

**CRYSTAL VIEW VILLAS
PURCHASER INFORMATION BOOKLET**

Contents:

1. Crystal View Villas Receipt and Instruction Sheet
2. Condominium Buyer's Handbook
3. Crystal View Villas Disclosure Statement
4. Recorded Crystal View Villas Master Deed
5. Articles of Incorporation of the Crystal View Villas Association
6. Crystal Springs Declaration of Residential Use Restrictions
7. Escrow Agreement with Transamerica Title Insurance Company

RECEIPT AND INSTRUCTION SHEET

Dear Co-Owner:

At this time, we are furnishing you with the Crystal View Villas Purchaser Information Booklet which contains the following documents (some of which are required to be provided by Section 84a of the Michigan Condominium Act):

1. Disclosure Statement of Crystal View Villas
2. Condominium Buyer's Handbook published by the Michigan Department of Commerce
3. Recorded Master Deed of Crystal View Villas
4. Articles of Incorporation of the Crystal View Villas Association filed July 13, 1989 with the Michigan Secretary of State
5. Crystal Springs Declaration of Residential Use Restrictions
6. Escrow Agreement with Transamerica Title Insurance Company

As provided in Section 84 of the Michigan Condominium Act, your purchase agreement (a copy of which you previously received or which you are now receiving) cannot become binding until the lapse of nine (9) business days from today. During that time, you should carefully read the accompanying documents which control the operation of the condominium 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 and instruction sheet to acknowledge that it and the described documents have been delivered to you.

Very truly yours,

LANDQUEST-CRYSTAL, INC.

By: _____

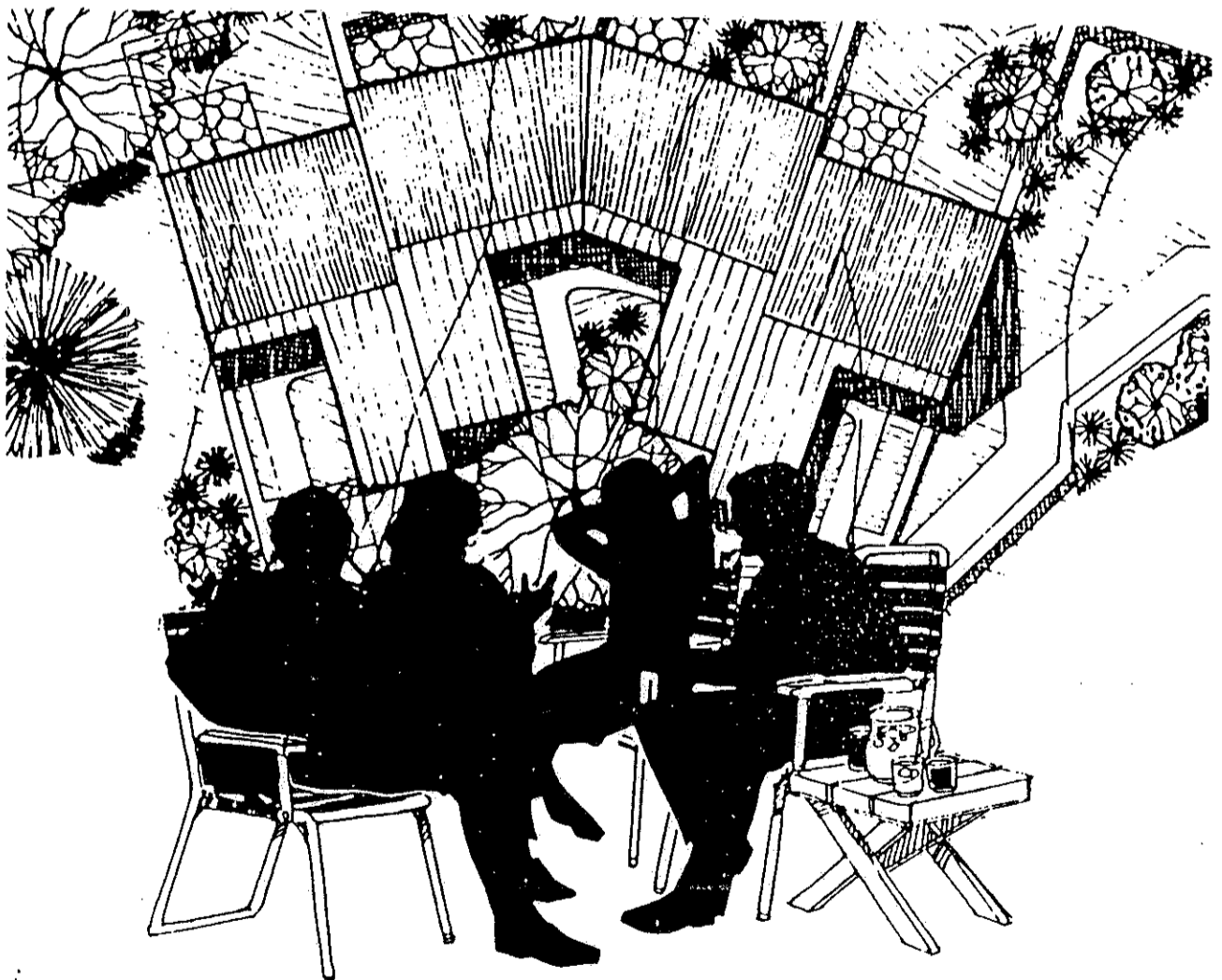
(If more than one purchaser, all must sign)

Unit No: _____

Dated: _____, 19__

The Condominium Buyers Handbook

down-to-earth answers to your questions
about the condominium concept in Michigan



Corporation and Securities Bureau/Michigan Department of Commerce



Do You Know . . .

- Your rights and responsibilities as a co-owner?
- The developer's background and financial references?
- What's planned for future development in the project?
- The developer's rental policy?
- When the recreation facilities will be completed?
- Who will control the recreation facilities?
- What's included as standard equipment in your unit?
- What's under warranty?
- What costs are included in the monthly assessment?
- When the co-owners will be permitted to vote for directors of the condominium's Association?
- How condominium living differs from other types of residential living?
- The difference between a Preliminary Reservation Agreement and a Purchase Agreement?

**You Should Know The Answers To
These Questions Before Buying A
Condominium**



Introduction

The first edition of this booklet was published by the Corporation and Securities Bureau, Michigan Department of Commerce in 1975. Since then, there have been changes in both the condominium industry and the law governing the development of condominiums. On March 14, 1978, a new condominium act, designed in part to provide condominium purchasers more protection than the previous Horizontal Real Property Act of 1963, was signed into law and the handbook was revised to reflect the changes.

On January 17, 1983, an amendment to the Condominium Act (1978, PA 59) became effective. This amendment, P.A. 538 of 1982, changed the law so that condominium developers will no longer file applications with the Department of Commerce for approval of their project before marketing units or establishing the project by recording the condominium documents with the county register of deeds. This latest edition updates the information to include 1982 PA 538 and subsequent amendments.

While the condominium concept has expanded in recent years to include commercial and industrial projects, the information presented in this booklet is directed primarily toward the prospective buyer of a residential condominium. Read this booklet and all documents relating to the particular project carefully so you may make an informed decision.

Keep in mind that most developers have well-earned reputations for honesty, integrity and competence. If a negative factor is encountered in a particular project, it does not necessarily mean the project is unsound or that the developer is unscrupulous. It may be due to an oversight or lack of understanding which can be easily corrected.

In all cases, we recommend that you seek professional assistance from a lawyer or other business advisor before buying a condominium.

What Is a Condominium

You've heard about condominiums, read newspaper ads, or perhaps have a friend or relative who is living in one. Now you are considering the purchase of a condominium unit for yourself.

What, actually, is a condominium?

The word *condominium* comes from a Latin word meaning common ownership or control. Ordinarily it means individual ownership of all the space inside the inner walls of an apartment or house and common ownership of the structures and land. This division between exclusive and common ownership exists regardless of the form or design of the project. The project may take the form of a high-rise, duplex, townhouse, or single family dwelling. In other forms of condominium projects such as mobile homes, campground, or marina, the exclusive ownership may be merely a cube of airspace within which a mobile home, recreational vehicle, or boat is parked or anchored. The common ownership would be the land and improvements such as concrete pads and piers and the utility systems.

The inner space, which you own, is yours to decorate, to maintain, to live in. Usually, everything else in the condominium development—the exterior walls, the land, the common hallways, the recreation facilities—is the common property of everyone who owns a unit and is termed *common elements*.

Limited or General Common Elements

Some of this commonly-owned property, such as your patio or balcony or carport space, is called *limited common elements* and is restricted to use by your family only. In the case of stairways or laundry facilities it may be limited to other families who live in your building, but it remains the common property of all the co-owners in the development. The rest of the common elements—roads, green areas, recreation facilities—are termed *general common elements* and are available for use by everyone in the development. You must read your legal documents carefully to understand which parts of your condominium are designated as limited, or general, common elements.

The co-owners of a condominium are legally organized into an association, which is responsible for governing and maintaining the common elements of the condominium. Each co-owner pays a monthly fee or assessment for these services.

Condo Advantages

Condominiums account for an increasing share of the housing market. There are several reasons for this:

- Condominiums, like single-family homes, offer owners certain tax deductions, appreciate in equity value and (unlike rentals) offer assurance of long-term occupancy.
- Condominiums often are more convenient to shopping and business facilities due to land use patterns, and demand less individual maintenance than single-family homes.
- Condominium projects may contain more recreational facilities (such as swimming pools and tennis courts) than an individual homeowner could reasonably afford.
- Condominiums are an economical and environmentally sound use of land compared to a subdivision containing the same number of living units.

How They Began

Condominiums are not a new concept in housing. The Romans used them and they were popular in the walled cities of the Middle Ages in what is now Western Europe. In the first half of the 20th century other European countries enacted statutes permitting condominiums.

A few condominiums existed in the United States as early as 1947, but they were not legally established in this country until 1961.

The concept of condominium housing was first incorporated into Michigan law with the passage of the Horizontal Real Property Act in 1963. Fifteen years later this law proved inadequate to meet the needs of the fast-growing condominium industry and in 1978, a new Michigan condominium law was enacted, PA 59 of 1978. This law, administered by the Corporation and Securities Bureau of the Michigan Department of Commerce, is important to buyers and developers of condominiums in Michigan because it provides safeguards for both parties and outlines the rights and responsibilities of each.

For condominium purchasers it establishes the legal basis for two relationships: (1) between the buyer and the developer of the condominium, and (2) between the owner of a condominium unit and the association of co-owners.

The Buyer and the Developer

Section 21 of the Michigan Condominium Act provides in part that: "A condominium unit located within this state may not be offered for its initial sale in this state unless the offering is made in accordance with this Act or the offering is exempt by rule of the administrator."

P.A. 538 of 1982, effective January 17, 1983, changed the law, in that the developer is no longer required to have a Permit To Take Reservations or Permit To Sell prior to offering condominium units to the public. In addition, developers and associations will no longer be required to obtain approval of amendments to project documents, even though the documents may indicate approval is required.

Under the amended Condominium Act, the developer will be required, unless exempt, to meet a more stringent escrow requirement. The developer is required to create a series of escrow accounts to assure completion of the construction of a phase of a project once sales have started. A licensed architect or engineer would determine if the project was substantially complete or would set the amount of escrow necessary to ensure the developer's ability to complete those portions of the project that must be built.

Advertising and Sales

There are some prohibitions on the content of the developer's advertising, including newspaper ads, radio and television announcements, brochures, material in the sales office, sales presentations, and the housing models themselves.

The developer or salesman cannot advertise or tell you orally

- that your unit will automatically increase in value if you wish to sell in the future;
- that you must act quickly to purchase a unit because of limited availability or because the price will increase, unless this is actually the case;
- that you will receive a discount or savings, or that you will receive "free" goods or services for purchasing a unit, unless this is actually the case.

In a model of the unit, the developer must tell you which items are not standard equipment, such as special flooring, carpeting, ceiling beams, moldings, light fixtures, patios, fences, or other features.

Persons selling condominiums in Michigan are also subject to the rules of the Michigan Department of Licensing and Regulation and are usually required to hold a real estate broker's or salesperson's license.

Preliminary Reservation Agreements and Purchase Agreements

Once you've made up your mind which condominium you want, you will be asked to sign one of the following agreements:

Preliminary Reservation Agreement This agreement will never become a binding sales document. It is not binding on either you or the developer. It simply gives a prospective purchaser the first opportunity to buy a specific unit once the developer has established the project. Many developers use this method to test the market for their project. Since the Preliminary Reservation Agreement can never become a binding sales

document, you must then enter into a Purchase Agreement with the developer, if you decide to buy. However, should you cancel, the developer must refund your money within three business days.

Purchase Agreement This agreement may be the first agreement you sign with the developer or it may follow the use of a Preliminary Reservation Agreement. In either case, this agreement is not binding until nine business days after the developer has delivered the condominium documents to you, as the prospective purchaser. The condominium documents that must be delivered would include:

- the recorded master deed, which would include as attachments the condominium bylaws and condominium subdivision plans
- a copy of the purchase and escrow agreements
- Condominium Buyers Handbook
- Disclosure Statement
- If the project is a conversion, the developer must disclose known information regarding the condition of the building, any building code or other regulation violations, and the year(s) of construction of the building

If you decide not to buy during the nine business day "cooling off" period, you may still request and receive your deposit in full, within three business days of cancellation notification.

If you decide to withdraw *after* the cooling off period, your deposit may be forfeited. A provision in a purchase agreement for liquidated damages in case of default is limited by the Condominium Act to a reasonable percentage of the purchase price of the condominium unit. The provision does not prevent the developer from recovering actual damages.

If you want to close the transaction immediately without waiting for the nine business day "cooling off" period, you can do so by signing a written waiver. The sale of the unit could then be concluded when the certificate of occupancy is issued to the developer, and other requirements in the purchase agreement are completed.

The agreements and other documents used for the offer and sale of a condominium are different from those used for the offer and sale of conventional real estate. It is important that you seek professional advice or assistance when reviewing the package of documents received before signing a preliminary reservation agreement or purchase agreement. You may also find it necessary to modify an agreement or contract to meet your particular needs or circumstances. You may be subject to a binding purchase agreement before construction begins or is completed.

The Master Deed, Condominium Bylaws and the Disclosure Statement

The condominium documents mentioned in the preceding section—the master deed, condominium bylaws and disclosure statement—contain important information about the project in which you're interested.

The master deed and condominium bylaws, along with the condominium subdivision plans, are the basic documents establishing and describing your condominium and the future operation of the project. These documents must be recorded with the Register of Deeds in the county where the condominium is located.

The disclosure statement contains a summary of important information about the developer's previous experience.

What Percent of the Project Do You Own?

The master deed will designate the percentage of ownership each condominium unit has in the total project. This percentage of value will determine your obligation for payment of assessments and may determine your voting percentage at association meetings. In some instances, the master deed may state that all votes and obligations to pay assessments will be equal. The percentage of value in that case only describes what your percentage of ownership in the total property will be. Read your master deed carefully to determine which method is used. This can be a controversial matter if not fully understood from the beginning.

Read the Fine Print!

Read all these documents carefully. You should be aware of restrictions or covenants which govern the use of your condominium and the surrounding land. Check the master deed and your preliminary reservation agreement or purchase agreement to learn what, if anything, the developer reserves the right to change or modify in the future. The most common reservation is the right to expand or contract the project. Make sure you understand just how the developer plans to do this. Many developers build a small number of units at a time, holding sections of nearby land for other phases or future parts of the condominium. The right to do this is reserved in the master deed. It is important to know what will be built in the vicinity of your condominium.

Other usual reservations are the right to correct survey errors, the right to make changes in the documents that do not materially diminish the rights of the co-owners or mortgagees, the right to assign specific garage or parking space locations at a later date and the right to rent units that are not sold.

You should also inquire about any unusual conditions that might affect the project. If the roads are private, for example, how much will it cost for maintenance? Is there a private water or sewage system? Are there any easements other than public utility easements which might affect the condominium project or your unit?

If your project contains recreational facilities, find out what the developer's financial obligations are for these facilities and the responsibilities of the co-owners for the financing and management of the facilities. Find out if third parties will be using the facilities and when the facilities will be turned over to the association.

Warranties

Most buyers also are interested in the kind of warranty that comes with their condominium. The answer usually is found in the purchase agreement. The developer normally warrants the project against building defects in materials or workmanship for one year. Be sure to find out when the warranty begins and whether it covers building structures, recreational facilities, roads, sidewalks and

shrubbery. Remember that warranties generally cover only new construction. There may be no warranty if you are buying a unit in a conversion project.

Conversions—How Good?

Many conversion projects are offered "as is" to the buyer. Although local authorities may inspect the building's heating, plumbing, and electrical systems, roofing and structure, the developer will not guarantee the project if it is offered "as is." You may want to personally inspect the building for these items.

It is important to be aware when local authorities inspect the building it is to be sure it conforms to construction codes in effect at the time the structure was originally erected or remodeled. This may or may not be up to the current code for new construction depending on the age of the building. Any extensive remodeling done at the time of conversion, however, would have to meet current construction standards.

Pitfalls and Safeguards

Since a condominium is a large investment of your money, ranging from about \$20,000 to more than \$150,000, it is important that you be fully informed before you buy. And, beyond being fully informed about the condominium itself, the single most important step you can take before you buy is to *know your developer* before entering into a binding agreement. The two things you should be looking for in a developer are competence and integrity. Ask about the developer's previous experience. The disclosure statement will list the names and addresses of projects with which the developer has been associated. Visit those projects and talk to the people who live in them. If people are already living in the condominium project you are considering, discuss the project and the developer with them.

The "pitfalls" mentioned here represent problems a person could conceivably encounter in the purchase of a condominium. The "safeguards" describe steps one can take to avoid them.

1. *Pitfall*—Yielding to a high pressure sales pitch by signing contracts or agreements which you do not fully understand.

Safeguard—Do not take a chance on losing your investment. Carefully review all documents and seek professional assistance.

2. *Pitfall*—Falling for a sales pitch which emphasizes the advantages of equity buildup and maintenance-free living, but does not point out the responsibilities of owning a condominium.

Safeguard—Do not be gullible; get all the facts and weigh them. Owning a condominium is not the same as renting an apartment where you can rely on the landlord to maintain your building. You and other co-owners are your own landlords and will be collectively responsible for arranging for the upkeep of your project.

3. *Pitfall*—Entering into a binding purchase agreement which does not depend on your being able to obtain a mortgage commitment or acceptable financing.

Safeguard—Do not sign a binding purchase agreement until you have arranged your financing or unless the agreement specifies that it is dependent upon your ability to obtain a mortgage commitment for the condominium you wish to buy. Otherwise you could lose your deposit as liquidated damages if you are unable to obtain financing.

4. **Pitfall**—Assuming that you will have to pay only the purchase price before moving into your condominium.

Safeguard—Determine in advance the total amount due at the time you complete the deal. In addition to the purchase price, you may have to pay settlement or closing costs. Some developers also charge advance assessments which are due at closing. Find out if your developer does this and determine how the advance assessments will be used.

