A CIRCUIT COURT OF APPROPRIATE JURISDICTION.

27. RESTRICTIONS. PURCHASER UNDERSTANDS THAT THE CONDOMINIUM MASTER DEED CONTAINS PROVISIONS RESTRICTING USE, LEASING, SALES, CONSTRUCTION, AND MORTGAGING OF THE UNIT, NONE OF WHICH BIND THE DEVELOPER, AND PURCHASER AGREES TO BE BOUND BY SUCH PROVISIONS, AS WELL AS ALL OTHER PROVISIONS OF THE CONDOMINIUM DOCUMENTS IDENTIFIED IN THE RECEIPT AS WELL AS AMENDMENTS THERETO.

28. TIME IS OF ESSENCE. The parties agree that time shall be of the essence in this Agreement.

29. ADDENDUM. Any addendum to this Agreement shall be in writing, separately signed, attached to this Agreement, and effective upon delivery. All such addendums shall be a part of this Agreement and governed by all of the term and conditions of this Agreement. In the

event there is an inconsistency between any addendum and this Agreement, the addendum shall govern.

30. ACCEPTANCE. Developer shall have until ______ p.m. on _______________, to accept or reject Purchaser's offer. If Developer fails to deliver its acceptance to Purchaser within such period, this offer shall terminate.

31. COUNTER-OFFER. The terms and conditions of this Agreement are accepted in accordance with Counter-Offer No. _________, which is attached hereto. This Agreement and the Counter-Offer shall be deemed accepted upon delivery of Purchaser's acceptance of the Counter Offer to Developer.

32. DISCLOSURES. Purchaser acknowledges and agrees that the following matters have been disclosed to Purchaser and that Purchaser agrees to accept the Unit subject to such matters:

A. There are special rules regarding the subdivision, consolidation, and modification of units as set forth in the Master Deed.

B. It is expressly understood and agreed that the Developer provides no warranties of any kind, implied or otherwise, with regard to the Condominium.

C. Co-owners are responsible for maintaining their own lawns, trees, berms and shrubbery on their unit in good order and repair.

D. Each unit shall have an easement, to the extent necessary and as disclosed in the Master Deed, on, over, under and across any other unit to maintain, extend, replace or tap into any public or private utility.

E. There are limitations on the extent to which the structures can be improved, modified, changed, rebuilt or otherwise used and no dwellings, structures, or other improvements may be constructed upon any unit except in accordance with the Condominium Documents.

33. CONSTRUCTION OF DWELLING. In the event that Purchaser desires to engaged Developer to construct the primary dwelling and related improvements upon the Unit in connection with the sale of the Unit as contemplated hereby, the parties shall execute the Construction Agreement attached hereto as Exhibit "A", whereupon the terms and conditions of such Construction Agreement shall be incorporated into this Agreement as if fully restated herein, and Developer's obligations under this Agreement shall be made expressly contingent upon Purchaser's strict compliance with the terms and conditions of such Construction Agreement.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties have executed this Agreement this _____ day of _______________, 200___.

DEVELOPER: WATTS CONSTRUCTION COMPANY,
a Michigan corporation

____
By: ______________________________
Its: ______________________________

Address: 5071 Gull Road
Kalamazoo, Michigan, 49048

PURCHASER: ______________________________________

____

Address: ______________________________________
____
____

Exhibit "A"
Construction Agreement

4069043.2\109553-00005
DRAFT 09/25/09 12:41 PM

D

ESCROW AGREEMENT

THIS AGREEMENT is made this ___ day of ___________, 2009, by and between Watts Construction Company, a Michigan corporation, whose address is 5071 Gull Road, Kalamazoo, Michigan, 49048 (the "Developer"), as successor Developer to Riverview Hills, LLC (the "Original Developer"), and Metropolitan Title Company, 7117 South Westnedge Avenue, #1, Portage, Michigan, 49002-4201 (the "Escrow Agent").

RECITALS:

WHEREAS, the Original Developer established a residential site condominium development known as Riverview Hills in Cooper Township, Kalamazoo County, Michigan, as a Condominium Project under the Michigan Condominium Act (Act No. 59, Public Acts of 1978, as amended, hereinafter the "Act"); and

WHEREAS, the Developer acquired title to several of the Units in Riverview Hills (the "Project") from the Developer's foreclosing lender, and desires and intends to sell such Units, and is entering into "Purchase Agreements" and/or "Preliminary Reservation Agreements" with purchasers for such Units in substantially the form attached, and each such Agreement requires that all deposits made by prospective purchasers be held by an Escrow Agent under an Escrow Agreement; and

WHEREAS, the parties hereto desire to enter into such an Escrow Agreement for the benefit of the Developer and for the benefit of each purchaser (hereinafter called the "Purchaser") who makes a deposit under a Purchase Agreement or Preliminary Reservation Agreement.

NOW, THEREFORE, it is agreed as follows:

1. The Developer shall, promptly after receipt, transmit to the Escrow Agent all sums deposited with it under a Purchase Agreement or Preliminary Reservation Agreement, together with a fully executed copy of such Agreement.