5. **Pitfall**—Relying on verbal promises regarding such matters as when your unit will be ready for occupancy, warranties, stability of monthly assessments and items the developer will install.

Safeguard—Do not rely on verbal promises. If you are promised something, insist that it be put in writing and signed by the person who made the promise. If you have been given a date when your condominium will be ready, find out if the date has been given on a firm commitment basis (that it will be ready on that date no matter what), or if the date is subject to change under certain conditions (strikes, material shortages or other reasons). If you are shown a model unit, find out what items will be included in your unit and be sure they are written into the purchase agreement.

6. **Pitfall**—Assuming that you will not be able to hear your neighbor because your condominium has been "sound conditioned."

Safeguard—Sound conditioning is not the same as sound proofing. Sound conditioning merely means that the developer has taken some steps to reduce the transmission of sound between units—not to eliminate it.

7. **Pitfall**—Deciding to purchase a unit in a "conversion" condominium project because "they don't make 'em like they used to and the price is right."

Safeguard—Purchase price savings can be quickly used up through high assessments. When buying a condominium in a structure which has been converted from an existing building, keep in mind that you will not only become the owner of a unit, but also a joint owner of the furnace, roof, pipes, wires and other common elements. Ask for a copy of an architect or engineer's report on the condition of all building components and their expected useful life. Ask to see copies of the building maintenance records for preceding years. Find out what improvements the developer has made. Do not be misled by a fresh coat of paint and new carpeting. Find out what, if any, warranties remain.

The Buyer and the Association

When you take title to your unit, you automatically become a co-owner and a voting member of the co-owners' association formed to administer the affairs of the condominium. The association is usually a non-profit corporation. The value of each vote is normally determined by the percentage of value given to each living unit and is stated in the master deed. However, voting and the obligation to pay assessments may not necessarily be equal, and this fact also must be stated in the master deed and condominium bylaws.

Who's in Charge?

The association is governed by a board of directors appointed by the developer until the first annual meeting. This initial meeting of the co-owners to elect members to the board of directors may take place one year or more after the master deed is recorded. The provisions for holding the annual meeting and designating the voting procedures are included in the condominium bylaws, along with other information about the operation of the association. The condominium bylaws are attached to and incorporated by reference in the master deed you receive when you buy a condominium. The bylaws should be read carefully as they may contain complete provisions outlining your rights as an owner as well as the scope of activities permitted co-owners of the project during the transition.

Before the first annual meeting of the association, the developer may have the ability to amend the condominium bylaws so long as the amendment does not materially affect the rights of the co-owners. If units are still being sold after the first association meeting, the developer votes and pays assessments as any other co-owner.

Associations Have Bylaws, Too!

The association also operates under its own bylaws, in addition to the condominium bylaws. Association bylaws provide for the operation of the association as a non-profit corporation including details regarding officers, directors, meetings, order of business, and so forth.

Responsibilities and Rights

The Association

The association usually is responsible for maintenance of the outside of the condominium units, such as hallways, lobby, building exterior, lawn care, snow removal, trash pick-up, street maintenance (if the roads are private), and operation of the common elements, including the recreation facilities, heating plant, water or electric systems. These jobs are done through a management firm or manager hired by the association, by employees hired directly by the association, or, in some cases, by co-owners themselves.

The association sets fees for the maintenance of those common elements which fall under its responsibility as stated in the master deed or other condominium documents and may increase the charges. Special assessments may be made by the board of directors to cover capital improvements, but generally any substantial increase in the monthly assessment must first be approved by a vote of the co-owners. The condominium bylaws often set the dollar limit on what may be approved by the board of directors without a vote of the co-owners.

The condominium bylaws also provide methods for settling disputes concerning interpretation or application of the master deed, bylaws, management agreement or between co-owners, between co-owners and the association, or between the association and the management firm.

The Co-owners

While the association is responsible for maintaining the common elements of the condominium, you are responsible for the maintenance and upkeep of your unit interior.

There may be restrictions on your use of your unit that can be enforced by the association. They include such things as: restrictions on pets; selling or renting your unit to someone of your choice; willing it to another person. Check for these in the condominium bylaws.

The association also sets rules for use of the recreational facilities and other common elements. It may require approval of repairs or structural modifications you wish to make in your unit. If

you mortgage your unit, you must notify the association of the name of the lender who is holding the mortgage, and the association may inform the mortgage holder of unpaid assessments due from you for your unit. Late charges and other penalties for non-payment of assessments are also common provisions found in the condominium bylaws.

All condominium associations created and operating under the Condominium Act must make provisions for a reserve fund to be used for major repairs and replacement of common elements. Ultimately, the co-owners must determine whether the amount kept in the reserve account is adequate for their project.

and More Questions . . .

Some additional questions often asked by prospective buyers are:

- What does the monthly assessment include?
- If I don't use all the facilities, why do I have to pay for them?
- What happens regarding unpaid monthly assessments if a co-owner defaults?

The monthly assessment varies from one development to another, but generally includes repairs and maintenance costs, insurance, reserve funds, management costs and upkeep for recreation facilities. You should receive a disclosure statement itemizing the budget at the time you are given the master deed.

If the project is a conversion—that is, converted from rental housing to condominium ownership—the developer should report actual past costs of maintenance and repairs and taxes from previous years and how they compare with the proposed budget. Remember, however, that the project may be assessed differently for tax purposes when it is converted, which could mean a tax increase.

The monthly assessment is considered as a lien on the condominium and you cannot exempt yourself from paying it, whether you use all the facilities provided or not.

If a co-owner loses a condominium unit through foreclosure to a lender, the lender is not liable for assessments charged to the unit and still owing. The unpaid assessments will be allocated among all of the units, including the foreclosed unit.

What to Do If You Have a Complaint

A reputable developer is interested in dealing with you fairly if you have problems with your condominium. It is in the developer's best interest to create satisfied owners, and, therefore, the majority of your questions and complaints usually can be handled by direct communication and negotiation between the two of you.

Ask your developer for the name, address and telephone number of the person within its organization to contact when you have a complaint.

If your project was established after the Condominium Act amendments took effect in 1983, your purchase agreement should contain wording that explains your right to take any claims against the developer, which involve \$2,500.00 or less, before the American Arbitration Association.

There are procedures to follow if you are not satisfied with the construction of the development, or you think you have been misinformed by a condominium sales representative, or you are in disagreement with the practices of the co-owners' association, or if some other problem does arise.

If your difficulty is with the developer, first contact the developer by letter. If no response is received within 15 days after the developer receives a certified, return receipt requested letter, contact:

1. For Construction Defects:
 - A. Your local building inspector
 - B. Michigan Department of Licensing and Regulation,
Bureau of Realty and Environmental Services, Complaint
Analysis Division, P.O. Box 30018, 808 Southland,
Lansing, Michigan 48909.
Telephone: (517) 374-9625

2. For Sales Misrepresentations:

- A. Corporation and Securities Bureau, Michigan Department of Commerce, P.O. Box 30222, Lansing, Michigan 48909.
Telephone: (517) 373-8026
or
- B. Michigan Department of Licensing and Regulation,
Bureau of Realty and Environmental Services, Complaint
Analysis Division, P.O. Box 30018, 808 Southland,
Lansing, MI 48909
Telephone: (517) 374-9625

3. Actions Regarding Purchase Agreement or Master Deed:

Corporation and Securities Bureau,
Michigan Department of Commerce,
P.O. Box 30222, Lansing, Michigan 48909
Telephone: (517) 373-8026

If you have a complaint with the association at the time it is controlled by the co-owners or with other co-owners, check the condominium bylaws to find out what recourse you have. Neither the Corporation and Securities Bureau nor other state agencies generally have jurisdiction over complaints between these parties.

The Corporation and Securities Bureau requests that you submit a written complaint on forms which you may obtain from the Bureau. You should include copies of any documents that support your complaint when you forward it to the bureau for review.

When the bureau receives your complaint, it will contact you to get any other necessary information and then determine whether the bureau has jurisdiction. If so, contact is made with the developer to try to work out a solution that is satisfactory to everyone involved. If negotiation fails to settle the dispute, the bureau may consider other administrative remedies. If it does not have jurisdiction, the bureau may make a referral to another state agency.

If a developer, real estate broker or related party violates the Condominium Act, the Corporation and Securities Bureau may decide to impose certain sanctions or refer the matter to the attorney general or local prosecutor.

In addition, you may have civil remedies available. For instance, a developer who attempts to close on a unit without delivering the required documents is liable under Section 115 of the Act to the purchaser of the unit for damages.

The jurisdiction of certain agencies such as the Michigan Department of Licensing and Regulation may be limited to complaints filed within a specific period of time after construction or sale. For this reason it is important that you pursue any complaints quickly and be able to back up any claims.

At the end of this handbook is a section entitled "Available Remedies Under the Condominium Act." This is a reference to the portions of the Act that grant certain rights to the consumer in pursuing complaints.

Remember:

The best protection in buying a condominium is your own common sense. Follow these steps and you should enjoy condominium ownership:

1. **Know Your Developer.**
2. **Read and Know the Contents of Your Condominium Documents.**
3. **Get Sales Promises in Writing.**
4. **Don't Submit to High Pressure Sales Tactics.**
5. **Get the Answers to the Questions In This Book.**

What the Words Mean

Assessment (Operating)

Proportionate share of the budgeted annual cost which is paid as a monthly charge to maintain the common areas and elements of a condominium and to maintain a sufficient reserve fund to assure financial stability.

Assessment (Special)

An assessment made for some special purpose or because of inadequate budgeting of operating expenses.

Association of Co-Owners

All of the co-owners acting as a group in accordance with the master deed and bylaws for the administration of the project. The co-owner can exercise voting rights in the association.

Condominium Bylaws

The operation of the property is governed by a set of bylaws which are recorded with the master deed. The bylaws impose certain duties and obligations on the co-owners and the association such as timing of meetings, record keeping, and determination and collection of assessments.

Association Bylaws

The association bylaws set forth the operating procedures for the association.

Common Interest

The percentage of undivided interest in the common elements apportioned to each unit as expressed in the master deed.

Co-Owner

A person who buys a unit in a condominium project becomes a co-owner. A co-owner owns a divided interest in the unit purchased, which may be a fee simple interest or a land contract vendee's interest, and has an undivided co-interest in all the common property in the condominium project.

Default

The failure to meet certain contractual obligations, such as monthly payments or maintenance of the property.

Easement

An easement in a condominium refers to the right of use under, across or over the land and improvements in the condominium, such as the sewer pipe or utility easement running beneath the surface of the land, the right to walk over a parking area or over the lobby area and stairways, and the right to have the utility lines running through the walls of a building.

Escrow Funds

Subscription deposits or downpayments required to be held unused, until the condominium project is recorded and titles are conveyed to each buyer.

Liability and Hazard Insurance (Association)

Insurance to protect against negligent actions of the co-owners association and damages caused to property by fire, windstorm, and other common hazards. This policy differs from the homeowner's personal insurance on the unit and furnishings.

Lien

A claim recorded against a property as security for payment of a just debt.

Limited Common Element

Those common elements designated in the Master Deed and reserved for the use of a certain unit to the exclusion of other units, such as hallways on a given floor reserved for the use of the apartment owners on that floor, carports, patios, or balconies.

Master Deed

The basic document used in the creation of a condominium, describes the division of the project into units and common elements.

Mortgage Commitment

The written notice from the bank or other lender saying that it will advance the mortgage funds in a specified amount to enable one to buy the unit.

Reserve Funds (Replacement)

Funds which are set aside usually in escrow from monthly association assessments to replace common elements, such as roofs, at some future date.

Taxes

Local real estate taxes are levied on the individual units and not on the condominium association.

Undivided Interest

In condominium law, the joint ownership of common areas in which the individual percentages are known but not applied to separate the areas physically. This situation is similar to the joint ownership of an automobile or home by husband and wife.

Available Remedies Under The Condominium Act

Section 145 of the Act provides that at a minimum, a purchaser would have the following remedies available to resolve a complaint:

1. The right to bring an action under Section 115 of the Act.

Section 115 provides a person or association of co-owners adversely affected by a violation of, or a failure to comply with, the Act, Rules promulgated under the Act, or any provision of an agreement or a Master Deed, may bring an action for relief in a court of competent jurisdiction. This section provides that the court may award costs to the prevailing party. The section also provides that under certain circumstances, the court may award damages to the purchaser because of the developer's actions.

A purchaser or association of co-owners considering this remedy should consult with their legal advisor.

2. The right to arbitration under Section 144 of the Act. Section 144 provides:

- "(1) A contract to settle by arbitration may be executed by the developer and any claimant with respect to any claim against the developer that might be the subject of a civil action.
- (2) At the exclusive option of the purchaser, co-owner, or person occupying a restricted unit under section 104b, 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 \$4,500.00 and arises out of or relates to a purchase agreement, condominium unit, or project.
- (3) At the exclusive option of the association of co-owners, 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 related to the common elements of a condominium project, if the amount of the claim is \$10,000.00 or less.

- (4) The period of limitations prescribed by law for the bringing of a civil action shall apply equally to the execution of a contract to settle by arbitration under this section.
- (5) All costs of arbitration under this section shall be allocated in the manner provided by the arbitration association.
- (6) A contract to settle by arbitration under this section shall specify that the arbitration association shall conduct the arbitration.
- (7) The method of appointment of the arbitrator or arbitrators shall be pursuant to reasonable rules of the arbitration association.
- (8) Arbitration under this act shall proceed according to sections 5001 to 5065 of Act No. 236 of the Public Acts of 1961, being sections 600.5001 to 600.5065 of the Michigan Compiled Laws, which may be supplemented by reasonable rules of the arbitration association.
- (9) An arbitration award shall be binding on the parties to the arbitration."

A purchaser or association of co-owners considering this remedy should consult with their legal advisor.

3. The right to lodge a complaint pursuant to Article 5 of the Occupational Code (Section 501 to 522 of 1980 P.A. 299).

A condominium developer may be required to be a licensed residential builder under the Occupational Code. Complaints concerning construction would be filed with the Department of Licensing and Regulation, Complaint Division, P.O. Box 30018, Lansing, Michigan 48909.

4. The right to initiate an investigation or bring an action under the Michigan Consumer Protection Act, 1976 P.A. 331.

This is an Act to prohibit certain methods, acts, and practices in trade or commerce; to prescribe certain powers and duties; to provide for certain remedies, damages, and penalties; to provide for the promulgation of rules; to provide for certain investigations; and to prescribe penalties.

Complaints may be filed with the Department of Attorney General, Consumer Protection Division, 525 West Ottawa, Lansing, Michigan 48913. Complaints may also be filed with the Prosecuting Attorney in the county in which the condominium project is located.

A purchaser or association of co-owners considering this remedy may wish to consult with their legal advisor.

5. The right to notify the appropriate enforcing agency of an alleged violation of the State Construction Code, other applicable building code, or construction regulations. The term "enforcing agency" is defined in the State Construction Code, 1972 P.A. 230, as the local building official.

Section 150 of the Act grants certain discretionary powers to the Bureau as specified at Sections 151 to 156 which shall be exercised only with respect to actions which materially endanger or have endangered the public interest or the interest of condominium co-owners, as enumerated at Section 154. Sections 151 to 156 state the following:

"Sec. 151. The administrator in its discretion may:

(a) Make private investigations within or without this state as it deems necessary to determine if a person violated or is about to violate this act or a rule promulgated or order issued under this act, and may publish information concerning the violation of this act or rule or order.

(b) Require a developer to file a written statement in response to complaints received by the administrator and forwarded to the developer. The statement shall set forth the facts and circumstances concerning the matter raised in the complaint. Failure to respond to a letter requiring information within 15 days after its receipt shall be ground for issuance of immediate order directing a response.

Sec. 152. (1) For the purpose of an investigation or proceeding under the act, the administrator or its authorized representative upon making application to the circuit court and showing of cause that a violation may occur or has occurred and obtaining order of said court, may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of books, papers, correspondence, memoranda, agreements, or other documents or records which the administrator deems relevant or material to the inquiry.

(2) The administrator or any of its officers or employees shall not disclose to the public any investigative information which is filed with, or obtained by, the administrator and which is not made public under this act. This act shall not be construed to authorize the administrator or any of its officers or employees to disclose investigative information except among themselves or when necessary or appropriate in a proceeding or investigation under this act, or to federal, state, local, or foreign governmental agencies for their official use. This act shall not be construed to create or derogate a privilege which exists at common law or otherwise when documentary or other evidence is sought under subpoena directed to the administrator or any of its officers or employees.

Sec. 153. If the administrator has reason to believe that a person is in violation of this act, the administrator shall notify the person and the developer of the investigation and the possibility of administrative or civil action at least 10 days before commencement and the proceeding. Before commencement of administrative proceedings the administrator may issue a nonpublic statement of intent to commence proceedings to persons who are subjects of an investigation relating to possible violations of the act. The notice shall provide that the subjects of the investigation shall have opportunity to show why proceedings should not be commenced against them. If a response satisfactory to the administrator is received, then further proceedings under this act shall not be required.

Sec. 154. The administrator may issue an order to show cause why an order barring or suspending a person from condominium development, sales or management, should not issue if it finds that the order is in the public interest and that actions which materially endanger or have endangered the public interest or

the interest of condominium co-owners exist and said actions are enumerated and limited to the following:

(a) A disclosure statement, the master deed, or a related document filed with the administrator in connection with a condominium project is incomplete in any material respect or contains a statement which is false or misleading in the light of the circumstances under which it is made.

(b) This act, or a rule, order, or condition lawfully imposed under this act, has not been complied with or was violated, in connection with the offering by the person filing the document; the developer; a partner, officer, director, proprietor, or manager of the developer; or a person directly or indirectly controlling, or directly controlled by, the developer.

(c) The condominium project worked or tended to work a fraud, deception, or imposition, or would so operate, or the condominium project would create an unreasonable risk to prospective co-owners, as defined by rules promulgated by the administrator.

(d) The developer, a partner, officer, director, proprietor, or manager of the developer, or a person directly or indirectly controlling or directly controlled by the developer, or a person identified in a disclosure statement, was convicted of an offense under this act within the past 10 years, is the subject of an administrative order under this act, or has had a civil judgment entered against him or her as a result of a violation of this act or a rule or order promulgated pursuant to this act; and said judgment has not been satisfied and the administrator determines that the involvement of the person in the sale or development of the condominium project creates an unreasonable risk to prospective co-owners.

(e) The developer, a partner, officer, director, proprietor, or manager of the developer, or a person directly or indirectly controlling or directly controlled by the developer, or a person identified in a disclosure statement was:

(i) Convicted of a violation.

(ii) Had a civil judgment entered and has not satisfied said judgment as a result of a violation of a statute regulating

the offering of securities or franchises or licensing or regulating builders, real estate brokers, or real estate sales persons; or as a result of a violation of Act No. 286 of the Public Acts of 1972, as amended, being sections 565.801 to 565.835 of the Michigan Compiled Laws, or a rule promulgated or order issued thereunder.