2. The sums paid to the Escrow Agent under the terms of any Preliminary Reservation Agreement shall be held and released upon the following conditions:

   A. If either the Developer or the Purchaser gives written notification to the Escrow Agent at any time prior to the execution of a Purchase Agreement by the Purchaser of his intent to withdraw from a Preliminary Reservation Agreement, the Escrow Agent shall immediately return the amount held in escrow to the Purchaser. Upon the return of said deposit, the Preliminary Reservation Agreement shall terminate, and all liability of the Escrow Agent hereunder with respect thereto shall be discharged.

B. If the Developer and the Purchaser enter into a Purchase Agreement superseding a Preliminary Reservation Agreement and direct the Escrow Agent to continue to hold the deposit in escrow in accordance with its terms, and if they provide the Escrow Agent with a copy of the Purchase Agreement, then the Escrow Agent shall continue to hold said deposit in accordance with the terms of this Escrow Agreement that pertain to Purchase Agreements.

3. The sums paid to the Escrow Agent under the terms of any Purchase Agreement shall be held and released to the Developer or to the Purchaser upon the following conditions:

A. Except as provided in Paragraph 3F hereof, amounts required to be retained in escrow in connection with the purchase of a Unit shall be released to the Developer pursuant to Paragraph 5 only upon all of the following:

(i) Issuance of a certificate of occupancy for the Unit, if required by local ordinance.

(ii) Conveyance of legal or equitable title to the Unit to the Purchaser.

(iii) Receipt by the Escrow Agent of a Certificate signed by a licensed professional engineer or architect either confirming that those portions of the phase of the Project in which the Condominium Unit is located and which on the Condominium Subdivision Plan are labeled "must be built" are substantially complete, or determining the amount necessary for substantial completion.

(iv) Receipt by the Escrow Agent of a Certificate signed by a licensed professional engineer or architect either confirming that recreational or other facilities which on the Condominium Subdivision Plan are labeled "must be built", whether located within or outside of the phase of the Project in which the Condominium Unit is located, and which are intended for common use, are substantially complete, or determining the amount necessary for substantial completion.

B. In the event that the Purchaser under a Purchase Agreement shall default in making any payments required by such Purchase Agreement and/or in fulfilling any other obligations imposed by the Purchase Agreement for a period of 10 days after written notice by the Developer to the Purchaser, the Escrow Agent shall release sums held pursuant to said Purchase Agreement to the Developer in accordance with the terms of said Purchase Agreement.

C. In the event that the Purchaser fails to obtain a mortgage as provided in the Purchase Agreement, the Escrow Agent shall release all sums held by it under the Agreement to the Purchaser.

D. The Escrow Agent shall be under no obligation to earn interest upon the escrowed sums held under this Agreement. In the event that Escrow Agent elects to earn interest upon the escrowed sums held under this Agreement, however, such interest shall be separately accounted for by the Escrow Agent and shall be held in escrow and paid to the Developer upon termination of this Escrow Agreement; provided, that if this Agreement terminates pursuant to Paragraph 3C, then such interest, if any, shall be paid to the Purchaser.

E. In the event that the Purchaser withdraws from a Purchase Agreement prior to the time that the Purchase Agreement becomes binding under its provision, the Escrow Agent shall, within 3 business days from the date of receipt of notice of such withdrawal, release to the Purchaser all of the Purchaser's deposits held under the Agreement.

F. If the Developer requests that all or any part of the escrowed funds held under this Agreement be delivered to it prior to the time it otherwise becomes entitled to receive them, the Escrow Agent may release all such sums to the Developer if the Developer has placed with the Escrow Agent an irrevocable letter of credit drawn in favor of the Escrow Agent in form and substance satisfactory to the Escrow Agent and securing full repayment of such sums, or has placed with the Escrow Agent such other substitute security as may be permitted by law and approved by the Escrow Agent.

4. The parties agree that the determination of substantial completion shall be made as set forth below:

A. Substantial completion and the estimated cost for substantial completion of the items described in Paragraphs 3A(iii), 3A(iv) and in Paragraph 5 shall be determined by a licensed professional engineer or architect, as provided in Paragraph 4B, subject to the following:

(i) Items referred to in Paragraph 3A(iii) shall be substantially complete only after all utility mains and leads, all major structural components of buildings, all building exteriors and all sidewalks, driveways, landscaping and access roads, to the extent such items are designated on the Condominium Subdivision Plan as "must be built" are substantially complete in accordance with the pertinent plans for such improvements.

(ii) If the estimated cost of substantial completion of any of the items referred to in Paragraphs 3A(iii) and 3A(iv) cannot be determined by a licensed professional engineer or architect due to the absence of plans, specifications, or other details that are sufficiently complete to enable such a determination to be made, such cost shall be the minimum expenditure specified in the recorded Master Deed or amendment for completion of the improvement. To the extent that any item referred to in Paragraph 3A(iii) and 3A(iv) is specifically depicted on the Condominium Subdivision Plan, an estimate of the cost of substantial completion prepared by a licensed professional engineer or architect shall be required in place of the minimum expenditure specified in the recorded Master Deed or amendment.

B. A structure, element, facility or other improvement shall be deemed to be substantially complete when it can be reasonably employed for its intended use and, for purposes of certification under this Paragraph, shall not be required to be constructed, installed, or furnished precisely in accordance with the specifications for the Project. A certificate of substantial completion shall not be deemed to be certification as to the quality of the items to which it relates.

5. Upon receipt of a certificate, issued pursuant to Paragraph 3A(iii) and/or 3A(iv), determining the amounts necessary for substantial completion, the Escrow Agent may release to the Developer all funds in escrow in excess of the amount determined by the issuer of such certificate to be necessary for substantial completion. In addition, upon receipt by the Escrow Agent of a certificate signed by a licensed professional engineer or architect confirming substantial completion in accordance with the pertinent plans of an item for which funds have been deposited in escrow, the Escrow Agent shall release to the Developer the amount of such funds specified by the issuer of the certificate as being attributable to such substantially completed item. However, if the amounts remaining in escrow after such partial release would be insufficient in the opinion of the issuer of such certificate for substantial completion of any remaining incomplete items for which funds have been deposited in escrow, only the amount in escrow in excess of such estimated cost to substantially complete shall be released by the Escrow Agent to the Developer. Notwithstanding a release of escrowed funds that is authorized or required by this Paragraph, the Escrow Agent may refuse to release funds from an escrow account if the Escrow Agent, in its judgment, has sufficient cause to believe the certificate confirming substantial completion is fraudulent or without factual basis.

6. Not earlier than nine (9) months after closing the sale of the first Unit in a phase of a Condominium Project for which escrowed funds have been retained under Paragraph 3A(iii) or for which security has been provided under Paragraph 3F, the Escrow Agent, upon the request of the Association or any interested Co-owner, shall notify the Developer of the amount of funds deposited under Paragraph 3F for such purpose that remains, and of the date determined under this Paragraph upon which those funds can be released. In the case of a recreational facility or other facility intended for

general common use, not earlier than nine (9) months after the date on which the facility was promised in the Condominium Documents to be completed by the Developer, the Escrow Agent, upon the request of the Association or any interested Co-owner, shall notify the Developer of the amount of funds deposited under Paragraph 3A(iv) or security provided under Paragraph 3F for such purpose that remains, and of the date determined under this Paragraph upon which those funds can be released. Three months after receipt of a request pertaining to funds described in Paragraph 3A(iii) or 3A(iv), funds that have not yet been released to the Developer may be released by the Escrow Agent for the purpose of completing incomplete improvements for which the funds were originally retained, or for a purpose specified in written agreement between the Association and the Developer entered into after the Transitional Control Date. The agreement may specify that issues relating to the use of the funds be submitted to arbitration. The Escrow Agent may release funds in the manner provided in such an agreement or may initiate an interpleader action and deposit the retained funds with a court of competent jurisdiction. In any interpleader action, the circuit court shall be empowered, in its discretion, to appoint a receiver to administer the application of the funds. Any notice or request provided for in this Paragraph shall be in writing.

7. The Escrow Agent in the performance of its duties under this Agreement shall be deemed an independent party not acting as the agent of the Developer, any Purchaser, Co-owner, or other interested party. So long as the Escrow Agent relies upon any certificate, cost estimate, or determination made by a licensed professional engineer or architect as described in the Act, the Escrow Agent shall have no liability whatever to the Developer or to any Purchaser, Co-owner, or other interested party for any error in such certificate, cost estimate, or determination, or for any act or omission by the Escrow Agent in reliance thereon. The Escrow Agent shall be relieved of all liability upon release, in accordance with this Paragraph, of all amounts deposited with it as required by the Act.

8. The Escrow Agent may require reasonable proof of occurrence of any of the events, actions, or conditions stated in this Agreement before releasing any sums held by it under a Purchase Agreement to the Purchaser or to the Developer.

9. Upon making delivery of the funds deposited with the Escrow Agent under a Purchase Agreement and performance of the obligations and services stated in both the Purchase Agreement and in this Escrow Agreement, the Escrow Agent shall be released from any further liability under any such Agreement, it being expressly understood that liability is limited by the terms and provisions of such Agreement, and of this Agreement, and that by acceptance of this Agreement, the Escrow Agent is acting in the capacity of a depository and is not as such, responsible or liable for the sufficiency, correctness, genuineness or validity of the instruments submitted to it, or the marketability of title to any Unit reserved or sold under any other Agreement. The Escrow Agent shall not be responsible for the failure of any bank used by it as an escrow depository for funds received by it under this escrow.

10. The Developer hereby agrees to indemnify and hold the Escrow Agent harmless for any loss or damage sustained by the Escrow Agent, including, but not limited to, attorneys' fees resulting from any litigation arising from the performance of the Escrow Agent's obligations and services, provided such litigation is not a result of the Escrow Agent's wrongful act or negligence.

11. For purposes of this Agreement, a licensed professional engineer or architect means a member of those professions who satisfies all requirements of the laws of the State of Michigan for the practice of the profession, and who is not an employee of the Developer or of a firm in which the Developer or an officer or director of the Developer is a principal or holds 10% or more of the outstanding shares of that firm.

12. All notices required or permitted under this Agreement and all notices of change of address shall be deemed sufficient if personally delivered or sent by registered or certified mail, postage pre-paid and return receipt requested, addressed to the recipient party at the address shown below such party's signature to this Agreement or upon any of the other said Agreements. For purposes of calculating time periods under the provisions of this Agreement, notice shall be deemed effective upon mailing or personal delivery, whichever is applicable.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers on the date set forth at the outset hereof.