(f) The developer's method of business, construction, development, or sales includes or would include activities which are illegal.

(g) The applicant failed to diligently seek or was denied appropriate zoning, building, public health, or environmental permits.

Sec. 155. (1) When the administrator has cause to believe that a person engaged in an act or practice constituting a violation of this act or a rule promulgated or order issued under this act, the administrator may issue a notice to show cause why a cease and desist order should not be issued.

(2) After 10 days' notice and opportunity for hearing the administrator may stop construction as to part or all of a condominium project when the continuous building would cause irreparable harm to co-owners of the condominium project.

(3) If the administrator knows or has cause to believe that funds of individual co-owners or the association of co-owners were misapplied, converted by the developer, or that the developer understated maintenance or other fees for the purpose of enticing purchasers, or otherwise failed to meet financial obligations to the project, the administrator may require an appropriate escrow of funds from sales of condominium units pending resolution of the matter provided, however, that the escrow requirement under this section shall not impair any contractual rights of any first mortgagee to repayment of its loan from the proceeds of the sale of condominium units.

Sec. 156. A person may not represent that the fact that an application under this act is filed or a permit is granted constitutes a finding by the administrator that a document filed under this act is true, complete, or not misleading. A person may not represent that the administrator passed upon the merits or qualifications of, or recommended or gave approval to, a person, developer, transaction, or condominium project."

This handbook is published as a general guide for people who are considering buying a condominium. It is not intended as a substitute for the Michigan Condominium Act (1978 P.A. 59), or for the rules of the Corporation and Securities Bureau that pertain to condominiums, or for the specific condominium documents of any development.

DISCLOSURE STATEMENT
CRYSTAL VIEW VILLAS

Gaines Township, Michigan

Successor Developer

Landquest-Crystal, Inc.
P.O. Box 8308
7200 Kalamazoo, S.E.
Caledonia, MI 49316
Telephone: (616) 698-1122

Crystal View Villas is a residential condominium project containing 79 single-family building sites, each of which constitutes a condominium unit.

THIS DISCLOSURE STATEMENT IS NOT A SUBSTITUTE FOR THE MASTER DEED, THE CONDOMINIUM BUYERS 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.

Effective date: August 1, 1997

DISCLOSURE STATEMENT
CRYSTAL VIEW VILLAS

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DISCLOSURE STATEMENT CRYSTAL VIEW VILLAS

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, is 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.

Crystal View Villas is being developed by Landquest-Crystal, Inc. as a part of the larger development known as Crystal Springs. The overall development is contemplated to include the development of a 523-acre site, with the Crystal Springs Country Club as the focal point. A total of 188 condominium units are contemplated, including Crystal View Villas. Fountain View Villas and Wexford Villas which together consist of 109 units precede Crystal View Villas in the Crystal Springs development. Crystal View Villas will contain 79 single-family building sites. Crystal Springs Country Club has an 18-hole championship golf course, lighted tennis courts and a competition-size swimming pool. None of these facilities or amenities is a part of Crystal View Villas and the purchase of a condominium unit at Crystal View Villas provides no guarantee or assurance as to how much of the contemplated Crystal Springs development will occur. It is anticipated that the Crystal Springs Country Club will give a preference to residents at Crystal Springs in allocating memberships, but again the purchase of a condominium unit in Crystal View Villas will provide no guarantee as to membership in the Crystal Springs Country Club or what the cost associated with any such membership would be.

Landquest-Crystal, Inc. purchased all of the unsold Units constituting the first phase of Crystal View Villas and all of the developer's rights in the Project from Crystal Springs Development Corporation, the original Developer of Crystal View Villas. Landquest-Crystal, Inc. has granted Pulte Homes of Michigan Corporation ("Pulte") a non-exclusive option to purchase and develop certain unsold condominium units in Crystal View Villas.

II. The Condominium Concept

A. General. Condominium is a method of subdividing and describing 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 the restrictions contained in the Condominium Documents and applicable statutory provisions.

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

All portions of the Project not included within the Units constitute the Common Elements. Limited Common Elements are those Common Elements which may be set aside for use by less than all Unit owners. General Common Elements are all Common Elements other than Limited Common Elements. The only planned Common Elements are the private roads and utility systems within the Project.

The Project is administered generally by Crystal View Villas Association, a Michigan nonprofit corporation of which all owners are members (the "Association"). The nature and duties of the Association are described more fully in Section VI of this Disclosure Statement.

Except for the year in which the Project is established by the recording of the Master Deed or, in the case of Units added to an expanding Project by amendment to the Master Deed, the year in which any such amendment is recorded, 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. In the year in which the Project is established or in which an expansion amendment is recorded, the taxes and assessments for the Units covered by the Master Deed or expansion amendment usually 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.

B. Condominium Building Sites. Crystal View Villas is different from most residential condominium projects in this area because the condominium units in this Project consist of only the individual building sites, and the Common Elements do not include the residences and other improvements to be constructed on the sites or appurtenant to the sites as Limited Common Elements. Each condominium unit consists only of the land included within the boundaries of the condominium unit. In the more common form of residential condominium project, the units consist of the air space enclosed within each of the residence units, and the Common Elements include the exterior structural components of the residences. In Crystal View Villas, each owner holds an absolute and undivided title to his or her Unit and to the residence and other improvements located thereon (to the extent such improvements are not designated in the Master Deed as Common Elements). Although the residences do not constitute Common Elements in this Project, the Association is responsible for the routine painting and/or staining of the exteriors of all residences and all fences enclosing or partially enclosing courtyards and patio areas and for the routine mowing and groundskeeping of any portion of a Unit that consists primarily of grass and that is not enclosed by fences or otherwise inaccessible to lawn maintenance equipment, as more fully set forth in the Condominium Documents. Unlike the usual residential condominium project, each owner in this Project also will be responsible for maintaining fire and extended coverage insurance on his or her Unit and the residence and other improvements located thereon and appurtenant thereto, as well as personal property, liability and other personal insurance coverage. The Association will maintain only liability insurance coverage for occurrences on the Common Elements and such other insurance on the Common Elements and otherwise as is specified in the Condominium Documents.

C. Other Information. Although the foregoing is generally accurate as applied to Crystal View Villas, the details concerning any particular subject may vary substantially. Accordingly, each purchaser is urged to carefully review all of the documents contained in the Crystal View Villas Purchaser Information Booklet as well as any other documents that have been delivered to the purchaser in connection with Crystal View

Villas. Any purchaser having questions pertaining to the legal aspects of the Project is advised to consult a lawyer or other professional advisor.

III. Description of the Condominium Project

A. Size, Scope and Physical Characteristics of the Project. Crystal View Villas is comprised of 79 Units, each of which consists of a building site as delineated on the Condominium Subdivision Plan, and upon which is to be constructed a residence and related improvements. It is anticipated that the residences will be a mixture of architectural styles approved by the Developer, all of which will be detached free standing residences. Each residence will have a basement and a two-car garage. Some residences will have patio areas, courtyards, porches and other appurtenances. The driveway within each Unit is for the exclusive use of the Unit's owners and their guests; street parking is subject to rules and regulations of the Association with each Unit permitted no more than one guest car parked overnight in the street without Association approval.

B. Utilities. Crystal View Villas is served by a public water system, sanitary and storm sewers, gas, electric, and telephone service. All services will be individually metered to each residence and will be the responsibility of the owner. Gas service is furnished by Michigan Consolidated Gas Company, electricity is furnished by Consumers Energy Company and telephone service is provided by Ameritech. The costs of maintaining, repairing, and replacing the sanitary sewer and water leads (i.e., from the main to the point of entry to each residence) shall be the responsibility of the owner of each residence. The storm sewer, to the extent located within the Project boundaries, shall be maintained by the Association. The cost of maintaining, repairing and replacing the street lighting also shall be an Association expense. Trash removal will be contracted to a private contractor or contractors, as determined by the Association.

C. Roads. Portions of Crystal View Drive and Crystal Springs Boulevard have been dedicated as public roads. All other roads within Crystal View Villas are private and will be maintained by the Association unless they are dedicated at some future date. The Association will be responsible for maintaining and clearing (including snow removal) all other roads in the Project. Replacement, repair and resurfacing of the roads will be necessary from time to time as circumstances dictate. It is impossible to estimate with any degree of accuracy future roadway repair or replacement costs. It shall be the responsibility of the Association to inspect and perform preventative maintenance of condominium roadways on a regular basis in order to maximize the life of such roadways and to minimize repair and replacement costs.

D. Reserved Rights of Developer

(1) Sole Right to Approve/Construct Improvements. No residence or other improvement may be constructed in the Project until the Developer has approved the plans and specifications for the residence or other improvement, nor may the exterior appearance of any existing improvement in the Project be altered without the Developer's prior consent. Pulte will have the right to approve the plans and specifications for residences or other improvements on Units in the Project purchased by the Condominium owner from Pulte.

(2) Conduct of Commercial Activities. Until all of the Units in the Project have been sold (including the initial phase and any expansion phases), the Developer has reserved the right to maintain on the Condominium Property a sales office, a

business office, model units, storage areas, reasonable parking incident to the use of such areas and such access to, from and over the Condominium Property as may be reasonable to enable development and sale of the entire Crystal Springs development. The Developer is obligated to restore the areas so utilized to habitable status upon termination of use.

(3) Right to Amend. The Developer has reserved the right to amend the Master Deed and its exhibits without approval from owners and mortgagees for the purpose of correcting errors and for any other purpose so long as the amendment would not materially change the rights of an owner or mortgagee. Further, the Master Deed cannot be amended without the Developer's approval during the Development Period of the Crystal Springs development.

(4) Easements. The Developer has reserved such easements over the Condominium Project (including all Units and Common Elements) as may be required to perform any of the Developer's maintenance, repair, decoration, or replacement obligations and/or to further the Developer's development of the Crystal Springs development.

(5) General. In the Condominium Documents and in the Condominium Act, certain rights and powers are granted or reserved to the Developer to facilitate the development and sale of the Project as a condominium, including the power to approve and secure representation on the Board of Directors of the Association.

E. Recreational Facilities. The Project contains no recreational facilities. The Crystal Springs Country Club adjoining the Project has recreational facilities, but ownership of a condominium unit gives no rights to use those facilities.

IV. Legal Documentation

A. General. Crystal View Villas was established as a Condominium Project pursuant to the Master Deed recorded in the Kent County records and contained in the Crystal View Villas Purchaser Information Booklet. The Master Deed includes the Bylaws as Exhibit A and the Condominium Subdivision Plan as Exhibit B.

B. Master Deed. The Master Deed contains the definitions of certain terms used in the Condominium Documents, the percentage of value assigned to each Unit in the Condominium Project, a general description of the Units and General and Limited Common Elements included in the Project and a statement regarding the relative responsibilities for maintaining the residences and other improvements and the Common Elements in the Project. Article VI contains the provisions relating to the expansion of the Project, Article VII covers easements, Article VIII covers Unit Improvements or Alterations, Article IX covers Unit Boundary Relocations, Article X covers Subdivision of Units, Article XI covers the provisions for amending the Master Deed and Article XII provides that the Developer may assign to the Association or to another entity any or all of its rights and powers granted or reserved in the Condominium Documents or by law.

C. Bylaws. The Bylaws contain provisions relating to the operation, management and fiscal affairs of the condominium and, in particular, set forth the provisions relating to assessments of Association members for the purpose of paying the costs of operation of the Condominium Project. Article VI contains certain restrictions upon the ownership, occupancy and use of the Condominium Project. Article VI also contains provisions permitting the adoption of rules and regulations

governing the Common Elements. At the present time, the Board of Directors of the Association has adopted rules and regulations.

D. Condominium Subdivision Plan. The Condominium Subdivision Plan is a two-dimensional survey depicting the physical location and boundaries of each of the Units and all of the Common Elements in the Project.

V. The Developer and Other Service Organizations

A. Landquest-Crystal, Inc. Landquest-Crystal, Inc., the Developer of the Project, is a Michigan corporation established for the purpose of developing the Crystal Springs development. The Principals of Landquest-Crystal, Inc. are Richard DeVos, Daniel DeVos, and Robert VanderWeide. Landquest-Crystal, Inc.'s only prior experience in developing condominiums is in connection with this Project. A Condominium owner who purchases a Unit from Landquest-Crystal, Inc. must consult with Landquest-Crystal, Inc. before contracting with a general contractor for the construction of a residence or other improvement. A Condominium owner who purchases his or her Unit from Landquest-Crystal, Inc. should discuss any questions or issues concerning the Unit with Landquest-Crystal, Inc.

B. Pulte Homes of Michigan Corporation. Pulte Homes of Michigan Corporation ("Pulte"), a Michigan corporation, has agreed to buy certain Units from Landquest-Crystal, Inc. and to resell such Units to purchasers. Pulte is a Michigan licensed residential builder with extensive experience in residential construction and condominium development. Pulte is the sole approved general contractor for the construction of a residence or other improvement with respect to a Unit purchased from Pulte. A Condominium owner who purchases his or her Unit from Pulte should discuss any questions or issues concerning the Unit with Pulte.

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

VI. Operation and Management of the Condominium Project

A. The Condominium Association. The responsibility for management and maintenance of the Project is vested in the Crystal View Villas Association, which has been incorporated as a Michigan nonprofit corporation. The Articles of Incorporation of the Association are contained in the Purchaser Information Booklet. The Bylaws include provisions that govern the procedural operations of the Association. The Association is governed by its Board of Directors. The directors are elected by the nondeveloper owners of the Units in proportion to the number of Units which they own. The directors shall in turn elect officers of the Association. The Developer's voting rights are set forth in Section 8.2 of the Bylaws.

The Developer may establish an advisory committee to serve as liaison between the nondeveloper owners and the Developer.

B. Percentages of Value. The percentage of value of each Unit in Crystal View Villas is equal. The percentage of value assigned to each Unit determines, among other things, the value of each co-owner's vote and his proportionate share of regular and special Association assessments and of the proceeds of administration of the Project.

C. Project Finances.

(1) Budget. Article II of the Bylaws requires the Board of Directors to adopt an annual budget for the operation of the Project. The budget is intended to provide for the normal and reasonably predictable expenses of administration of the Project, and includes a reserve for replacement of major Common Element components of the Project. Since the budget must necessarily be prepared in advance, it reflects estimates of expenses. To the extent that estimates prove inaccurate during actual operations and to the extent that the goods and services necessary to serve 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 has been attached as an exhibit to this Disclosure Statement.

(2) Assessments. Each owner of a Unit, other than the Developer, must contribute to the Association to defray expenses of administration. Assessments are based upon the percentage of value assigned to each Unit. The Board of Directors may also levy special assessments in accordance with the provisions of Section 2.2 of the Bylaws. The Developer's obligation for contributing to expenses of administration of the Project is set forth in Section 2.7 of the Bylaws.

(3) Other Possible Liabilities. Each purchaser is advised of the possible liability of each Unit owner under Section 58 of the Condominium Act:

If the holder of the first mortgage or other purchaser of a condominium unit obtains title to that unit by foreclosing that mortgage, the holder of the first mortgage or other purchaser is not liable for unpaid assessments which are chargeable against that unit and which have become due prior to foreclosure. These unpaid assessments are common expenses which are collectible from all unit owners including the holder of the first mortgage who has obtained title to the unit through foreclosure.

D. Condominium Association Management Contract. The Association has engaged Landquest-Crystal, Inc. to manage the Association's finances until decided otherwise by the Board of Directors.

E. Insurance.

(1) Title Insurance. The Purchase Agreement provides that the Developer shall furnish each purchaser a commitment for an owner's title insurance policy issued by a title insurance company at or prior to closing, and that the policy itself shall be provided within a reasonable time after closing. The title insurance company for the Project shall be one licensed to do business in the State of Michigan. The cost of the owner's commitment and policy is to be paid by the Developer. Each purchaser should review the title insurance commitment with a qualified advisor of his or her choice prior to closing to make certain that it conforms to the requirements of the Purchase Agreement.

(2) Other Insurance. The Condominium Documents require that the Association carry fire and extended coverage, vandalism and malicious mischief and liability insurance and worker's compensation insurance, if applicable, with respect to all of the Common Elements of the Project. The insurance policies have deductible clauses and, to the extent thereof, losses will be borne by the Association. The Board of Directors is responsible for obtaining insurance coverage for the Association. Each owner's prorata share of the annual

Association insurance premiums is included in the monthly 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 Project will be furnished to each owner upon closing the sale of his or her Unit.

Each owner is responsible for obtaining insurance coverage with respect to the residence and other improvements constructed on his or her Unit, including the contents thereof, and other appurtenances thereto, to the extent indicated in Article IV of the Bylaws, and for liability for injury within his or her Unit and the improvements thereon and upon Limited Common Elements assigned to the specific Unit.

The Association should periodically review all insurance coverage to be assured of its continued adequacy and each owner should do the same with respect to personal insurance coverage.

F. Restrictions on Ownership, Occupancy and Use.
Article VI of the Bylaws sets 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 provision that may be of significance to a purchaser. Consequently, each purchaser should examine the restrictions with care to be sure that they do not infringe upon an important intended use. The following is a list of certain of the more significant restrictions:

(1) Units are to be used for single-family residential purposes only. The recorded Crystal Springs Declaration of Residential Use Restrictions are incorporated by reference and are included in the Purchaser Information Booklet for each purchaser's review.

(2) No owner may lease his Unit for less than an initial term of 1 year without prior written consent of the Association.

(3) There are detailed architectural control provisions requiring consent of the Developer prior to construction of any residences or other improvements that may be constructed in the Project.

(4) No animals, other than dogs, cats and pet birds, may be maintained by any owner in the Crystal Springs development under the Declaration of Residential Use Restrictions. Detailed restrictions are applicable to any permitted animals and are contained both in the Declaration of Residential Use Restrictions and the Condominium Bylaws.

(5) There are substantial limitations upon physical changes (including landscaping) which may be made to the Common Elements and to the Units and improvements in the Condominium Project, and upon the uses to which the Common Elements and Units may be put.

(6) Reasonable regulations may be adopted by the Board of Directors of the Association, without vote of the owners.

None of the restrictions apply to the commercial activities or signs of the Developer.

G. Crystal Springs Property Owner's Association. The Developer has recorded the Crystal Springs Declaration of Residential Use Restrictions which applies to the Condominium Project as well as to other residential areas of the Crystal Springs development. The restrictions contained within the Crystal Springs Declaration of Residential Use Restrictions are of equal importance to those contained within the Condominium Bylaws. A copy of the Declaration of Residential Use Restrictions is contained in the Purchaser Information Booklet and should be reviewed by each Purchaser because it contains important restrictions on activities and uses permitted in the Project. In addition, membership in the Crystal Springs Property Owner's Association is required of all condominium unit owners. Each Unit will be assessed dues and assessments by the Property Owner's Association, which dues and assessments will be limited to \$200.00 per Unit per year. This amount may only be increased by a majority vote of the members or by the Board of Directors as a result of increases in the Consumer Price Index. The restrictions contained in the Declaration of Residential Use Restrictions may be enforced either by the Crystal Springs Property Owner's Association or by the Condominium Association.

VII. Rights and Obligations Between Developer and 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. Those documents contain, among other provisions, the provisions relating to the disposition of earnest money deposits advanced by the purchaser prior to closing and the anticipated closing adjustments, and should be closely examined by all purchasers. The Escrow Agreement provides, pursuant to Section 103b of the Condominium Act, that the escrow agent shall maintain sufficient funds or other security to complete improvements shown as "must be built" on the Condominium Subdivision Plan until such improvements are substantially complete. Funds retained in escrow are not to be released to Developer until conveyance of title to a purchaser and confirmation by the escrow agent that all improvements labeled "must be built" are substantially complete. The only improvements labeled "must be built" on the Condominium Subdivision Plan are streets and utility mains since the unsold Units are unimproved building sites.

B. At Closing. Each Purchaser (other than a land contract purchaser) will receive by warranty deed fee simple title to his or her 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 and the Purchase Agreement for the Unit.

C. After Closing.

(1) General. Subsequent to the purchase of the Unit, relations between the Developer and the owner are governed by the Master Deed and the Condominium Act, except to the extent that any provisions of the Purchase Agreement are intended to survive the closing.

(2) Condominium Project Warranties.

(a) Developer's Warranty. Any warranty previously given by Developer with respect to any defects in workmanship or materials in the streets and utilities providing access and utility services to the Units has expired. Developer will have no liability for, or obligation to repair, any damage to the Units caused by rain, snow, drainage or flooding.

(b) Builder's Warranty. The Purchaser must read the specific warranty contained in the construction contract it signs. Developer is requesting that builders of residences warrant to the Purchaser that the residence and associated improvements constructed by the builder on the Unit will be constructed in a good and workmanlike manner. The Developer is requesting that, if Purchaser gives the builder written notice of alleged defects in workmanship or materials in the residence or associated improvements and requests inspection thereof within one year after closing, the builder will inspect the alleged defects; where the inspection reveals defects in workmanship or materials, builder will make reasonable repairs to cure such defects without cost to Purchaser. The builder will make no warranty with respect to appliances, hot water heaters, furnaces, and air conditioning units, but the builder will deliver to Purchaser warranty information provided by the manufacturer to builder with respect to appliances, hot water heaters, furnaces, and air conditioning units installed by builder and Purchaser may, at its option, pursue its own remedies thereon.

VIII. 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. 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 a Unit in the Condominium Project, each purchaser shall be deemed to have waived any claim or right arising out of or relating to any immaterial defect, omission or misstatement in this Disclosure Statement. Certain of the terms used herein are defined in the Condominium Act or the Master Deed of the Project.

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

The descriptions of the Master Deed and other instruments contained herein are summary only and may or may not completely and adequately express the content of the various Condominium Documents. Each purchaser is referred to the Master Deed and other instruments contained in the Purchaser Information Booklet. In accordance with the rules of the Michigan Department of Commerce, 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 Consumer & Industry Services.

EXHIBIT A

**CRYSTAL VIEW VILLA ASSOCIATION
PROPOSED 1997 MAINTENANCE BUDGET**

	1 Unit Monthly	1 Unit Annualized	79 Units Monthly	79 Units Annualized
REVENUE				
Dues	\$130.00	\$1,560.00	\$10,270.00	\$123,240.00
GROSS REVENUE	130.00	1,560.00	10,270.00	123,240.00
OPERATING EXPENSES:				
Lawncare/Snowplowing	71.00	852.00	5,609.00	67,308.00
Lights	0.11	1.32	8.69	104.28
Water	0.60	7.20	47.40	568.80
Sprinkler Maintenance	5.28	63.36	417.12	5,005.44
Sprinkler Repair	3.60	43.20	284.40	3,412.80
Garbage Removal	10.00	120.00	790.00	9,480.00
TOTAL OPERATING EXPENSES	90.59	1,087.08	7,156.61	85,879.32
GEN. AND ADMIN. EXPENSES				
Management Fee (10%)	13.00	156.00	1,027.00	12,324.00
Supplies/Postage/Copier	0.24	2.88	18.96	227.52
Bank Service Charges	0.17	2.04	13.43	161.16
TOTAL G & A EXPENSES	13.41	160.92	1,059.39	12,712.68
TOTAL EXPENSES	104.00	1,248.00	8,216.00	98,592.00
Reserve Charge (20%)	26.00	312.00	2,054.00	24,648.00
NET INCOME	\$0.00	(\$0.00)	\$0.00	\$0.00

MASTER DEED

CRYSTAL VIEW VILLAS

(Act 59, Public Acts of 1978,
as amended)Kent County Condominium Subdivision Plan No. 171

- (1) Master Deed establishing Crystal View Villas, a Condominium Project.
- (2) Exhibit "A" to Master Deed: Condominium Bylaws of Crystal View Villas.
- (3) Exhibit "B" to Master Deed: Condominium Subdivision Plan for Crystal View Villas.
- (4) Exhibit "C" to Master Deed: Proof of Service of Notice of Intention to Establish Condominium.

P.P. No. 41-22-09-126-002Verified by PD & M GM '89, SplitFROM: 001 '88-89126 / 100-016 '79-88JD NOT PART of
THIS DEED.

I HEREBY CERTIFY that there are No Tax Liens or Titles held by the State or any Individual against the within description, and all Taxes on same are paid for five years previous to the date of this instrument, as appears by the records in my office. This certificate does not apply to current taxes, if any now in process of collection.

Date August 31, 1989B. Walker

Deputy, Kent County Treasurer, Grand Rapids, Michigan

No interest in real estate being conveyed hereby, no revenue stamps are required.

This Master Deed Prepared By:
KEITH P. WALKER
MC SHANE & BOWIE
540 Old Kent Building
Grand Rapids, MI 49503

STATE OF MICHIGAN
COUNTY OF KENT
RECEIVED
Aug 31 3 37 PM '89
REC OF DEEDS
McShane & Bowie

110,124.54/kjn
08/25/89

MASTER DEED

CRYSTAL VIEW VILLAS

This Master Deed is made and executed on this 30th day of August, 1989, by Crystal Springs Development Corporation, a Michigan corporation of P.O. Box 8308, Grand Rapids, Michigan 49518 (the "Developer").

PRELIMINARY STATEMENT

A. The Developer is engaged in the construction of a residential condominium project to be known as Crystal View Villas (the "Project"), pursuant to plans approved by Gaines Township, Kent County, Michigan on the parcel of land described in Article II; and

B. The Developer desires, by recording this Master Deed together with the Condominium Bylaws attached hereto as Exhibit "A" and the Condominium Subdivision Plan attached 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, together with the improvements located and to be located thereon and the appurtenances thereto, as a condominium project under the provisions of the Michigan Condominium Act.

NOW, THEREFORE, the Developer does, upon the recording hereof, establish Crystal View Villas as a condominium project under the Act and does declare that the Project will 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, all of which will be deemed to run with the land and will be a burden and a benefit to the Developer, its successors and assigns, and to any persons acquiring or owning an interest in the Project, their grantees, successors, heirs, personal representatives, administrators and assigns. In furtherance of the establishment of the Project, it is provided as follows:

ARTICLE I

NATURE OF PROJECT

1.1 Nature of Projects. The Units which comprise the first phase of the Project, including the number, boundaries, dimensions and area of each Condominium Unit therein, are set forth completely in the Condominium Subdivision Plan, and each Unit is capable of individual utilization by having its own access to the Common Elements of the Project. Until the recording of the "as built" Subdivision Plan, the Developer reserves the exclusive right to change or modify the size and/or location of any Unit and/or Common Element without the consent of any Co-owner so long as such changes do not unreasonably impair or diminish the appearance of the Project or the view, privacy or other significant attribute of any Unit which adjoins or is proximate to the modified Unit or Common Element.

1.2 Co-owner Rights. Each Co-owner in the Project will have a particular and exclusive property right to his Unit and the Limited Common Elements appurtenant thereto, and will have an undivided and inseparable right to share with other Co-owners the General Common Elements of the Project as designated by this Master Deed.

LEGAL DESCRIPTION

2.1 Legal Description. The land which is hereby submitted to condominium ownership pursuant to the provisions of the Act is described as follows:

West Portion:

That portion of the NW 1/4, Section 9, T5N, R11W, Gaines Township, Kent County, Michigan, described as: Commencing at the NW corner of Section 9; thence N89°43'22"E 1379.84 feet along the North line of said NW 1/4; thence S00°16'38"E 288.55 feet; thence Southerly 116.02 feet on a 283.0 foot radius curve to the left, the chord of which bears S12°01'20"E 115.21 feet to the PLACE OF BEGINNING of this description; thence Southeasterly 69.96 feet on said 283.0 foot radius curve to the left, the chord of which bears S30°51'00"E 69.78 feet; thence S37°55'55"E 140.78 feet; thence Southeasterly 190.66 feet on a 367.0 foot radius curve to the right, the chord of which bears S23°02'57"E 188.52 feet; thence S08°10'E 176.06 feet; thence Southeasterly 241.20 feet on a 283.0 foot radius curve to the left, the chord of which bears S32°35'00"E 233.97 feet; thence Southeasterly 109.83 feet on a 217.0 foot radius curve to the right, the chord of which bears S42°30'00"E 108.66 feet; thence S28°00'E 25.82 feet; thence Southerly 70.07 feet on a 217.0 foot radius curve, the chord of which bears S18°45'00"E 69.76 feet; thence S09°30'E 231.30 feet; thence S80°30'W 130.0 feet; thence N80°59'W 145.09 feet; thence N54°00'W 159.62 feet; thence S36°00'W 54.96 feet; thence S70°40'W 87.86 feet; thence N78°49'16"W 91.93 feet; thence N50°45'W 80.0 feet; thence N23°48'31"W 95.48 feet; thence N08°45'W 95.0 feet; thence N44°51'41"E 144.01 feet; thence N12°00'W 195.0 feet; thence N36°45'W 90.00 feet; thence N81°31'04"W 98.76 feet; thence N43°22'57"W 84.87 feet; thence N21°00'W 85.0 feet; thence N01°48'29"W 68.44 feet; thence N21°00'E 68.0 feet; thence N50°53'15"E 92.78 feet; thence N76°00'E 78.0 feet; thence S74°11'15"E 71.31 feet; thence N52°04'05"E 213.60 feet to the place of beginning. This parcel contains 12.535 Acres.

to
the
right

and

East Portion:

That part of the NW 1/2, Section 9, T5N, R11W, Gaines Township, Kent County, Michigan, described as: Commencing at the NW corner of Section 9; thence N89°43'22"E 1531.84 feet along the North line of said NW 1/4; thence S00°16'38"E 372.00 feet to the PLACE OF BEGINNING of this description; thence S69°30'E 138.42 feet; thence S29°40'E 181.56 feet; thence S51°30'E 155.0 feet; thence S45°30'E 149.91 feet; thence S61°10'18"E 72.52 feet; thence S47°08'34"E 66.68 feet; thence S07°40'E 112.0 feet; thence S26°15'W 112.08 feet; thence S19°11'E 82.68 feet; thence S05°30'W 230.0 feet; thence S09°30'E 260.0 feet; thence S22°49'21"E 53.97 feet; thence S55°05'E 54.29 feet; thence S79°46'14"E 58.97 feet; thence S01°30'E 120.0 feet; thence N83°00'W 57.00 feet; thence Northwesterly 278.37 feet on a 217.0

We'll need
to Amend
to correct
legal desc.
per mapping
& description

LIDER 2660 PC 1328

foot radius curve, the chord of which bears N46°15'00"W 259.67 feet; thence N09°30'W 389.30 feet; thence Northerly 91.38 feet on a 283.0 foot radius curve to the left, the chord of which bears N18°45'00"W 90.98 feet; thence N28°00'W 25.82 feet; thence Northwesterly 143.24 feet on a 283.0 foot radius curve to the left, the chord of which bears N42°30'00"W 141.72 feet; thence Northwesterly 184.95 feet on a 217.0 foot radius curve to the right, the chord of which bears N32°35'00"W 179.40 feet; thence N08°10'W 176.06 feet; thence Northwesterly 224.94 feet on a 433.0 foot radius curve to the left, the chord of which bears N23°02'57"W 222.42 feet; thence Northerly 142.61 feet on a 217.0 foot radius curve to the right, the chord of which bears N19°06'16"W 140.06 feet; thence N00°16'38"W 28.0 feet to the place of beginning. This parcel contains 6.812 Acres.

Together with a right-of-way for Crystal View Drive described as:

That part of the NW 1/4, Section 9, T5N, R11W, Gaines Township, Kent County, Michigan, described as: Commencing at the NW corner of Section 9; thence N89°43'22"E 1379.84 feet along the North line of said NW 1/4; thence S00°16'38"E 60.0 feet to the South line of 68th Street and the PLACE OF BEGINNING of this description; thence S00°16'38"E 228.55 feet; thence Southeasterly 185.98 feet on a 283.0 foot radius curve to the left, the chord of which bears S19°06'16"E 182.66 feet; thence S37°55'55"E 140.78 feet; thence Southeasterly 190.66 feet on a 367.0 foot radius curve to the right, the chord of which bears S23°02'57"E 188.52 feet; thence S08°10'E 176.06 feet; thence Southeasterly 241.20 feet on a 283.0 foot radius curve to the left, the chord of which bears S32°35'00"E 233.97 feet; thence Southeasterly 109.83 feet on a 217.0 foot radius curve to the right, the chord of which bears S42°30'00"E 108.66 feet; thence S28°00'E 25.82 feet; thence Southerly 70.07 feet on a 217.0 foot radius curve, the chord of which bears S18°45'00"E 69.76 feet; thence S09°30'E 389.30 feet; thence Southeasterly 363.04 feet on a 283.0 foot radius curve to the left, the chord of which bears S46°15'00"E 338.65 feet; thence S83°00'E 57.0 feet; thence N07°00'E 66.0 feet; thence N83°00'W 57.00 feet; thence Northwesterly 278.37 feet on a 217.0 foot radius curve, the chord of which bears N46°15'00"W 259.67 feet; thence N09°30'W 389.30 feet; thence Northerly 91.38 feet on a 283.0 foot radius curve to the left, the chord of which bears N18°45'00"W 90.98 feet; thence N28°00'W 25.82 feet; thence Northwesterly 143.24 feet on a 283.0 foot radius curve to the left, the chord of which bears N42°30'00"W 141.72 feet; thence Northwesterly 184.95 feet on a 217.0 foot radius curve to the right, the chord of which bears N32°35'00"W 179.40 feet; thence N08°10'W 176.06 feet; thence Northwesterly 224.94 feet on a 433.0 foot radius curve to the left, the chord of which bears N23°02'57"W 222.42 feet; thence Northerly 142.61 feet on a 217.0 foot radius curve to the right, the chord of which bears N19°06'16"W 140.06 feet; thence N00°16'38"W 340.0 feet; thence S89°43'22"W 152.0 feet along the South line of 68th Street to the place of beginning. This parcel contains 3.936 Acres.

The Developer reserves the right, at its sole option, to dedicate as a public street all or part of the lands subject to the aforesaid proposed Crystal View Drive easement for ingress and egress and upon such dedication providing ingress and egress by public street to the General Common Elements the aforesaid easement for ingress and egress will automatically terminate and thenceforth be null and void.

Together with and subject to all easements and restrictions of record, including the recorded Crystal Springs Declaration of Residential Use Restrictions recorded in Liber 2573, Page 15, Kent County, Michigan records and all governmental limitations.

ARTICLE III

DEFINITIONS

3.1 Definitions. Certain terms are utilized not only in this Master Deed but are or may be used in various other instruments such as, by way of example and not limitation, the Articles of Incorporation and Rules and Regulations of the Crystal View Villas Association, a Michigan nonprofit corporation, and deeds, mortgages, liens, land contracts, easements and other instruments affecting the establishment of, or transfer of, interests in the Project. As used in such documents, unless the context otherwise requires:

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

(b) **Administrator.** "Administrator" means the Michigan Department of Commerce, designated to serve in such capacity by the Act.

(c) **Association.** "Association" means Crystal View Villas Association, the Michigan nonprofit corporation organized under the laws of Michigan, of which all Co-owners will be members, which corporation will administer, operate, manage and maintain the Project. Any action required of or permitted to the Association will be exercisable by its Board of Directors (including any Board of Directors acting prior to the Transitional Control Date) unless specifically reserved to its members by the Condominium Documents or the laws of the State of Michigan. The Co-owners may by a two-thirds (2/3) vote after the Development Period has expired designate a different Michigan nonprofit corporation or unincorporated association as the "Association".

(d) **Bylaws.** "Bylaws" means Exhibit "A" attached hereto which forms a part of this Master Deed. The Bylaws also constitute the corporate bylaws of the Association as provided under the Michigan Nonprofit Corporation Act.

(e) **Common Elements.** "Common Elements" where used without modification, means the portions of the Project other than the Condominium Units, including all General and Limited Common Elements described in Article IV. A Common Element will not be separable from the Condominium Unit or Units to which it is appurtenant.

(f) **Condominium Documents.** "Condominium Documents" means and includes this Master Deed and Exhibits "A" and "B" attached hereto, and the Articles

of Incorporation and rules and regulations, if any, of the Association, all as amended from time to time.

(g) Condominium Property. "Condominium Property" means the land described in Article II, as amended, together with all easements, rights and appurtenances.

(h) Condominium Subdivision Plan. "Condominium Subdivision Plan" means Exhibit "B" attached hereto.

(i) Condominium Unit. "Condominium Unit" or "Unit" means that portion of the Project designed and intended for separate ownership and use, as described in this Master Deed.

(j) Co-owner. "Co-owner" means the person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which owns a Condominium Unit in the Project. The term "Owner," wherever used, will be synonymous with the term "Co-owner". If a Unit is sold pursuant to a land contract that grants possession of the Unit to the vendee, the land contract vendee will be the Co-owner of that Unit so long as such land contract is executory, except as otherwise provided in the land contract if a copy of the land contract is filed with the Association and except that the land contract vendor and vendee will have joint and several responsibility for assessments by the Association.

(k) Developer. "Developer" means Crystal Springs Development Corporation, a Michigan corporation, which has made and executed this Master Deed, its successors and assigns. Both successors and assigns will always be deemed to be included within the term "Developer" whenever, however and wherever used in the Condominium Documents, unless specifically stated otherwise.

(l) Development Period. "Development Period" means the period commencing with the recording of the Master Deed and continuing as long as the Developer owns any Unit which it offers for sale, or for so long as the Developer is entitled to expand the Project as provided in Article VI hereof, or until the Developer has sold the 214 condominium units in the Project and/or in the area of future development contemplated by Article VI (whether or not added to the Project or developed as separate condominium project(s)), whichever is longer, provided the period will in no event exceed ten (10) years.

(m) First Annual Meeting. "First Annual Meeting" means the initial meeting at which nondeveloper Co-owners are permitted to vote for the election of all Directors and upon all other matters which properly may be brought before the meeting. Such meeting is to be held (a) in the Developer's sole discretion after fifty percent (50%) of the Units which may be created are sold, or (b) mandatorily within (i) 54 months from the date of the first Unit conveyance, or (ii) 120 days after seventy-five percent (75%) of all Units which may be created are sold, whichever first occurs. The maximum number of Units that may be added to the Project pursuant to Article VI hereof will be included in the calculation of the number of Units which may be created.