WATTS CONSTRUCTION COMPANY

By: ______________________________

Its: ______________________________

METROPOLITAN TITLE

By: ______________________________

Its: ______________________________

4069035.2\109553-00005
DRAFT 09/25/09 12:32 PM

E

Michigan Department Of Energy, Labor & Economic Growth

Filing Endorsement

This is to Certify that the ARTICLES OF INCORPORATION - NONPROFIT

for

RIVERVIEW HILLS CONDOMINIUM ASSOCIATION

ID NUMBER: 70739A

received by facsimile transmission on July 10, 2009 is hereby endorsed

Filed on July 10, 2009 by the Administrator.

The document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.

In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 10TH day of July, 2009.

, Director

Bureau of Commercial Services

Sent by Facsimile Transmission 09191

ARTICLES OF INCORPORATION

OF

RIVERVIEW HILLS CONDOMINIUM ASSOCIATION

These Articles of Incorporation are signed by the Incorporator for the purpose of forming a nonprofit corporation pursuant to the provisions of Act 162 of the Public Acts of 1982, as follows:

ARTICLE I

The name of the Corporation is: Riverview Hills Condominium Association.

ARTICLE II

The purpose or purposes for which the Corporation is organized are as follows:

(a) To manage and administer the affairs of and to maintain a condominium in the Township of Cooper, County of Kalamazoo, State of Michigan, known as Riverview Hills, all appurtenances thereto and the common elements, property and easements thereof (the "Condominium");

(b) To levy and collect assessments against and from the members of the Corporation and to use the process therefrom for the purposes of the Corporation, and to enforce assessments through liens and foreclosure proceedings where appropriate;

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

(d) To restore, repair or rebuild the Condominium, or any portion thereof, after occurrence of casualty, and to negotiate on behalf of all of the members in connection with any taking of the common elements of the Condominium, or any portion thereof, by eminent domain;

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

(f) To make reasonable rules and regulations governing the use and enjoyment of the Condominium by members and their tenants, guests, employees, invitees, families and pets and to enforce such rules and regulations by all legal methods, including, without limitation, imposing fines and late payment charges, or instituting eviction or legal proceedings;

(g) To own, maintain and improve, and to buy, sell, convey, assign, transfer, mortgage or lease (as landlord or tenant), or otherwise deal in any real or personal property, including, but not limited to, any Condominium unit, easements, rights-of-way, licenses or any other real property, whether or not contiguous to the Condominium, to benefit the members of the Corporation and to further any of the purposes of the Corporation;

(h) To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Corporation, and to secure the same by mortgage, pledge or other lien on the Corporation's property; provided, however, that any such action shall be subject to limitation in amount and to voter approval as provided in the Condominium Bylaws;

(i) To enforce the provisions of the Master Deed and Bylaws of the Condominium and of these Articles of Incorporation and such Bylaws, rules and regulations of this Corporation 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;

(j) To do anything required of or permitted to it as administrator of said Condominium by the Condominium Master Deed or Bylaws or by Act No. 59 of the Public Acts of 1978, as amended; and

(k) 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.

ARTICLE III

Said Corporation is organized upon a nonstock basis.

The amount of assets which said Corporation possesses is:

Real Property — None.

Personal Property — None.

Said Corporation is to be financed under the following general plan:

Assessment of Members.

ARTICLE IV

Said Corporation is organized on a membership basis.

ARTICLE V

The address of the initial registered office is:

Keystone T.I. Sub, LLC
107 West Michigan Avenue
Kalamazoo, MI 49007

The name of the initial resident agent at the registered office is: Thomas O. Schlueter.

ARTICLE VI

The name and address of the Incorporator is:

Keystone T.I. Sub, LLC
Attn: Thomas O. Schlueter
107 West Michigan Avenue
Kalamazoo, MI 49007

ARTICLE VII

The names and addresses of the first Board of Directors are:

Thomas O. Schlueter, 107 West Michigan Avenue, Kalamazoo, MI 49007
Ryan M. Tuttle, 107 West Michigan Avenue, Kalamazoo, MI 49007
Brendan P. Byford, 107 West Michigan Avenue, Kalamazoo, MI 49007

ARTICLE VIII

The term of this Corporation shall be perpetual.

ARTICLE IX

The qualifications of members, the manner of their admission to membership in the Corporation, the termination of membership and voting by members shall be as follows:

(a) Each co-owner, including Keystone T.I. Sub, LLC, a Michigan limited liability company (the "Developer"), as successor developer to Riverview Hills, LLC, a Michigan limited liability company, of a Condominium unit shall be a member of the Corporation, and no other person or entity shall be entitled to membership; except that the Incorporator shall be a member of the Corporation until such time as the Developer becomes a member as hereinafter provided, at which time the Incorporator's membership shall terminate.

(b) Membership in the Corporation (except with respect to the Incorporator, who shall cease to be a member upon the qualification for membership of any co-owner) shall be established by the acquisition of legal or equitable title to a Condominium unit and by recording with the Register of Deeds in the County where the Condominium is located a deed or other instrument evidencing such title and the furnishing of evidence of same satisfactory to the Corporation (except that the Developer of the Condominium shall become a member immediately upon establishing the Condominium), the new co-owner thereby becoming a member of the Corporation, and the membership of the prior co-owner of such unit thereby being terminated. If more than one person owns a Unit, 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.

(c) Neither membership nor the share of the member in the funds and assets of the Corporation can be assigned, pledged or transferred in any manner, except as an appurtenance to a Condominium unit.

(d) Voting by members shall be in accordance with the provisions of the Bylaws of this Corporation.