(n) General Common Elements. "General Common Elements" means those Common Elements of the Project

described in Section 6.1 which are for the use and enjoyment of all Co-owners, subject to such charges as may be assessed to defray the cost of operation thereof.

(o) Limited Common Elements. "Limited Common Elements" means those Common Elements of the Project described in Section 4.2 which are reserved for the exclusive use of the Co-owners of a specified Unit or Units.

(p) Master Deed. "Master Deed" means this instrument, together with the exhibits attached hereto and all amendments thereof, by which the Project is submitted to condominium ownership.

(q) Percentage of Value. "Percentage of Value" means the percentage assigned to each Unit which is determinative of the value of a Co-owner's vote at meetings of the Association when voting by value or by number and value, and the proportionate share of each Co-owner in the Common Elements of the Project and the proceeds and expenses of administration.

(r) Project. "Project" or "Condominium" means Crystal View Villas, a condominium development established in accordance with the provisions of the Act.

(s) Transitional Control Date. "Transitional Control Date" means the date on which a Board of Directors of the Association takes office pursuant to an election in which the votes that may be cast by eligible Co-owners unaffiliated with the Developer exceed the votes which may be cast by the Developer.

Whenever any reference herein is made to one gender, the same will include a reference to any and all genders where the same would be appropriate; similarly, whenever a reference is made herein to the singular or the plural, a reference will also be included to the other where the same would be appropriate.

ARTICLE IV

COMMON ELEMENTS

4.1 General Common Elements. The General Common Elements are:

(a) Land. The land described in Article II hereof (other than that portion described in Section 5.1 and in Exhibit "B" as constituting the Condominium Units), including easement interests of the Condominium in the land provided to it for ingress and egress, if any;

(b) Improvements. All roads and other surface improvements not located within the boundaries of a Condominium Unit. Those structures and improvements that now or hereafter are located within the boundaries of a Condominium Unit will be owned in their entirety by the Co-owner of the Unit in which they are located and will not, unless otherwise expressly provided in the Condominium Documents, constitute Common Elements;

(c) Electrical. The electrical transmission system throughout the Project up to, but not including, the electric meter for each residence that now or hereafter is constructed within the boundaries of a Unit;

(d) Telephone. The telephone system and any other telecommunications system throughout the Project up to the point of connection with each residence that now or hereafter is constructed within the boundaries of a Unit;

(e) Gas. The gas distribution system throughout the Project up to the point where the service is stubbed for connection with each residence that now or hereafter is constructed within the boundaries of a Unit;

(f) Water. The water distribution system throughout the Project up to the point where the service is stubbed for connection with each residence that now or hereafter is constructed within the boundaries of a Unit;

(g) Sanitary Sewer. The sanitary sewer system throughout the Project up to the point where the service is stubbed for connection with each residence that now or hereafter is constructed within the boundaries of a Unit;

(h) Storm Sewer. The storm sewer system throughout the Project;

(i) Telecommunications. The telecommunications system, if and when it may be installed, up to, but not including, connections to provide service to each residence that now or hereafter is constructed within the boundaries of a Unit; and

(j) Miscellaneous. All other Common Elements of the Project not herein designated as Common Elements which are not enclosed within the boundaries of a Condominium Unit, and which are intended for common use or are necessary to the existence, upkeep or safety of the Project.

Some or all of the utility lines, systems (including mains and service leads) and equipment and the telecommunications system described above may be owned by the local public authority or by the company that is providing the pertinent service. Accordingly, such utility lines, systems and equipment, and the telecommunications system, will be General Common Elements only to the extent of the Co-owners' interest therein, if any, and Developer makes no warranty whatever with respect to the nature or extent of such interest, if any.

4.2 Limited Common Elements. Limited Common Elements will be subject to the exclusive use and enjoyment of the Co-owners of the Unit or Units to which the Limited Common Elements are appurtenant. The Limited Common Elements are driveways and sidewalks serving the residence constructed within the Unit or Units, to the extent located outside the boundaries of the Condominium Unit, and any other improvements constructed by the Developer and designated Limited Common Elements appurtenant to a particular Unit or Units in an amendment to the Master Deed made by Developer.

4.3 Maintenance. The costs of maintenance, repair and replacement of all improvements within the boundaries of a Unit will be borne by the Co-owner of the Unit, except for maintenance performed by the Association as provided in Section 7.1. The appearance of all buildings, garages, patios, decks, open porches, screened porches and other improvements within a Unit will

at all times be subject to the approval of the Association, except the Association may not disapprove the appearance of an improvement so long as maintained as constructed by the Developer or constructed with the Developer's approval. In the event that the maintenance, cleaning and decoration of such improvements by the Co-owner does not conform to the reasonable standards established by the Association, the Association will have the right to take such action as may be necessary to bring the improvements up to required standards and to charge the cost thereof to the Co-owner responsible for the cleaning, decoration and/or maintenance.

If any Co-owner elects, with the prior written consent of the Association, to construct or install any improvements within the Co-owner's Unit or on the Common Elements which increase the costs of maintenance, repair or replacement for which the Association is responsible, such increased costs or expenses, at the option of the Association, may be specially assessed against such Unit or Units.

The costs of maintenance, repair and replacement of all General Common Elements described above will be borne by the Association except to the extent of repair and replacement due to the act or neglect of a Co-owner or his agent, invitee, family member or pet.

4.4 Power of Attorney. All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time by acceptance of a deed, mortgage, land contract or other conveyance do thereby irrevocably appoint the Developer during the Development Period, and thereafter the Association, as agent and attorney in connection with all matters concerning the General Common Elements. Without limitation on the generality of the foregoing, the Developer or the Association as the case may be, will have full power and authority to grant easements over, sever, or lease mineral interests, or convey title to the land constituting the General Common Elements or any part thereof, to dedicate as public streets parts of the General Common Elements, to consent to street vacations of public streets within or in the vicinity of the Project, and to execute all documents and to do all things on behalf of the Co-Owners, mortgagees and other interested persons as are necessary or convenient in the exercise of such powers.

4.5 Condominium Unit Use. Except as set forth herein, Condominium Units will not be separable from the Common Elements appurtenant thereto, and will not be used in any manner inconsistent with the purposes of the Project or in any other way 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 appurtenant thereto.

ARTICLE V

DESCRIPTION AND PERCENTAGE OF VALUE

5.1 Description of Units. A complete description of each Condominium Unit in the Project, with elevations therein referenced to an official benchmark of the United States Geological Survey sufficient to relocate accurately the space enclosed by the description without reference to the Unit itself, is set forth in the Condominium Subdivision Plan as surveyed by Exxel Engineering, Inc., consulting engineers and surveyors. Each Unit will consist of the land contained within the Unit boundaries as shown in Exhibit "B" and delineated with heavy outlines, together with all appurtenances thereto. The architectural plans and specifications for the Project will be filed with Gaines Township, Kent County, Michigan.

5.2 Percentage of Value. The percentage of value assigned to each Unit will be equal. The determination that percentages of value should be equal was made after reviewing the comparative characteristics of each Unit in the Project which would affect maintenance costs and value and concluding that there are not material differences among the Units insofar as the allocation of percentages of value is concerned. The percentage of value assigned to each Unit will be determinative of each Co-owner's respective share of the Common Elements of the Condominium Project, the proportionate share of each respective Co-owner in the proceeds and the expenses of administration and the value of such Co-owner's vote at meetings of the Association. The total value of the Project is one hundred percent (100%).

ARTICLE VI

EXPANSION OF CONDOMINIUM

6.1 Area of Future Development. The Condominium Project established pursuant to the initial Master Deed consists of 77 Units and may, at the election of Developer, be treated as the first phase of an expandable condominium under the Act to contain in its entirety a maximum of two hundred fourteen (214) Units. Additional Units, if any, will be established upon all or some portion or portions of the following described land not included in the Project:

West one-half of Section 9, Town 5 North, Range 11
West, Gaines Township, Kent County, Michigan.

(hereinafter referred to as "area of future development").

6.2 Increase in Number of Units. Any other provisions of this Master Deed notwithstanding, the number of Units in the Project may, at the option of the Developer from time to time, within a period ending no later than six years after initial recording of this Master Deed, be increased by the addition to this Condominium of all or any portion of the area of future development and the establishment of Units thereon. The location, nature, appearance, design (interior and exterior) and structural components of the residences and other improvements to be constructed within the area of future development will be determined by Developer in its sole discretion, but all such improvements will be reasonably compatible with the existing structures in the Project, as determined by Developer in its sole discretion. No Unit will be created within any part of the area of future development which is added to the Condominium that is not restricted exclusively to residential use.

6.3 Expansion Not Mandatory. Nothing herein contained will in any way obligate Developer to enlarge the Condominium Project beyond the phase established by this Master Deed and Developer may, in its discretion, establish all or a portion of the area of future development 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 Project other than as explicitly set forth herein. There is no obligation on the part of the Developer to add to the Condominium Project all or any portion of the area of future development described in this Article VI nor is there any obligation to add portions thereof in any particular order nor to construct particular improvements thereon in any specific locations.

6.4 Amendment to Master Deed and Modification of Percentages of Value. An increase in size of this Condominium Project by the Developer will be given effect by an appropriate amendment or amendments to this Master Deed in the manner

provided by law, which amendment or amendments will be prepared by and at the discretion of the Developer and in which the percentages of value set forth in Article V hereof will be proportionately readjusted in order to preserve a total value of one hundred percent (100%) for the entire Project resulting from such amendment or amendments to the Master Deed. The precise determination of the readjustments in percentages of value will be made within the sole judgment of Developer. Such readjustments, however, will reflect a continuing reasonable relationship among percentages of value based upon the original method of determining percentages of value for the Project.

6.5 Redefinition of Common Elements. The amendment or amendments to the Master Deed by the Developer to expand the Condominium may also contain such further definitions and redefinitions of General or Limited Common Elements as Developer may determine necessary or desirable to adequately describe, serve and provide access to the additional parcel or parcels being added to the Project by the amendment. In connection with any such amendment(s), Developer will have the right to change the nature of any Common Element previously included in the Project for any purpose reasonably necessary to achieve the purposes of this Article, including, but not limited to, the connection of roadways in the Project to any roadways that may be located on or planned for the area of future development, and to provide access to any Unit that is located on or planned for the area of future development from the roadways located in the Project.

6.6 Additional Provisions. The amendment or amendments to the Master Deed by the Developer to expand the Condominium will also contain such provisions as Developer may determine necessary or desirable (i) to make the Project contractable and/or convertible as to portions or all of the parcel or parcels being added to the Project, (ii) to create easements burdening or benefitting portions or all of the parcel or parcels being added to the Project, and/or (iii) to create or change restrictions or other terms and provisions affecting the additional parcel or parcels being added to the Project or affecting the balance of the Project as reasonably necessary in the Developer's judgment to enhance the value or desirability of the Units to be located within the additional parcel or parcels being added to the Project.

6.7 Consolidating Master Deed. A Consolidating Master Deed will be recorded pursuant to the Act when the Project is finally concluded as determined by Developer in order to incorporate into one set of documents all successive stages of development. The Consolidating Master Deed, when recorded, will supersede the previously recorded Master Deed and all amendments thereto. The Consolidating Master Deed may incorporate by reference all or any pertinent portions of this Master Deed, as amended, and the Exhibits hereto, or, at the election of the Developer, may restate any or all of the provisions of this Master Deed, as amended, and the Exhibits hereto, deleting provisions or parts of provisions that have been superseded, or whose effectiveness has expired, or which benefit the Developer. If no expansion of the Condominium Project occurs, no Consolidating Master Deed need be recorded.

6.8 Consent of Interested Parties. All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time by acceptance of a deed, mortgage, land contract or other conveyance do hereby irrevocably and unanimously consent to such amendment or amendments to this Master Deed to effectuate the purpose and intent of this Article VI and to any proportionate reallocation of percentages of value of existing Units which Developer may determine

necessary in conjunction with such amendment or amendments. All such interested persons by acceptance of a deed, mortgage, land contract or other conveyance do thereby irrevocably appoint Developer as agent and attorney for the purpose of execution of such amendment or amendments to the Master Deed and all other documents necessary to effectuate the foregoing. Such amendment may be effected without the necessity of re-recording the entire Master Deed or the Exhibits hereto and may incorporate by reference all or any pertinent portions of this Master Deed, as amended, and the Exhibits hereto.

ARTICLE VII

EASEMENTS

7.1 Easement for Maintenance of Residence Exteriors, Etc. There are hereby created easements to and in favor of the Association, and its officers, directors, agents and designees, in, on and over all Units and Common Elements in the Project, for access to the Units and the exterior of each of the residences that is constructed within the Project to permit the maintenance, repair and replacement thereof in accordance with the terms hereof. Except as otherwise expressly provided herein, the Association will be responsible for the routine painting and/or staining of the exteriors of all residences constructed in the Project and all fences enclosing or partially enclosing courtyards and patio areas and for the routine mowing and grounds-keeping of any portion of a Unit that consists primarily of grass and that is not enclosed by a fence or is otherwise inaccessible to lawn maintenance equipment. The Co-owners will be individually responsible for all other costs of maintenance, repair and replacement of all residence and other improvements within the Unit, including roofs, windows, window walls, sliding glass doors, garage doors and front entry doors of each residence, regardless of the cause of such maintenance, repair and replacement. In no event will the Association be liable for the decoration, maintenance, repair or replacement of any portion of the interior of any residence. There also will exist easements to and in favor of the Association, and its officers, directors, agents and designees, in, on and over all Units and Common Elements of the Project for access to and maintenance of those Common Elements of the Project for which the Association may from time to time be responsible. The Association will in no event be obligated to repair any residence or other improvement located within or appurtenant to a Unit to the extent repair is necessitated on account of an occurrence with respect to which a Co-owner is required under the Condominium Documents to maintain insurance coverage, nor will the Association be obligated to make any capital expenditures of any type whatever with respect to such residences or improvements or to perform any maintenance or repair thereon other than routine maintenance and repair of a type generally required on an ongoing basis throughout the Project.

7.2 Grant of Easements by Association. The Association is empowered to grant such easements, licenses, rights-of-entry and rights-of-ways over, under and across the Condominium Property for utility purposes, access purposes or other lawful purposes as may be necessary for the benefit of the Condominium or other lands described in Section 6.1, subject, however, to the approval of the Developer so long as the Development Period has not expired. No easements created under the Condominium Documents may be modified or obligations with respect thereto varied without the consent of each person benefitted thereby.

7.3 Easements for Maintenance, Repair and Replacement. The Developer, the Association and all public or private utilities providing utility service to the Condominium Project will

have such easements as may be necessary over the Condominium Property, including all Units and Common Elements, to fulfill any responsibilities of maintenance, repair, decoration, inspection or replacement which they or any of them are required or permitted to perform under the Condominium Documents.

7.4 Utility Easements. The 22' Easement for Public and Private Utilities depicted on the Condominium Subdivision Plan is hereby created as a non-exclusive perpetual easement for the benefit of the Co-owners, and also for the utility companies and government entities providing utility services to the Project and/or having utility service facilities in the Project. Utility services for gas, electricity, telephone, cablevision and water and sewer are included. The easement rights hereby created include the right to extend gas lines, electricity lines, telephone lines, cablevision lines, water mains and sewer mains; the right to install equipment associated with such utility services such as lines, valves, hydrants, fittings and other improvements; and rights of ingress and egress for the installation, construction, repair and maintenance of such utility services and facilities at all reasonable times.

Developer hereby reserves for the benefit of itself, its successors and assigns perpetual easements to enter upon and cross the Condominium Property and lay pipes and cables and do all other things reasonably necessary to utilize, tap, tie into, extend and enlarge all utility mains located on the Condominium Property, including, but not limited to, water, gas, storm and sanitary sewer mains, without regard to whether the utilization is in connection with the Condominium Project. In the event Developer, its successors or assigns, thus utilizes, taps, ties into, extends or enlarges any utilities located on the Condominium Property it will be obligated to pay all of the expenses reasonably necessary to restore the Condominium Property to its state immediately prior to such utilization, tapping, tying-in, extension or enlargement. The costs of maintenance, repair and replacement of all utilities shared by the Co-owners and the owner or owners of any land adjoining the Condominium Property will be borne by all such persons proportionately based upon the ratio of the number of residences located upon the adjoining land to the total number of residences sharing the utilities.

Developer reserves the right during the Development Period to grant easements for utilities over, under and across the Condominium Property to appropriate governmental agencies or public utility companies and to transfer title to state, county or local governments. Any such easement or transfer of title may be conveyed by Developer without the consent of any Co-owner, mortgagee or other person and may be evidenced by either a separate easement or document transferring title or by an appropriate amendment to the Master Deed. All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time by acceptance of a deed, mortgage, land contract or other conveyance do thereby irrevocably and unanimously consent to such amendment or amendments of this Master Deed to effectuate the foregoing easement or transfer of title.

7.5 Telecommunications Agreements. The Association, subject to the Developer's approval during the Development Period, will have the power to grant such easements, licenses and other rights of entry, use and access and to enter into any contract or agreement, including wiring agreements, right-of-way agreements, access agreements and multi-unit agreements and, to the extent allowed by law, contracts for sharing of any installation or periodic subscriber service fees as may be necessary, convenient or desirable to provide for telecommunications,

videotext, broad band cable, satellite dish, earth antenna and similar services (collectively "Telecommunications") to the Project or any Unit therein. Notwithstanding the foregoing, in no event will the Association enter into any contract or agreement or grant any easement, license or right of entry or do any other act or thing which will violate any provision of any federal, state or local law or ordinance. Any and all sums paid by any Telecommunications or other company or entity in connection with such service, including fees, if any, for the privilege of installing same or sharing periodic subscriber service fees, will be receipts affecting the administration of the Condominium Project within the meaning of the Act and will be paid over to and will be the property of the Association.

7.6 Roadway Easement. Developer hereby reserves for the benefit of itself, its agents, employees, guests, invitees, independent contractors, successors and assigns, a perpetual easement for the unrestricted use of all roads and walkways now or hereafter located in the Condominium Project for the purpose of ingress and egress from all or any portion of the Condominium Property in furtherance of any legitimate purpose, including development and operation of adjoining property.

7.7 Termination of Easements. Developer reserves to itself, and its successors and assigns, the right to terminate and revoke any utility or other easement granted in this Master Deed at such time as the particular easement has become unnecessary. This may occur, by way of example but not limitation, when water or sewer systems are connected to municipal systems or when a water or sewer system or other utility easement is relocated to coordinate further and future development of the Project or other development within the area of future development. No utility easement may be terminated or revoked unless and until all Units served by it are adequately served by an appropriate substitute or replacement utility on a shared maintenance basis. Any termination or revocation of any such easement will be effected by recording an appropriate amendment to this Master Deed.

ARTICLE VIII

UNIT IMPROVEMENTS OR ALTERATIONS

8.1 Unit Improvements or Alterations. The only improvements permitted to be constructed within a Unit by any Co-owner other than the Developer is a single family residence and associated improvements as contemplated and permitted by the recorded Crystal Springs Declaration of Residential Use Restrictions recorded in Liber 2573, Page 15, Kent County, Michigan records. A Co-owner may make improvements or alterations to the residence within a Condominium Unit that do not impair or diminish the appearance of the Project or the view, privacy or other significant attribute of any Unit which adjoins or is proximate to the Unit, subject to the approval of the Developer as provided in Section 6.3 of the Bylaws during the Development Period, and thereafter subject to the approval of the Association.

ARTICLE IX

UNIT BOUNDARY RELOCATIONS

9.1 Unit Boundary Relocation. If the Developer is the owner of adjoining Condominium Units and desires to relocate the boundaries between those Units, then the Developer may, without the consent of other Co-owners or the Association, amend this Master Deed to relocate such boundaries as desired by the Developer. If nondeveloper Co-owners owning adjoining Units, or

a nondeveloper Co-owner and Developer owning adjoining Condominium Units desire to relocate the boundaries between those Units, then the Board of Directors of the Association shall, upon written application of the Co-owners, accompanied by the written approval of all mortgagees of record of the adjoining Units, forthwith prepare or cause to be prepared an amendment to this Master Deed duly relocating the boundaries.

9.2 Master Deed Amendment. An amendment to this Master Deed relocating Unit boundaries will identify the Condominium Units involved; will state that the boundaries between those Condominium Units are being relocated by agreement of the Co-owners thereof; will contain conveyancing between those Co-owners; will reassign the aggregate percentage of value assigned to those Condominium Units in Article V between those Condominium Units if necessary to reflect a continuing reasonable relationship among percentages of value based upon the original method of determining percentages of value for the Project; and will be executed by the Co-owners of the Units involved. The Association will execute and record any amendment by the Association relocating Unit boundaries after notice given pursuant to Section 11.1(h) and payment of the costs and expenses of the amendment by the Co-owners requesting the amendment as required by Section 11.1(i).

ARTICLE X

SUBDIVISION OF UNITS

10.1 Unit Subdivision. If the Developer desires to subdivide any Condominium Unit owned by Developer, then the Developer may amend this Master Deed duly subdividing the Condominium Unit.

10.2 Master Deed Amendment. An amendment to this Master Deed subdividing a Unit will identify the Condominium Unit being subdivided; will state that the Condominium Unit is being subdivided at the request of its Co-owner; will assign new identifying numbers to the new Condominium Units created by the subdivision; will assign to those Condominium Units a percentage of value determined in accordance with Article V; and will be executed by the Co-owner of the Unit being subdivided. The new Condominium Units will jointly share all rights, and will be equally liable, jointly and severally, for all obligations with regard to any Limited Common Elements assigned to the subdivided Condominium Unit except to the extent that an amendment will provide that portions of any Limited Common Element assigned to the subdivided Condominium Unit exclusively should be assigned to any, but less than all, of the new Condominium Units.

ARTICLE XI

AMENDMENT

11.1 Amendment. Except as otherwise expressly provided in this Master Deed, the Condominium Project will not be terminated, vacated, revoked or abandoned except as provided in the Act, nor may any of the provisions of this Master Deed, including Exhibits A and B be amended, except as follows:

(a) **No Material Change.** Amendments may be made without the consent of Co-owners or mortgagees by the Developer during the Development Period, and thereafter by the Association, as long as the amendment does not materially alter or change the rights of a Co-owner or mortgagee, including, but not limited to, amendments for the purpose of (i) a modification of the types and sizes of unsold Units and their appurtenant

Limited Common Elements, (ii) correcting survey or other errors, (iii) making minor changes to the boundaries of the Project and/or (iv) facilitating mortgage loan financing for existing or prospective Co-owners and to enable or facilitate the purchase or insurance of such mortgage loans by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Veteran's Administration, the Department of Housing and Urban Development, any other agency of the federal government or the State of Michigan and/or any other institutional participant in the secondary mortgage market which purchases or insures mortgages.

(b) Material Change. Amendments may be made by the Developer during the Development Period, and thereafter by the Association, even if it will materially alter or change the rights of the Co-owners or mortgagees, with the consent of not less than two-thirds of the votes of the Co-owners and mortgagees. A Co-owner will have one (1) vote for each Unit owned (including, as to the Developer, all Units created by the Master Deed not yet conveyed). A mortgagee will have one (1) vote for each Unit mortgaged to the mortgagee. The required two-thirds (2/3) vote will be two-thirds (2/3) of the number of Units increased by the number of Units subject to mortgages. The required votes may be achieved by written consent of the required two-thirds (2/3) of the Co-owners and mortgagees or, as to nondeveloper Co-owners, by consent established by the vote of the Co-owner by any voting method described in Article IX of the Bylaws.

(c) Legal Compliance. Amendments may be made without the consent of Co-owners or mortgagees by the Developer, even if such amendment will materially alter or change the rights of the Co-owners or mortgagees, to achieve compliance with the Act or with rules, interpretations or orders promulgated by the Administrator pursuant to the Act, or with other federal, state or local laws, ordinances or regulations affecting the Project.

(d) Required Co-owner Consents. The method or formula used to determine the percentage of value of Units in the Project 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.

(e) Developer Rights to Amend. The restrictions contained in this Article XI on amendments will not in any way affect the rights of Developer as set forth elsewhere in this Master Deed, such as in Section 4.2 and Articles VI, VIII, IX and X.

(f) Power of Attorney. All of the Co-owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time by acceptance of a deed, mortgage, land contract or other conveyance do hereby irrevocably and unanimously consent to the Developer and/or the Association making any amendment or amendments authorized by this Master Deed to be made by the Developer or the Association respectively. All such interested persons by acceptance of a deed, mortgage, land contract or other conveyance

do thereby irrevocably appoint the Developer and/or the Association as agent and attorney for the purpose of execution of such amendment or amendments to the Master Deed authorized to be made by the Developer or the Association respectively, and all ancillary documents necessary to effectuate such amendments.

(g) Developer Consent. This Master Deed may not be modified during the Development Period without the written consent of the Developer.

(h) Notice. Co-owners and mortgagees of record in Kent County, Michigan will be notified of proposed amendments not less than ten (10) days before the amendment is recorded.

(i) Costs. A person causing or requesting an amendment to the Condominium Documents will be responsible for costs and expenses of the amendment, except for amendments based upon a vote of the prescribed majority of Co-owners and mortgagees or based upon the Advisory Committee's decision, the costs of which are expenses of administration.

(j) Recording. All amendments will be effective upon recording in the office of the Kent County Register of Deeds.

(k) Binding. A copy of each amendment to the Master Deed will be furnished to every Co-owner. However, any amendment to the Master Deed that is adopted in accordance with this Article will be binding upon all persons who have an interest in the Project irrespective of whether such persons actually receive a copy of the amendment.

ARTICLE XII

ASSIGNMENT

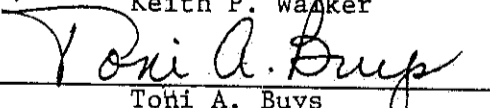
12.1 Assignment. Any or all of the rights and powers granted or reserved to the Developer in the Condominium Documents or by law, including the power to approve or disapprove any act, use or proposed action or any other matter or thing, may be assigned by Developer to any other entity or person or to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

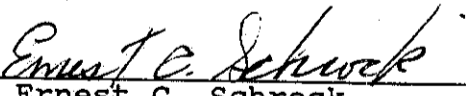
IN WITNESS WHEREOF, the Developer has duly executed this Master Deed on the day and year first above written.

WITNESSES:

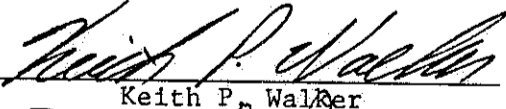
CRYSTAL SPRINGS DEVELOPMENT
CORPORATION



Keith P. Walker

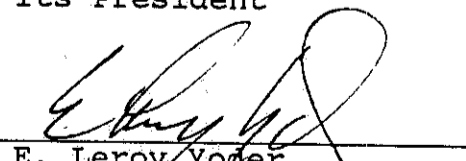

Toni A. Buys

By: 
Ernest C. Schrock

Its President


Keith P. Walker


Toni A. Buys

And
By: 
E. Leroy Yoder

Its Secretary

STATE OF MICHIGAN)
) ss.
COUNTY OF KENT)

LIBER 2660 PG 1342

On this 30th day of August, 1989, before me, a Notary Public in and for said County, appeared ERNEST C. SCHROCK and E. LEROY YODER, to me personally known, who being by me duly sworn, did say that they are the President and Secretary, respectively, of Crystal Springs Development Corporation, a Michigan corporation, which executed the within instrument; that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and further acknowledged said instrument to be the free act and deed of said corporation.

Toni A. Buys
Toni A. Buys, Ionia
Notary Public, Kent County, MI acting in Kent Co.
My Commission Expires: 10/28/89

This Master Deed Drafted By:
KEITH P. WALKER
McSHANE & BOWIE
540 Old Kent Building
Grand Rapids, MI 49503

RETURN TO DRAFTSMAN AFTER RECORDING

EXHIBIT A

BYLAWS

ARTICLE I

ASSOCIATION OF CO-OWNERS

1.1 Association of Co-owners. Crystal View Villas, a residential Condominium Project located in Gaines Township, Kent County, Michigan, will be administered by an Association of Co-owners which will be a nonprofit corporation, 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 Project in accordance with the Condominium Documents and the laws of the State of Michigan. These Bylaws will constitute both the Bylaws referred to in the Master Deed as required by the Act and the Bylaws provided for under the Michigan Nonprofit Corporation Act. Each Co-owner will be entitled to membership and no other person or entity will be entitled to membership. 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. The Association will keep current copies of the Master Deed, all amendments to the Master Deed, and other Condominium Documents for the Condominium Project available at reasonable hours to Co-owners, prospective purchasers and prospective mortgagees of Units in the Condominium Project. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof will be subject to the provisions and terms set forth in the Condominium Documents.

ARTICLE II

ASSESSMENTS

All expenses arising from the management, administration and operation of the Association in pursuance of its authorizations and responsibilities as set forth in the Condominium Documents and the Act will be levied by the Association against the Units and the Co-owners thereof in accordance with the following provisions:

2.1 Assessments for Common Elements. All costs incurred by the Association in satisfaction of any liability arising within, caused by, or connected with the Common Elements, or the improvements constructed or to be constructed within the boundaries of the Condominium Units for which the Association has maintenance responsibility, or the administration of the Condominium Project, will constitute expenditures affecting the administration of the Project, and all sums received as the proceeds of, or pursuant to, any 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 Project will constitute receipts affecting the administration of the Condominium Project, within the meaning of Section 54(4) of the Act.

2.2 Determination of Assessments. Assessments will be determined in accordance with the following provisions:

(a) Budget. The Board of Directors of the Association will establish an annual budget in advance for each fiscal year and such budget will project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Project, including a

reasonable allowance for contingencies and reserves. An adequate reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis will be established in the budget and must be funded by regular monthly payments as set forth in Section 2.3 below rather than by special assessments. At a minimum, the reserve fund will be equal to 10% of the Association's current annual budget on a noncumulative basis. The minimum standard required by this section may prove to be inadequate for this particular Project. The Association should carefully analyze the Condominium Project to determine if a greater amount should be set aside, or if additional reserve funds should be established for other purposes. Upon adoption of an annual budget by the Board of Directors, copies of the budget will be delivered to each Co-owner and the assessment for the year will be established based upon the budget, although the failure to deliver a copy of the budget to each Co-owner will not affect or in any way diminish 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 Common Elements, (3) to provide additions to the Common Elements not exceeding \$5,000 annually for the entire Condominium Project, or (4) that an event of emergency exists, the Board of Directors will have the authority to increase the general assessment or to levy such additional assessment or assessments as it will deem to be necessary. The Board of Directors also will have the authority, without Co-owner consent, to levy assessments pursuant to the provisions of Section 5.4 hereof. The discretionary authority of the Board of Directors to levy assessments pursuant to this subsection will rest solely with the Board of Directors for the benefit of the Association and the members thereof, and will not be enforceable by any creditors of the Association or the members thereof.

(b) Special Assessments. Special assessments, in addition to those required in subsection (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 additions to the Common Elements of a cost exceeding \$5,000 for the entire Condominium Project per year, (2) assessments to purchase a Unit upon foreclosure of the lien for assessments described in Section 2.5 hereof, (3) assessments to purchase a Unit for use as a resident manager's Unit, or (4) assessments for any other appropriate purpose not elsewhere herein described. Special assessments referred to in this subsection (b) (but not including those assessments referred to in subsection (a) above, which will be levied in the sole discretion of the Board of Directors) will not be levied without the prior approval of more than 60% of all Co-owners. The authority to levy assessments pursuant to this subsection is solely for the benefit of the Association and the members thereof and will not be enforceable by any creditors of the Association.

2.3 Apportionment of Assessments and Penalty for Default. Unless otherwise provided herein or in the Master Deed, all assessments levied against the Co-owners to cover expenses of administration will be apportioned among and paid by the Co-owners in accordance with the percentage of value allocated to each Unit in Article V of the Master Deed, without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit. Annual assessments as determined in accordance with Section 2.2(a) above will be payable by Co-owners in 12 equal monthly installments, commencing with acceptance of a deed to or a land contract vendee's interest

in a Unit, or with the acquisition of title to a Unit by any other means. The payment of an assessment will 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.

Each installment in default for ten or more days will bear interest from the initial due date thereof at the rate of 7% per annum until each installment is paid in full. The Association may, pursuant to Section 16.4 hereof, levy fines for the late payment in addition to such interest. Each Co-owner (whether one or more persons) will be, and remain, personally liable for the payment of all assessments (including fines for late payment and costs of collection and enforcement of payment) pertinent to his Unit which may be levied while such Co-owner is the owner thereof. Each Co-owner (whether one or more persons) will be, and remain, personally liable for the payment of all assessments pertinent to his Unit which may be levied while such Co-owner is the owner thereof. Payments on account of installments of assessments in default will be applied as follows: first, to costs of collection and enforcement of payment, including reasonable attorneys' fees; second, to any interest charges and fines for late payment on such installments; and third, to installments in default in order of their due dates.

2.4 Waiver of Use or Abandonment of Unit. No Co-owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his Unit.

2.5 Enforcement.

(a) **Remedies.** In addition to any other remedies available to the Association, the Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against the Co-owner's Unit, the Association will have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any utilities or other services to a Co-owner in default upon seven days' written notice to such Co-owner of its intention to do so. A Co-owner in default will not be entitled to utilize any of the General Common Elements of the Project and will not be entitled to vote at any meeting of the Association so long as such default continues; provided, however, this provision will not operate to deprive any Co-owner of ingress or egress to and from his Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him. All of these remedies will be cumulative and not alternative and will not preclude the Association from exercising such other remedies as may be available at law or in equity.

(b) **Foreclosure Proceedings.** Each Co-owner, and every other person who from time to time has any interest in the Project, will be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. Further, each Co-owner and every other person who from time to time has any interest in the Project will be deemed to have authorized and

empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner of a Unit in the Project acknowledges that at the time of acquiring title to the Unit he was notified of the provisions of this subsection and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject Unit.

(c) Notice of Action. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment will be commenced, nor will any notice of foreclosure by advertisement be published, until the expiration of ten days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his or their last known address, a written notice that one or more installments of the annual assessments levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten days after the date of mailing. Such written notice will be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorneys' fees and future assessments), (iv) the legal description of the subject Unit(s) and (v) the name(s) of the Co-owner(s) of record. Such affidavit will be recorded in the office of the Register of Deeds of Kent County prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the ten day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association will so notify the delinquent Co-owner and will inform him that he may request a judicial hearing by bringing suit against the Association.

(d) Expenses of Collection. The expenses incurred in collecting unpaid assessments, including interest, costs, actual attorneys' fee (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, will be chargeable to the Co-owner in default and will be secured by the lien on his Unit.

2.6 Liability of Mortgagee. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit in the Project which comes into possession of the Unit pursuant to the remedies provided in the mortgagor by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, will take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the time such holder comes into possession of the Unit (except for claims for a prorata share of such assessments or charges resulting from a pro rata allocation of such assessments or charges to all Units including the mortgaged Unit.)

2.7 Developer's Responsibility for Assessments. The Developer of the Condominium, although a member of the Association, will not be responsible at any time for payment of the monthly Association assessments. Developer, however, will at all times pay all expenses of maintaining the Units that it owns, including the residences and other improvements located thereon, together with a proportionate share of all current expenses of

administration actually incurred by the Association from time to time, except expenses related to maintenance and use of the Units in the Project and of the residences and other improvements constructed within or appurtenant to the Units that are not owned by Developer. For purposes of the foregoing sentence, the Developer's proportionate share of such expenses will be based upon the ratio of all Units owned by the Developer at the time the expense is incurred to the total number of Units then in the Project. In no event will Developer be responsible for payment of any assessments for deferred maintenance, reserves for replacement, for capital improvements or other special assessments, except with respect to Units owned by it on which a completed residence is located. A "completed residence" will mean a residence with respect to which a certificate of occupancy has been issued by Gaines Township.

2.8 Property Taxes and Special Assessments. All property taxes and special assessments levied by any public taxing authority will be assessed in accordance with Section 131 of the Act.

2.9 Personal Property Tax Assessments of Association Property. The Association will 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 will be treated as expenses of administration.

2.10 Construction Lien. A construction lien otherwise arising under Act No. 497 of the Michigan Public Acts of 1980, as amended, will be subject to Section 132 of the Act.

2.11 Statement as to Unpaid Assessments. The purchaser of any Unit may request a statement of the Association as to the amount of any unpaid Association assessments thereon, whether regular or special. Upon written request to the Association accompanied by a copy of the executed purchase agreement pursuant to which the purchaser holds the right to acquire a Unit, the Association will provide a written statement of such unpaid assessments as may exist or a statement that none exist, which statement will be binding upon the Association for the period stated therein. Upon the payment of that sum within the period stated, the Association's lien for assessments as to such Unit will be deemed satisfied; provided, however, that the failure of a purchaser to request such statement at least five days prior to the closing of the purchase of such Unit will render any unpaid assessments and the lien securing same fully enforceable against such purchaser and the Unit itself, to the extent provided by the Act. Under the Act, unpaid assessments constitute a lien upon the Unit and the proceeds of sale thereof prior to all claims except real property taxes and first mortgages of record.

ARTICLE III ARBITRATION

3.1 Scope and Election. 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 the Co-owners and the Association, upon the election and written consent of the parties to any such disputes, claims or grievances (which consent will include an agreement of the parties that the judgment of any circuit court of the State of Michigan may be rendered upon any award pursuant to such arbitration), and upon written notice to the Association, will be submitted to arbitration and the parties thereto will accept the arbitrator's decision as final and binding, provided that no question affecting the claim of title of any person to any fee or life estate in real estate is

involved. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter will be applicable to any such arbitration.