ARTICLE X

Any action required or permitted to be taken at an annual or special meeting of members may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by members having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all members entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to members who have not consented in writing.

ARTICLE XI

A contract or other transaction between this Corporation and one or more of its directors or officers, or between this Corporation and another corporation, firm or association of any type or kind, in which one or more of this Corporation's directors or officers are directors or officers, or are otherwise interested, is not void or voidable solely because of such common directorship, officership or interest, or solely because such directors are present at the meeting of the board or committee thereof which authorizes or approves the contract or transaction, or solely because their votes are counted for such purpose if:

(a) The contract or other transaction is fair and reasonable to this Corporation when it is authorized, approved or ratified; or

(b) The material facts as to the director's or officer's relationship or interest and as to the contract or transaction are disclosed or known to the board or committee, and the board or committee authorizes, approves or ratifies the contract or transaction by a vote sufficient for the purpose without counting the vote of any common or interested director; or

(c) The material facts as to the director's or officer's relationship or interest as to the contract or transaction are disclosed or known to the members, and they authorize, approve or ratify the contract or transaction.

ARTICLE XII

A volunteer director (as herein defined) shall not be personally liable to the Corporation or to its members for monetary damages for a breach of the directors fiduciary duty provided that such a director shall continue to be liable for: (i) a breach of the director's duty of loyalty to the Corporation or its members, (ii) acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (iii) a violation of Section 551(1) of the Michigan Non-profit Corporation Act, (iv) a transaction from which the director derives an improper personal benefit, (v) an act or omission that is grossly negligent. A volunteer for purposes of this Article shall mean a director who does not receive anything of substantial monetary value from the Corporation for service as a director other than reasonable per diem compensation and reimbursement for actual, reasonable and necessary expenses incurred by director in his or her capacity as a director.

ARTICLE XIII

These Articles of Incorporation may be amended, altered, changed or repealed only by the affirmative vote of not less than seventy-five (75%) percent of the entire membership of the Corporation; provided, that in no event shall any amendment make changes in the qualification for membership or the voting rights of members without the unanimous consent of the membership.

I, the Incorporator of the above-named Corporation, hereby sign these Articles of Incorporation on this 9th day of July, 2009.

Incorporator:

KEYSTONE T.I. SUB, LLC,
a Michigan limited liability company

Thomas O. Schlueter

By: Thomas O. Schlueter
Its: Manager

PREPARED AND WHEN FILED RETURN TO:
John Novak, Esq.
Miller, Canfield, Paddock and Stone, PLC
277 South Rose Street, Suite 5000
Kalamazoo, Michigan 49007

KZLIB:601443.1\109553-00005
07/06/09 10:55 AM

F

Michigan Department of
Labor & Economic Growth

THE CONDOMINIUM BUYER'S HANDBOOK

The Michigan Department of Labor & Economic Growth created the Condominium Buyer's Handbook as required by the Condominium Act (PA 59 of 1978, as amended). This edition includes Public Act 385 of 2002 amendments.

PREFACE

The Department of Labor & Economic Growth has NO authority to enforce or regulate any provisions of your bylaws for condominium developments or the Act.

The Condominium Buyer's Handbook is a guide for people who are interested in buying a condominium. For your protection, you should read this booklet before you sign a purchase agreement. This handbook contains a summary of portions of the Condominium Act. Although the information is directed primarily toward residential condominium buyers, the Act also covers business, manufactured housing, campground and marina condominium developments. The last section of the handbook describes the legal remedies that are available to you based on the Condominium Act.

Although the Department of Labor & Economic Growth is the designated administrator in the Act, the Legislature repealed the Department's regulatory and enforcement responsibilities in 1983.

Additional information may be found on our website at: www.michigan.gov/condo

NOTE: A person or association of co-owners adversely affected by a violation of, failure to comply with, the Condominium Act, administrative rules, or any provision of your bylaws or master deed may take action in a court of competent jurisdiction.

CONDOMINIUM OWNERSHIP

Condominium unit co-owners have exclusive ownership rights to their unit and the right to share the common elements of the condominium development with other co-owners. The condominium subdivision plan, which is part of the master deed, identifies which areas are units and which areas are common elements.

The co-owners own and maintain the development once the developer has sold all the units, unless the local government agrees to take responsibility for maintaining a portion of the development. Roads are an example of a portion of a condominium development that may become public.

The master deed provides the percentage of ownership for each condominium unit in the development. This percentage is the basis for determining your obligation for payment of monthly maintenance fees, assessments for major repairs, and may determine your voting percentage at association meetings. The association of co-owners determines how much the monthly maintenance fee will be and assesses each owner for repairs to the common elements.

READ THE BYLAWS

Read the bylaws for the association and condominium development as they contain provisions outlining your rights and obligations as a co-owner.

You are obligated the pay the monthly maintenance fee and any assessments. If there are no restrictions in the bylaws that place limits on increasing the monthly fee, the association has the right to determine the amount. If the roads, or any other portion of the common elements in the development need repair, the association will determine the amount each owner is responsible for paying. If there are no restrictions in the bylaws regarding assessments, the association has the right to determine the amount. If you fail to pay an assessment or monthly fee, the association may place a lien on your unit.

Modifications or repairs to your unit may require approval of the co-owners association. If you do not obtain approval, the association may take legal action against you.

Before signing a purchase agreement, you should be aware of any restrictions on pets, renting, displaying items outdoors, and other prohibitions in the bylaws. Even if a restriction is not in the bylaws when you purchase, the association may amend the bylaws. Only changes that materially affect the co-owners require a vote of all co-owners.

You may not have the right to attend association meetings unless the bylaws specify that you may attend. The bylaws may not require associations to provide minutes of their meetings to co-owners.

PRELIMINARY RESERVATION AGREEMENTS

A preliminary reservation agreement gives you the opportunity, for a specified time, to purchase a particular condominium unit upon sale terms to be determined later.

The developer must place the payment you make in an escrow account with an escrow agent. If you make a payment under a preliminary reservation agreement and cancel the agreement, the developer must fully refund the money. If you enter into a purchase agreement, the developer must credit the payment toward any payment due in the purchase agreement.

PURCHASE AGREEMENTS

A purchaser may withdraw from a signed purchase agreement without cause or penalty within nine business days as long as the property has not been conveyed to the purchaser. The nine-business day window starts the day the purchaser receives all the documents that the developer is required to provide. The developer must deposit payments made under a purchase agreement in an escrow account with an escrow agent.

Before signing an agreement, it is advisable to seek professional assistance to review all condominium documents.

Some issues to consider before buying include the following:

- **Do not rely on verbal promises** - insist that everything be in writing and signed by the appropriate parties involved in the transaction.
- The bylaws may contain a variety of restrictions. You may be required to receive association approval for certain actions. If you do not obtain prior approval, the association has authority to enforce the legal restrictions in the bylaws.
- You may be subject to a binding purchase agreement before construction is complete. Determine whether the agreement will provide you with adequate rights if the developer does not finish the unit in time to meet the occupancy date.
- You may wish to contact the local government to determine if the developer is contractually obligated to finish the development.
- Review all restrictions, covenants, and easements that might affect the condominium project or your unit.
- Determine if the developer has reserved any rights to alter the project.
- Before signing a purchase agreement, make sure you have financing, or that the agreement specifies it is dependent on your ability to obtain a mortgage commitment for the unit.
- When buying a condominium unit in a structure, you may also be a joint owner of the furnace, roof, pipes, wires and other common elements. Ask for an architect's or engineer's report on the condition of all building components, their expected useful life and building maintenance records.

There is no governmental agency that regulates condominium associations and management companies. Only a judge has authority to order an association to comply with the Condominium Act and bylaws.

DOCUMENTS THE DEVELOPER MUST PROVIDE

The developer must provide copies of the following documents to a prospective purchaser:

1. The recorded master deed.
2. A copy of the purchase agreement and the escrow agreement.
3. The condominium buyer's handbook.
4. A disclosure statement that includes:
   - The developer's previous experience with condominium projects.
   - Any warranties undertaken by the developer.
   - The extent to which financial arrangements have been provided for completion of all structures and improvements labeled "must be built" on the subdivision plan.
   - An itemization of the association's budget.

ASSOCIATION OF CO-OWNERS (CONDOMINIUM BOARD)

Initially, the developer appoints the board of directors, who govern the development until the first annual meeting. The provisions for holding the annual meeting and designating the voting procedures should be included in the condominium development bylaws. The Condominium Act, (Section 52), describes the procedure for transitioning from the developer to the association of co-owners for the governing of the development. (Also see "Election of Association of Co-owners Board of Directors" later in this handbook.)

The co-owners elect the association, which is responsible for governing the development and maintaining the general common elements. The general common elements may consist of hallways, lobbies, building exteriors, lawns, streets (if the roads are private), recreation facilities, heating, water and electric systems. The association may hire a management company to provide services for the development. They also have the right to assess co-owners for repairs. After the creation of the association, the association may adopt bylaws for the operation of the association. Rules governing the condominium development are in the bylaws that the developer created for the condominium development.

A condominium association is a private, not public entity. Meetings of the association are not subject to the Open Meetings Act, which requires public agencies to make attendance at meetings open to the public and requires the provision of minutes that describe actions taken at the meeting.

Associations are required by law to keep books and records with a detailed account of the expenditures and receipts affecting the project and its administration, and which specify the operating expenses. The developer must provide a disclosure statement itemizing the association's budget at the time you receive the master deed.

Associations are required to maintain a reserve fund for major repairs and replacement of common elements. The minimum amount is 10% of the annual budget on a non-cumulative basis. If the association needs additional funds for major repairs, they may have the right to assess each owner. Monthly fees and assessments are a lien on the condominium unit. You may not be exempt from monthly fees and assessments by nonuse of the common elements or by abandonment of the condominium unit.

If you have a complaint with the association or other co-owners, review the condominium bylaws to determine what recourse you have. Generally, only professional arbitrators or the courts have jurisdiction over complaints between these parties.

DOCUMENTS THE ASSOCIATION MUST PROVIDE

The association must provide a financial statement annually to each co-owner. The books, records, and contracts concerning the administration and operation of the condominium project must be available for examination by any of the co-owners at convenient times. All books and records must be audited or reviewed by an independent accountant annually, but the audit does not have to be certified. The association must keep current copies of the master deed, all amendments to the master deed, and other condominium documents available at reasonable hours to co-owners, prospective purchasers and prospective mortgagees.

SITE CONDOMINIUMS

The term "site condominium" is not legally defined in the Condominium Act. It is used to describe a condominium development with single-family detached housing instead of two or more housing units in one structure.