3.2 Judicial Relief. In the absence of the election and written consent of the parties pursuant to Section 3.1 above, no Co-owner or the Association will be precluded from petitioning the courts to resolve any such disputes, claims or grievances.

3.3 Election of Remedies. Such election and written consent by Co-owners or the Association to submit any such dispute, claim or grievance to arbitration will preclude such parties from litigating such dispute, claim or grievance in the courts.

ARTICLE IV INSURANCE

4.1 Extent of Coverage. The Association shall, to the extent appropriate given the nature of the Common Elements of the Project, carry fire and extended coverage, vandalism and malicious mischief and liability insurance, and worker's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the General Common Elements of the Condominium Project and such insurance will be carried and administered in accordance with the following provisions:

(a) Responsibilities of Association. All such insurance will be purchased by the Association for the benefit of the Association, and the Co-owners and their mortgagees, as their interests may appear, and provision will be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-owners.

(b) Insurance of Common Elements. All General Common Elements of the Condominium Project will be insured against fire and other perils covered by a standard extended coverage endorsement, if appropriate, in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association.

(c) Premium Expenses. All premiums upon insurance purchased by the Association pursuant to these Bylaws will be expenses of administration.

(d) Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association will 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 will 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 will be applied for such repair or reconstruction and in no event will hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the Project unless all of the institutional holders of first mortgages on Units in the Project have given their prior written approval.

4.2 Authority of Association to Settle Insurance Claims. Each Co-owner, by acceptance of a deed, land contract, or other conveyance, does thereby appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and worker's compensation insurance, if applicable, pertinent to the Condominium Project and the General Common Elements thereof, and such

Insurer as may, from time to time, provide such insurance for the Condominium Project. Without limitation on the generality of the foregoing, the Association as said attorney will have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as are necessary or convenient to the accomplishment of the foregoing.

4.3 Responsibilities of Co-owners. Each Co-owner will be responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to his residence and all other improvements constructed or to be constructed within the boundaries of his Condominium Unit, together with all Limited Common Elements appurtenant to his Unit, whether located within or outside the boundaries of his Unit, and for his personal property located therein or elsewhere on the Condominium Project. All such insurance will be carried by each Co-owner in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, and evidenced to the Association in a manner acceptable to the Association. In the event of the failure of a Co-owner to obtain such insurance, the Association may obtain such insurance on behalf of such Co-owner and the premiums therefor will constitute a lien against the Co-owner's Unit which may be collected from the Co-owner in the same manner that Association assessments are collected in accordance with Article II. Each Co-owner also will be obligated to obtain insurance coverage for his personal liability for occurrences within the boundaries of his Condominium Unit or within the residence located thereon and on the Limited Common Elements appurtenant thereto (regardless of where located), and also for alternative living expense in the event of fire. The Association will under no circumstances have any obligation to obtain any of the insurance coverage described in this Section 4.3 or any liability to any person for failure to do so.

4.4 Waiver of Right of Subrogation. The Association and all Co-owners will use their best efforts to cause all property and liability insurance carried by the Association or any Co-owners to contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association.

4.5 Officers' and Directors' Insurance. The Association may carry officers' and directors' liability insurance covering acts of the officers and Directors of the Association in such amounts as the Board deems appropriate.

ARTICLE V RECONSTRUCTION OR REPAIR

5.1 Determination to Reconstruct or Repair. If any part of the Condominium Property is damaged, the determination of whether or not it will be reconstructed or repaired will be made in the following manner:

(a) **Partial Damage.** If the damaged property is a Common Element or the residence constructed within the boundaries of a Unit, the property will be rebuilt or repaired if any Unit in the Condominium is tenantable, unless it is determined by a unanimous vote of all of the Co-owners in the Condominium that the Condominium will be terminated.

(b) Total Destruction. If the Condominium is so damaged that no Unit is tenantable, the damaged property will not be rebuilt unless eighty percent (80%) or more of the Co-owners agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

5.2 Repair in Accordance with Plans and Specifications. Any such reconstruction or repair will be substantially in accordance with the Master Deed and the plans and specifications for each residence in the Project to a condition as comparable as possible to the condition existing prior to damage unless the Co-owners unanimously decide otherwise.

5.3 Co-owner Responsibility for Repair.

(a) Definition of Co-owner Responsibility. If the damage is only to the residence or other improvement constructed within the boundaries of a Unit, or to a Limited Common Element appurtenant thereto which is the responsibility of a Co-owner to maintain and repair, it will be the responsibility of the Co-owner to repair such damage. In all other cases, the responsibility for reconstruction and repair will be that of the Association.

(b) Damage to Interior of Residence. Each Co-owner will be responsible for the reconstruction, repair and maintenance of the interior of the residence constructed within the boundaries of his Unit, including, but not limited to, floor coverings, wall coverings, window shades, draperies, interior walls, interior trim, furniture, light fixtures and all appliances, whether free-standing or built-in. In the event damage to a residence or to any Limited Common Elements appurtenant thereto is covered by insurance held by the Association, then the reconstruction or repair will be the responsibility of the Association in accordance with Section 5.4. If and to the extent that any residence is covered by insurance held by the Association for the benefit of the Co-owner, the Co-owner will be entitled to receive the proceeds of insurance relative thereto, and if there is a mortgagee endorsement, the proceeds will be payable to the Co-owner and the mortgagee jointly. In the event of substantial damage to or destruction of any Unit or any improvements located thereon or any part of the Common Elements, the Association will promptly so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

5.4 Association Responsibility for Repair. Except as otherwise provided in Section 5.3 above and in the Master Deed, the Association will be responsible for the reconstruction, repair and maintenance of the Common Elements. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association will obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that existing before the damage. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the cost thereof are insufficient, assessment will 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.

5.5 Timely Reconstruction and Repair. If damage to Common Elements or the residence or other improvements constructed within the boundaries of a Unit adversely affects the appearance of the Project, the Association or Co-owner responsible for the reconstruction, repair and maintenance thereof will proceed with

replacement of the damaged property without delay, and will complete such replacement within six (6) months after the date of the occurrence which caused damage to the property.

5.6 Eminent Domain. Section 133 of the Act and the following provisions will control upon any taking by eminent domain:

(a) Taking of Unit. In the event of any taking of an entire Unit (or of all the improvements located within the boundaries thereof) by eminent domain, the award for such taking will be paid to the Co-owner of such Unit and the mortgagee thereof, as their interests may appear. After acceptance of such award by the Co-owner and his mortgagee, they will be divested of all interest in the Condominium Project. In the event that any condemnation award will become payable to any Co-owner whose Unit is not wholly taken by eminent domain, then such award will be paid by the condemning authority to the Co-owner and his mortgagee, as their interests may appear.

(b) Taking of Common Elements. If there is any taking of any portion of the Condominium other than any Unit, the condemnation proceeds relative to such taking will be paid to the Co-owners and their mortgagees in proportion to their respective interests in the Common Elements and the affirmative vote of more than fifty percent (50%) of the Co-owners will determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate.

(c) Continuation of Condominium After Taking. In the event the Condominium Project continues after taking by eminent domain, then the remaining portion of the Condominium Project will be re-surveyed and the Master Deed amended accordingly, and, if any Unit will have been taken, then Article V of the Master Deed will also be amended to reflect such taking and to proportionately readjust the percentages of value of the remaining Co-owners based upon the continuing value of the Condominium by one hundred percent (100%). Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by a Co-owner or other person having any interest whatever in the Project, as mortgagee or otherwise.

(d) Notification of Mortgagees. In the event any Unit (or improvements located within the boundaries thereof) in the Condominium, or any portion thereof, or the Common Elements or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the Association promptly will so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

5.7 Notification of FHLMC. In the event any mortgage in the Condominium is held by the Federal Home Loan Mortgage Corporation ("FHLMC") then, upon request therefor by FHLMC, the Association will give it written notice at such address as it may, from time to time, direct of any loss to or taking of the Common Elements of the Condominium if the loss or taking exceeds Ten Thousand Dollars (\$10,000) in amount or damage to a Condominium Unit covered by a mortgage purchased in whole or in part by FHLMC exceeds One Thousand Dollars (\$1,000).

5.8 Priority of Mortgage Interests. Nothing contained in the Condominium Documents will 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

All of the Units in the Condominium will be held, used and enjoyed subject to the following limitations and restrictions:

6.1 Residential Use. No Unit in the Condominium will be used for other than single-family residence purposes as contemplated and permitted by the Crystal Springs Declaration of Residential Use Restrictions recorded by Developer, as amended, and the Common Elements will be used only for purposes consistent with such use. The conditions, reservations, restrictions, covenants, terms and provisions burdening the Units contained in the recorded Crystal Springs Declaration of Residential Use Restrictions (excluding Article IV thereof) are hereby incorporated by reference and any breach thereof by a Co-owner will be a breach of these Bylaws, and may be treated by the Association as a breach of these Bylaws.

6.2 Leasing and Rental.

(a) Right to Lease. A Co-owner may lease his Unit for the same purposes set forth in Section 6.1; provided that written disclosure of such lease transaction is submitted to the Association in the manner specified in subsection (b) below. With the exception of a lender in possession of a Unit following default of a first mortgage, foreclosure or deed or other arrangement in lieu of foreclosure, no Co-owner will lease less than an entire Unit in the Condominium and no tenant will be permitted to occupy except under a lease the initial term of which is at least one (1) year unless specifically approved in writing by the Association. The terms of all leases, occupancy agreements and occupancy arrangements will incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents. The Developer may lease any number of Units in the Condominium at its discretion for such term or terms as Developer determines.

(b) Leasing Procedures. The leasing of Units in the Project will conform to the following provisions:

(1) A Co-owner, including the Developer, desiring to rent or lease a Unit, will disclose that fact in writing to the Association at least ten (10) days before presenting a lease form to a potential tenant of that Unit and, at the same time, will supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents. If Developer desires to rent Units before the Transitional Control Date, it will notify either the Advisory Committee or each Co-owner in writing.

(2) Tenants or nonco-owner occupants will comply with all of the conditions of the Condominium Documents of the Condominium Project and all leases and rental agreements will so state.

(3) If the Association determines that the tenant or nonco-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association will take the following action:

(i) The Association will notify the Co-owner by certified mail advising of the alleged violation by the tenant.

(ii) The Co-owner will have fifteen (15) days after receipt of such notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.

(iii) If after fifteen (15) days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the Co-owners on behalf of the Association, if it is under the control of the Developer, an action for eviction against the tenant or nonco-owner occupant and simultaneously for money damages in the same action against the Co-owner and tenant or nonco-owner occupant for breach of the conditions of the Condominium Documents. The relief provided for in this subsection may be by summary proceedings. The Association may hold both the tenant and the Co-owner liable for any damages to the Common Elements caused by the Co-owner or tenant in connection with the Unit or Condominium Project.

(4) When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-owner's Unit under a lease or rental agreement and the tenant, after receiving the notice, will deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions will not constitute a breach of the rental agreement or lease by the tenant.

6.3 Architectural Control. The Developer of the Project intends that there will be a residence and certain other improvements within the boundaries of each of the Condominium Units in the Project in conjunction with the sale of such Units to individual Co-owners. With prior written consent by the Developer, which may be withheld or conditioned as Developer may determine in its sole discretion, a Co-owner may engage the services of a licensed builder other than the Developer to construct improvements (including the residence) within the boundaries of or appurtenant to a Condominium Unit. In such event, Developer will be entitled to require that such builder or Co-owner furnish to the Association adequate security, in Developer's discretion, to protect the Association against costs and expenses which it might incur in connection with the failure to complete construction in a timely and diligent manner in accordance with the approved plans and specifications for the residence and its appurtenances. No one other than the Developer will be entitled to alter the nature or appearance of any improvements constructed within the boundaries of a Condominium Unit or the Limited Common Elements appurtenant thereto without the prior written consent of the Developer, which consent may be withheld by the Developer in its absolute discretion. No building, wall, road, sidewalk or other structure or improvements will be placed on the Condominium Property unless and until the plans and specifications therefor showing the nature, kind, shape, height, color, materials and location of the improvements (including floor plan and exterior colors) and the plot plan including elevations have the prior written approval of the Developer and no changes or deviations in or from such plans and specifications as approved will be made without the prior written consent of the Developer. Two sets of complete plans and specifications must be submitted; one will be retained by the Developer and one will be returned to the applicant. Any such plans for construction or alteration referred to above will include a plan for restoration of the Condominium Property after construction or alteration to a condition satisfactory to the the Developer. Each such building, wall, or structure will be placed on a Lot only in accordance with the plans and specifications and plot plan as approved by the Developer. Construction of any residence must also receive any

necessary approvals from the local public authorities. Refusal of approval of plans and specifications by the Developer may be based on any ground, including purely aesthetic grounds, which in the sole and uncontrolled discretion of the Developer seem sufficient; and in passing upon such plans and specifications, Developer will have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is proposed to construct the same, and the degree of harmony thereof with the Condominium as a whole and the area of future development described in the Master Deed. No alteration in the exterior appearance of the buildings or structures constructed with such approval will be made without like approval of the Developer. The Developer will not be responsible for any defects in such plans or specifications or in any building or structure erected according to such plans and specifications or in any changes in drainage resulting from such construction. Developer may also, in its discretion, require as a condition of approval of any plans, an agreement for special assessment of increased maintenance charges from any Co-owner whose proposed residence and appurtenances and related improvements will cause the Association abnormal expenses in carrying out its responsibilities with respect thereto under the Master Deed. The purpose of this Section is to assure the continued maintenance of the Condominium as a beautiful and harmonious residential development, and will be binding upon both the Association and upon all Co-owners. Further, the restrictions hereby placed upon the Condominium Property will not be construed or deemed to create negative reciprocal covenants, easements or any restrictions upon the use of the area of future development described in the Master Deed or any portion thereof unless, until and only to the extent such land is included in this Project by Master Deed amendment. Developer's rights under this Section may, in Developer's discretion, be assigned to the Association or other successor to Developer. Developer may construct any improvements upon the Condominium Property that it may, in its sole discretion, elect to make without the necessity of prior consent from the Association or any other person or entity, subject only to the express limitations contained in the Condominium Documents.

6.4 Changes in Common Elements. Except as provided in Section 6.3 above with respect to the Developer, no Co-owner will make changes in any of the Common Elements, Limited or General, without the express written approval of the Association.

6.5 Activities. No immoral, improper, unlawful or offensive activity will be carried on in any Unit or upon the Common Elements, Limited or General, nor will anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium. No unreasonably noisy activity will occur in or on the Common Elements or on any Unit at any time and specifically between the hours of 10:00 p.m. and 8:00 a.m., Monday thru Saturday at 10:00 p.m. and noon on Sunday, no one shall operate, play, or cause to be operated or played, on or within the Condominium Property any radio, phonograph, television, appliance, lawnmower, machine, instrument or motor which makes any music, noise or vibration, in such a manner as to be heard beyond a distance of twenty-five (25) feet therefrom or which is otherwise an annoyance or nuisance. No basketball hoops or goals will be permitted on the Condominium Property. No Co-owner will do or permit anything to be done or keep or permit to be kept on his Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association, and each Co-owner will pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved. Activities which are deemed offensive and are expressly prohibited include, but are not limited to, any activity

involving the use of firearms, air rifles, pellet guns, B-B guns, bows and arrows, or other similar dangerous weapons, projectiles or devices.

6.6 Pets. In addition to the restrictions on pets in the Crystal Springs Declaration of Residential Use Restrictions, any Co-owner who causes any animal to be brought or kept upon the Condominium Property will indemnify and hold harmless the Association and other Co-owners for any loss, damage or liability which the Association and/or other Co-owners may sustain as a result of the presence of such animal to the Property. The Association may charge all Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article II of these Bylaws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association may, without liability to the owner thereof, remove or cause to be removed any animal from the Condominium which it determines to be in violation of the restrictions imposed concerning pets. The Association will have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper. In the event of any violation of this Section, the Board of Directors of the Association may assess fines for such violation in accordance with these Bylaws and in accordance with duly adopted rules and regulations.

6.7 Aesthetics. The Common Elements, Limited or General, will not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. No unsightly condition will be maintained on any patio, porch or deck and only furniture and equipment consistent with the normal and reasonable use of such areas will be permitted to remain there during seasons when such areas are reasonably in use and no furniture or equipment of any kind will be stored thereon during seasons when such areas are not reasonably in use. Any firewood stored within a Unit will be in limited and reasonable quantities and kept in a neat and orderly manner, all as may be further specified by the Association. The Common Elements will not be used in any way for the drying, shaking or airing of clothing or other fabrics. In general, no activity will be carried on nor condition maintained by a Co-owner in his residence, elsewhere on his Unit or upon the Common Elements which is detrimental to the appearance of the Condominium.

6.8 Vehicles. In addition to the restrictions on vehicles contained in the Crystal Springs Declaration of Residential Use Restrictions, Co-owners will, if the Association requires, register with the Association all vehicles maintained on the Condominium Property. Use of motorized vehicles anywhere on the Condominium Property, other than passenger cars, authorized maintenance vehicles and commercial vehicles as provided in this Section, is absolutely prohibited. Parking on any street in the Condominium is subject to rules and regulations the Association may adopt from time to time. A Co-owner may not have more than one guest car parked overnight on the Common Elements unless approved in writing in advance by the Association.

6.9 Advertising. In addition to the sign restrictions in the Crystal Springs Declaration of Residential Use Restrictions, no signs or other advertising devices of any kind will be displayed which are visible from the exterior of a Unit or on the Common Elements, including "For Sale" signs, without the written permission from the Association and, during the Development Period, from the Developer, except that one "For Sale" sign referring only to the Unit on which displayed and not exceeding five (5) square feet in size may be displayed without approval.

6.10 Rules and Regulations. It is intended that the Board of Directors of the Association may make rules and regulations from

time to time to reflect the needs and desires of the majority of the Co-owners in the Condominium. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws concerning the use of the Common Elements may be made and amended from time to time by any Board of Directors of the Association. Copies of all such rules, regulations and amendments thereto will be furnished to all Co-owners.

6.11 Right of Access to Association. The Association or its duly authorized agents will have access to each Unit and any improvements thereon and Limited Common Elements appurtenant thereto 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 Common Elements. The Association or its agent will also have access to each Unit and any improvements thereon and Limited Common Elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit or to the improvements thereon. In the event of emergency, the Association may gain access in such manner as may be reasonable under the circumstances to any Unit and/or any residence or other improvement within a Unit and will not be liable to such Co-owner for any necessary damage to his Unit or any improvements thereon and any Limited Common Elements appurtenant thereto caused thereby or for repair or replacement of any doors or windows damaged in gaining such access.

6.12 Landscaping. No Co-owner will perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials on the Condominium Property without the prior written approval of the Association unless in accordance with rules and regulations adopted by the Association.

6.13 Common Element Maintenance. Yards, landscaped areas, driveways, roads and parking areas will not be obstructed nor will they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or other obstructions may be left unattended on or about the Common Elements.