Site condominium developments must comply with the Act. The Act requires developers to notify the appropriate local government of their intent to develop a condominium project. The type of review the development is subject to depends on the local government's ordinances. Site condominium documents are not reviewed by the State for conformance with the Condominium Act.

Another type of single-family-residential housing development in Michigan is a subdivision which is regulated according to the Land Division Act. Although a site condominium development may look like a subdivision developed in accordance with the Land Division Act, they are not the same. Subdivisions developed pursuant to the Land Division Act are subject to state review for conformance with the Land Division Act. Subdivisions developed pursuant to the Land Division Act must be approved for compliance with the Land Division Act before the developer may sell any real estate.

LIMITED OR GENERAL COMMON ELEMENTS

Common elements mean the portions of the condominium project other than the condominium unit. Limited common elements are areas with usage restrictions. A carport space assigned to a unit is a limited common element. The yard of a single family detached unit, for use by the owner of that unit, may be a limited common element. General common elements such as roads, open space areas and recreation facilities are available for use by everyone in the development. The master deed specifies which areas of your condominium development are designated as limited or general common elements. Use of the common elements is governed by the bylaws for the condominium development.

ADVISORY COMMITTEE

The advisory committee is established when one of the following occurs, whichever happens first: 120 days after 1/3 of the units are sold or one year after a unit is sold to a non-developer co-owner.

The purpose of the advisory committee is to meet with the development's board of directors to facilitate communication and aid in the transition of control from the developer to the association of co-owners. The advisory committee ceases when a majority of the association of co-owners is elected by the (non-developer) co-owners.

ELECTION OF ASSOCIATION OF CO-OWNERS BOARD OF DIRECTORS

No later than 120 days after 25% of (non-developer) co-owners have title to the units; that may be created, at least one director, and not less than 25% of the board of directors shall be elected by the co-owners.

No later than 120 days after 50% of (non-developer) co-owners have title to the units that may be created, at least one third of the board of directors shall be elected by the co-owners.

No later than 120 days after 75% of (non-developer) co-owners have title to units, and before 90% are sold, the co-owners shall elect all but one director on the board. The developer shall have the right to designate one director only if the developer owns and offers for sale at least 10% of the units, or as long as 10% of the units remain to be created.

If titles to 75% to 100% of the units that may be created have not been sold 54 months after the first conveyance, the (non-developer) co-owners shall elect the number of board members equal to the percentage of units they hold. If the developer has paid all assessments, the developer has the right to elect the number of board members equal to the percentage of units that are owned by the developer.

CONDOMINIUM DOCUMENTS

The condominium documents include the master deed, condominium subdivision plan, bylaws for the condominium project, and any other documents referred to in the master deed or bylaws. In addition, the developer is required to provide a disclosure statement.

Once the association is established, it may adopt another set of bylaws pertaining to the association's operation. The association or management company must keep books and records with a detailed account of the expenditures and receipts affecting the project and its administration, and which specify the operating expenses.

AMENDMENTS TO CONDOMINIUM DOCUMENTS

If the condominium documents contain a statement that the developer or association of co-owners has reserved the right to amend the documents for that purpose, then the documents may be amended without the consent of the co-owners, as long as the change does not materially alter or change the rights of a co-owner.

The master deed, bylaws and condominium subdivision plan may be amended, even if the amendment will materially alter or change the rights of a co-owner with the consent of at least 2/3 of the votes of the co-owners and mortgagees.

The method or formula used to determine the percentage of value of each unit for other than voting purposes cannot be modified without the consent of each affected co-owner.

A co-owner's condominium unit dimensions or limited common elements may not be modified without the co-owner's consent.

The association of co-owners may amend the condominium documents as to the rental of units or terms of occupancy. The amendment does not affect the rights of any lessors or lessees under a written lease executed before the effective date of the amendment, or condominium units that are owned or leased by the developer.

REMEDIES AVAILABLE PURSUANT TO THE CONDOMINIUM ACT

A developer who offers or sells a condominium unit in violation of the Act is liable to the purchaser for damages.

A person or association of co-owners adversely affected by a violation of, or failure to comply with, the Act, the administrative rules issued under the authority of the Act, or any provision of an agreement or a master deed may take action in a court with jurisdiction. The court may award costs to the prevailing party.

A co-owner may take action against the association of co-owners to compel the association to enforce the condominium documents. To the extent that the condominium documents expressly provide, the court shall determine costs of the proceeding and the successful party shall recover those costs.

A co-owner may take action against another co-owner for injunctive relief or for damages for noncompliance with the terms of the condominium documents or the Act.

For condominium projects established on or after May 9, 2002, the bylaws must contain a provision that disputes relating to the interpretation of the condominium documents or arising out of disputes among co-owners may be resolved through arbitration. Both parties must consent to arbitration and give written notice to the association. The decision of the arbitrator is final and the parties are prohibited from petitioning the courts regarding that dispute.

A co-owner, or association of co-owners, may execute a contract to settle by arbitration for any claim against the developer that might be the subject of a civil action. A purchaser or co-owner has the exclusive option to execute a contract to settle by arbitration for any claim against the developer that might be the subject of a civil action and involves less than $2,500. All costs will be allocated in the manner provided by the arbitration association. A contract to settle by arbitration must specify that the arbitration association will conduct the arbitration. The method of appointment of the arbitrator will be pursuant to rules of the arbitration association. Arbitration will be in accordance with Public Act No. 236 of 1961, (MCL 600.5001 to 5065), which may be supplemented by rules of the arbitration association. An arbitration award is binding on the parties to the arbitration.

The Condominium Act provides the right to notify the governmental agency that is responsible for the administration and enforcement of construction regulations of an alleged violation of the state construction code, other applicable building code, or construction regulation.

A person who willfully and knowingly aids in misrepresentation of the facts concerning a condominium project, as described in the recorded master deed, is guilty of a misdemeanor and shall be punished by a fine, imprisonment, or both. Actions under MCC 559.258 shall be brought by the prosecuting attorney of the county in which the property is located, or by the department of attorney general.

A person can not take action arising out of the development or construction of the common elements, or the management, operation, or control of a condominium project, more than three years from the transitional control date or two years from the date of the cause of the action, whichever occurs later. The transitional control date is the date the board of directors takes office by an election where the co-owners' votes exceed the developer's votes for the board members.

A condominium developer may be required to be a licensed residential builder under the Occupational Code (PA 299 of 1980, Article 24, as amended). A complaint for a violation of the **Michigan Occupational Code** or administrative rules, must be made within 18 months after completion, occupancy, or purchase of a residential structure. Conduct subject to penalty is described in the Occupational Code (MCL 339.2411). Complaints concerning construction may be filed with:

Michigan Department of Labor & Economic Growth
Bureau of Commercial Services
Enforcement Division
P. O. Box 30018
Lansing, MI 48909
Phone: (517) 241-9202
www.michigan.gov/dleg

The **Michigan Consumer Protection Act** prohibits certain methods, acts, practices, and provides for certain investigations and prescribes penalties. Complaints regarding an alleged violation of the Consumer Protection Act may be filed with:

Michigan Department of Attorney General
Consumer Protection Division
P. O. Box 30213-7713
Lansing, MI 48909
Phone: (517) 373-1140
www.michigan.gov/ag

LEGAL REFERENCES

Condominium Act, P.A. 59 of 1978, as amended, MCL 559.101 et seq.
Condominium Rules, R559.101 et seq, 1985 Michigan Admin Code.
Occupational Code, P.A. 299 of 1980, as amended, MCL 339.101 et seq.
Consumer Protection Act, P.A. 331 of 1976, as amended, MCL 445.901 et seq.
Stille-DeRossett-Hale Single State Construction Code Act, P.A. 230 of 1972, as amended, MCL 125.1501 et seq.

Approval: DLEG Director
PUB-C-0139 (5/06)

6

RIVERVIEW HILLS
WAIVER OF NINE (9) BUSINESS DAYS

The undersigned, ____ and ____, hereby waive the right of withdrawal from a purchase of a condominium unit as stated in the Michigan Condominium Act.

We specifically understand that Section 84 of the Michigan Condominium Act (Public Act 59 of 1978, as amended) specifically states and guarantees to us that the Purchase Agreement that we have entered into with Watts Construction Company, a Michigan corporation, whose address is 5071 Gull Road, Kalamazoo, Michigan, 49048, as successor Developer to Riverview Hills, LLC, shall not become binding upon us, and that we may withdraw from the Purchase Agreement without cause and without penalty before the conveyance of the unit and within nine (9) business days after receipt of the documents required by Section 84A of the Michigan Condominium Act as previously stated. We further understand that the calculation of the nine (9) business day period shall include the day on which the documents were received by us if that day is a business day.

We further understand that all deposits made herein have been paid in escrow to Metropolitan Title Company, 7117 South Westnedge Avenue, #1, Portage, Michigan, 49002-4201 ("Escrow Agent") under an Escrow Agreement between the Developer and Escrow Agent. We understand that if we had withdrawn within the nine (9) business days, the Escrow Agent would have been required to return our money to us within three (3) business days after notification to them that we had withdrawn. We further understand that in the Condominium Subdivision Plan all structures and improvements are labeled and have, in fact, been labeled throughout all advertising and in all condominium documents that we have seen as "AS BUILT" "MUST BE BUILT" or "NEED NOT BE BUILT."

We further state that on the date set forth on the RIVERVIEW HILLS - RECEIPT we were provided with all of the documents identified in the RIVERVIEW HILLS - RECEIPT.

We, the undersigned, further state that we knowingly and voluntarily waive our rights to the protections provided by the right of withdrawal within the nine (9) business days as stated in Section 84 of the Michigan Condominium Act, being Public Act 59 of 1978, as amended.

It is our desire to close and purchase the condominium Unit No. _______ of Riverview Hills prior to the expiration of nine (9) business days from the date that we receive the documents required by the Michigan Condominium Act.

WITNESSES

______________________________ ___________________________________

______________________________ ___________________________________

On this ______ days of ________________, 20____, before me personally appeared ___________________________________ and ___________________________________, who, being first duly sworn, deposes and says that he/she has read the foregoing instrument by him/her subscribed and knows the contents thereof and that the same is true of his/her own knowledge except as to those matters therein stated to be upon information and belief; and as to those matters, he/she believes them to be true.

____
Notary Public
________________ County, Michigan
Acting in ____________ County, Michigan
My Commission Expires: ______________

4069036.2\109553-00005
DRAFT 09/29/09 2:12 PM