6.14 Co-owner Maintenance. Each Co-owner will maintain his Unit and the improvements thereon and any Limited Common Elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition. Each Co-owner will also use due care to avoid damaging any of the Common Elements including, but not limited to, the telephone, water, gas, plumbing, electrical or other utility conduits and systems which are appurtenant to or which may affect any other Unit. Each Co-owner will be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by him, or his family, guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association (in which case there will be no such responsibility, unless reimbursement to the Association is limited by virtue of a deductible provision, in which case the responsible Co-owner will bear the expense to the extent of the deductible amount). Any costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

6.15 Reserved Rights of Developer.

(a) Developer's Rights in Furtherance of Development of Sales. None of the restrictions contained in this Article VI will apply to the commercial activities or signs or billboards, if any, of the Developer during the Development Period or of the Association in furtherance of its powers and purposes set forth

herein and in its Articles of Incorporation, as the same may be amended from time to time. Notwithstanding anything to the contrary elsewhere herein contained, Developer will have the right throughout the entire Development Period to maintain a sales office, a business office, a construction office, model units, storage areas and reasonable parking incident to the foregoing and such access to, from and over the Project as may be reasonable to enable development and sale of the entire Project by Developer. Developer will restore the areas so utilized to habitable status upon termination of use.

(b) Enforcement of Bylaws. The Condominium Project will at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private, residential community for the benefit of the Co-owners and all persons interested in the Condominium. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace and landscape in a manner consistent with the maintenance of such high standards, then Developer, or any entity to which Developer may assign this right, at its option, may elect to maintain, repair and/or replace any Common Elements and/or to do any landscaping required by these Bylaws and to charge the cost thereof to the Association as an expense of administration. The Developer will have the right to enforce these Bylaws throughout the Development Period notwithstanding that it may no longer own a Unit in the Condominium, which right of enforcement may include (without limitation) an action to restrain the Association or any Co-owner from any activity prohibited by these Bylaws.

ARTICLE VII MORTGAGES

7.1 Notice to Association. Any Co-owner who mortgages his Unit will notify the Association of the name and address of the mortgagee, and the Association will 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 such Unit. The Association may give to the holder of any mortgage covering any Unit in the project written notification of any default in the performance of the obligations of the Co-owner of such Unit.

7.2 Insurance. The Association will 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.

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

ARTICLE VIII VOTING

8.1 Vote. Except as limited in these Bylaws, each Co-owner will be entitled to one vote for each Condominium Unit owned.

8.2 Eligibility to Vote. No Co-owner, other than the Developer, will be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Condominium Project to the Association. Except as provided in Section 11.2 of these Bylaws, no Co-owner, other than the Developer, will be entitled to vote prior to the date of the First Annual Meeting held in accordance with Section 9.2. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in

Section 8.3 or by a proxy given by such individual representative. The Developer will be the only person entitled to vote at a meeting of the Association until the First Annual Meeting and will be entitled to vote during such period notwithstanding the fact that the Developer may own no Units at some time or from time to time during such period. At and after the First Annual Meeting the Developer will be entitled to vote for each Unit which the Developer owns.

8.3 Designation of Voting Representative. Each Co-owner must file a written notice with the Association designating one individual representative who will vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Co-owner. Such notice will state the name and address of the individual representative designated, the number or numbers of the Condominium Unit or Units owned by the Co-owner, and the name and address of each person, firm, corporation, partnership, association, trust or other entity who is the Co-owner. Such notice will be signed and dated by 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.

8.4 Quorum. The presence in person or by proxy of 35% of the Co-owners qualified to vote will constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required by the Condominium Documents 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 in person or by proxy will be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

8.5 Voting. Votes may be cast only in person 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 will not be permitted.

8.6 Majority. A majority, except where otherwise provided herein, will consist of more than 50% 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 of designated voting representatives present in person or by proxy, or by written vote, if applicable, at a given meeting of the members of the Association.

ARTICLE IX MEETINGS

9.1 Place of Meeting. Meetings of the Association will be held at the principal office of the Association or at such other suitable place convenient to the Co-owners as may be designated by the Board of Directors. Meetings of the Association will be conducted in accordance with Sturgis' Code of Parliamentary Procedure, Roberts Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Condominium Documents (as defined in the Master Deed) or the laws of the State of Michigan.

9.2 First Annual Meeting. The First Annual Meeting may be convened only by Developer and may be called at any time after more than 50% of the Units in Crystal View Villas that may be

created are sold and the purchasers thereof qualified as members of the Association. In no event, however, will such meeting be called later than 120 days after the conveyance of legal or equitable title to nondeveloper Co-owners of 75% in number of all Units that may be created or 54 months after the first conveyance of legal or equitable title to a non-developer Co-owner of a Unit in the project, whichever first occurs. The Developer may call meetings of members for information or other appropriate purposes prior to the First Annual Meeting and no such meeting will be construed as the First Annual Meeting. The date, time and place of such meeting will be set by the Board of Directors, and at least ten days' written notice thereof will be given to each Co-owner. The phrase "Units that may be created" as used in this Section and elsewhere in the Condominium Documents refers to the maximum number of Units which the Developer is permitted, under the Condominium Documents as may be amended, to include in the Condominium.

9.3 Annual Meetings. Annual meetings of the Association will be held on the last Thursday of September of each succeeding year after the year in which the First Annual Meeting is held at such time and place as will be determined by the Board of Directors; provided, however, that a second annual meeting will not be held sooner than 8 months after the date of the First Annual meeting. At such meetings there will be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article XI of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

9.4 Special Meetings. It will be the duty of the President to call a special meeting of the Co-owners as directed by resolution of the Board of Directors or upon a petition signed by one-third (1/3) of the Co-owners presented to the Secretary of the Association. Notice of any special meeting will state the time and place of such meeting and the purposes thereof. No business will be transacted at a special meeting except as stated in the notice.

9.5 Notice of Meetings. It will be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve a notice of each annual or special meeting, stating the purpose thereof as well as of the time and place where it is to be held, upon each Co-owner of record, at least ten days but not more than sixty days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Co-owner at the address shown in the notice required to be filed with the Association by Section 8.3 of these Bylaws will be deemed notice served. Any member may, by written waiver of notice signed by each member, waive such notice, and such waiver, when filed in the records of the Association, will be deemed due notice.

9.6 Adjournment. If any meeting of Co-owners cannot be held because a quorum is not in attendance, the Co-owners who are present may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

9.7 Order of Business. The order of business at all meetings of the members will be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) appointment of inspector of elections (at annual meeting or special meeting held for purpose of election of Directors or officers); (g) election of Directors (at annual meeting or special meetings held for such purpose); (h) unfinished business; and (i) new business. Meeting of members

will be chaired by the most senior officer of the Association present at such meeting. For purposes of this Section, the order of seniority of officers will be President, Vice President, Secretary and Treasurer.

9.8 Action Without Meeting. Any action which may be taken at a meeting of the members (except for the election or removal of Directors) may be taken without a meeting by written ballot of the members. Ballots will be solicited in the same manner as provided in Section 9.5 for the giving of notice of meetings of members. Such solicitations will specify (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written ballot will afford an opportunity to specify a choice between approval and disapproval of each matter and will provide that, where the member specifies a choice, the vote will be cast in accordance therewith. Approval by written ballot will be constituted by receipt within the time period specified in the solicitation of (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast.

9.9 Consent of Absentees. The transactions at any meeting of members, either annual or special, however called and noticed, will be as valid as though made at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy; and if, either before or after the meeting, each of the members not present in person or by proxy, signs a written waiver or notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals will be filed with the corporate records or made a part of the minutes of the meeting.

9.10 Minutes, Presumption of Notice. Minutes or a similar record of the proceedings of meetings of members, when signed by the President or Secretary, will be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given will be prima facie evidence that such notice was given.

ARTICLE X ADVISORY COMMITTEE

Within one year after conveyance of legal or equitable title to the first Unit in the Condominium to a purchaser or within 120 days after conveyance to purchasers of 1/3 of the total number of Units that may be created, whichever first occurs, the Developer will cause to be established an Advisory Committee consisting of at least three nondeveloper Co-owners. The Committee will be established and perpetuated in any manner the Developer deems advisable, except that if more than 50% of the nondeveloper Co-owners petition the Board of Directors for an election to select the Advisory Committee, then an election for such purpose will be held. The purpose of the Advisory Committee will be to facilitate communications between the temporary Board of Directors and the nondeveloper Co-owners and to aid the transition of control of the Association from the Developer to purchaser Co-owners. The Advisory Committee will cease to exist automatically when the nondeveloper Co-owners have the voting strength to elect a majority of the Board of Directors of the Association. The Developer may remove and replace at its discretion at any time

any member of the Advisory Committee who has not been elected thereto by the Co-owners.

ARTICLE XI BOARD OF DIRECTORS

11.1 Number and Qualification of Directors. The Board of Directors will be comprised of three members all of whom must be members of the Association or officers, partners, trustees, employees or agents of members of the Association. Directors will serve without compensation.

11.2 Election of Directors.

(a) **First Board of Directors.** The first Board of Directors will be composed of the three persons designated in the Articles of Incorporation of the Association and such first Board of Directors or its successors as selected by the Developer will manage the affairs of the Association until the appointment of the first nondeveloper Co-owners to the Board. Elections for nondeveloper Co-owner Directors will be held as provided in subsections (b) and (c) below.

(b) **Appointment of Nondeveloper Co-owners to Board Prior to First Annual Meeting.** Not later than 120 days after conveyance of legal or equitable title to nondeveloper Co-owners of 25% of the Units that may be created, one of the three Directors will be selected by nondeveloper Co-owners. When the required percentage level of conveyance has been reached, the Developer will notify the nondeveloper Co-owners and request that they hold a meeting and elect the required Director. Upon certification to the Developer by the Co-owners of the Director so elected, the Developer will then immediately appoint such Director to the Board to serve until the First Annual Meeting unless he is removed pursuant to Section 11.7 or he resigns or becomes incapacitated.

(i) 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 will elect all Directors on the Board, except that the Developer will have the right to designate at least 1 Director as long as the Units that remain to be created and sold equal at least 10% of all Units that may be created in the Project. Whenever the 75% conveyance level is achieved, a meeting of Co-owners will be promptly convened to effectuate this provision, even if the First Meeting has already occurred.

(ii) Regardless of the percentage of Units which have been conveyed, upon the expiration of 54 months after the first conveyance of legal or equitable title to a nondeveloper Co-owner of a Unit in the Project, the nondeveloper Co-owners have the right to elect a number of members of the Board of Directors equal to the percentage of Units they own, and the Developer has the right to elect 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 will not reduce, the minimum election and designation rights otherwise established in subsection (i). Application of this subsection does not require a change in the size of the Board of Directors.

(iii) 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 (ii), 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 (b) 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 will be rounded up to the nearest whole number, which number will 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 will have the right to elect the remaining members of the Board of Directors. Application of this subsection will not eliminate the right of the Developer to designate 1 member as provided in subsection (i).

(iv) At the First Annual Meeting 2 Directors will be elected for a term of 2 years and 1 Director will be elected for a term of 1 year. At such meeting all nominees will stand for election as 1 slate and the 2 persons receiving the highest number of votes will be elected for a term of 2 years and the 1 person receiving the next highest number of votes will be elected for a term of 1 year. At each annual meeting held thereafter, either 1 or 2 Directors will be elected depending upon the number of Directors whose terms expire. After the First Annual Meeting, the term of office (except for 1 of the Directors elected at the First Annual Meeting) of each Director will be 2 years. The Directors will hold office until their successors have been elected and hold their first meeting.

(v) Once the Co-owners have acquired the right hereunder to elect a majority of the Board of Directors, annual meetings of Co-owners to elect Directors and conduct other business will be held in accordance with the provisions of Section 9.3 hereof.

11.3 Power and Duties. The Board of Directors will have the 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 Co-owners.

11.4 Other Duties. In addition to the foregoing duties imposed by these Bylaws or any further duties which may be imposed by resolution of the members of the Association, the Board of Directors will be responsible specifically for the following:

(a) To manage and administer the affairs of and to maintain the Condominium Project and the Common Elements thereof.

(b) To levy and collect assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association.

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

(d) To rebuild improvements after casualty.

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

(f) 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.

(g) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association; provided, however, that any such action will also be approved by affirmative vote of 75% of all of the members of the Association.

(h) To make rules and regulations in accordance with Article VI, Section 10 of these Bylaws.

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

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

11.5 Management Agent. The Board of Directors may employ for the Association a professional management agent (which may include the Developer or any person or entity related thereto) at reasonable compensation established by the Board to perform such duties and services as the Board will authorize, including, but not limited to, the duties listed in Sections 11.3 and 11.4, 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. In no event will the Board be authorized to enter into any contract with a professional management agent, or any other contract providing for services by the Developer, sponsor or builder, in which the maximum term is greater than 3 years or which is not terminable by the Association upon 90 days' written notice thereof to the other party and no such contract will violate the provisions of Section 55 of the Act.

11.6 Vacancies. Vacancies in the Board of Directors which occur after the Transitional Control Date caused by any reason other than the removal of a Director by a vote of the members of the Association will be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum, except that the Developer will be solely entitled to fill the vacancy of any Director whom it is permitted in the first instance to designate. Each person so elected will be a Director until a successor is elected at the next annual meeting of the Association. Vacancies among nondeveloper Co-owner elected Directors which occur prior to the Transitional Control Date may be filled only through election by nondeveloper Co-owners and will be filled in the manner specified in Section 2(b) of this Article.

11.7 Removal. At any regular or special meeting of the Association duly called with due notice of the removal action proposed to be taken, any one or more of the Directors may be removed with or without cause by the affirmative vote of more than 50% of all of the Co-owners and a successor may then and there be elected to fill any vacancy thus created. The quorum requirement for the purpose of filling such vacancy will be the normal 35% requirement set forth in Article VIII, Section 4. Any Director whose removal has been proposed by the Co-owners will be given an opportunity to be heard at the meeting. The Developer may remove and replace any or all of the Directors selected by it at any time or from time to time in its sole discretion. Likewise, any Director selected by the nondeveloper Co-owners to serve before the First Annual Meeting may be removed before the

First Annual Meeting in the same manner set forth in this paragraph for removal of Directors generally.

11.8 First Meeting. The first meeting of a newly elected Board of Directors will be held within 10 days of election at such place as will be fixed by the Directors at the meeting at which such Directors were elected, and no notice will be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board will be present.

11.9 Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as will be determined from time to time by a majority of the Directors, but at least two such meetings will be held during each fiscal year. Notice of regular meetings of the Board of Directors will be given to each Director, personally, by mail, telephone or telegraph at least 10 days prior to the date named for such meeting.

11.10 Special Meetings. Special meetings of the Board of Directors may be called by the President on 3 days' notice to each Director, given personally, by mail, telephone or telegraph, which notice will state the time, place and purpose of the meeting. Special meetings of the Board of Directors will be called by the President or Secretary in like manner and on like notice on the written request of two Directors.

11.11 Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver will be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board will be deemed a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice will be required and any business may be transacted at such meeting.

11.12 Adjournment. At all meetings of the Board of Directors, a majority of the Directors will constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present will be the acts of the Board of Directors. If, at any meeting of the Board of Directors, less than a quorum is present, the majority of those present may adjourn the meeting to a subsequent time upon 24 hours' prior written notice delivered to all Directors not present. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof will constitute the presence of such Director for purposes of determining a quorum.

11.13 First Board of Directors. The actions of the first Board of Directors of the Association or any successors thereto selected or elected before the Transitional Control Date will be binding upon the Association so long as such actions are within the scope of the powers and duties which may be exercised generally by the Board of Directors as provided in the Condominium Documents.

11.14 Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds will furnish adequate fidelity bonds. The premiums on such bonds will be expenses of administration.

ARTICLE XII
OFFICERS

12.1 Officers. The principal officers of the Association will be a President, who will be a member of the Board of Directors, a Vice President, a Secretary and a Treasurer. The Directors may appoint an Assistant Treasurer, and an Assistant Secretary, and such other officers as in their judgment may be necessary. Any two offices except that of President and Vice President may be held by one person.

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

(b) **Vice President.** The Vice President will take the place of the President and perform his duties whenever the President will be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors will appoint some other member of the Board to so do on an interim basis. The Vice President will also perform such other duties as will from time to time be imposed upon him by the Board of Directors.

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

(d) **Treasurer.** The Treasurer will have responsibility for the Association funds and securities and will be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He will be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, and in such depositories as may, from time to time, be designated by the Board of Directors.

12.2 Election. The officers of the Association will be elected annually by the Board of Directors at the organizational meeting of each new Board and will hold office at the pleasure of the Board.

12.3 Removal. Upon affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose. No such removal action may be taken, however, unless the matter will have been included in the notice of such meeting. The officer who is proposed to be removed will be given an opportunity to be heard at the meeting.

12.4 Duties. The officers will have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board of Directors.

ARTICLE XIII
FINANCE

13.1 Records. The Association will keep detailed books of account showing all expenditures and receipts of administration which will specify the 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 will be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association will prepare and distribute to each Co-owner at least once a year a financial statement, the contents of which will be defined by the Association. The books of account will 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 will 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 will be expenses of administration.

13.2 Fiscal Year. The fiscal year of the Association will be an annual period commencing on such date as may be initially determined by the Directors. The commencement date of the fiscal year will be subject to change by the Directors for accounting reasons or other good cause.

13.3 Bank. Funds of the Association will be initially deposited in such bank or savings association as may be designated by the Directors and will be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time. The funds may be invested from time to time in accounts or deposit certificates of such bank or savings association as are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and may also be invested in interest-bearing obligations of the United States Government.

ARTICLE XIV
INDEMNIFICATION OF OFFICERS AND DIRECTORS

Every director and officer of the Association will be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceedings 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 will 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, including indemnification under the Articles of Incorporation of the Association. At least 10 days prior to payment of any indemnification, whether under this section or under the Articles of Incorporation of the Association, the Board of Directors shall notify all Co-owners of the payment.

ARTICLE XV
SEAL

The Association may (but need not) have a seal. If the Board determines that the Association will have a seal, then it will have inscribed thereon the name of the Association, the words "corporate seal", and "Michigan".

ARTICLE XVI
COMPLIANCE

The Association of Co-owners and all present or future Co-owners, tenants, or any other persons acquiring an interest in or using the facilities of the Project in any manner are subject to and will 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 Property will signify that the Condominium Documents are accepted and ratified.

ARTICLE XVII
REMEDIES FOR DEFAULT

Any default by a Co-owner will entitle the Association or another Co-owner or Co-owners to the following relief:

17.1 Legal Action. Failure to comply with any of the terms or provisions of the Condominium Documents will be grounds for relief, which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Co-owner or Co-owners.

17.2 Recovery of Costs. In any proceeding arising because of an alleged default by any Co-owner, the Association, if successful, will be entitled to recover the costs of the proceeding and such reasonable attorneys' fees (not limited to statutory fees) as may be determined by the court, but in no event will any Co-owner be entitled to recover such attorneys' fees.

17.3 Removal and Abatement. The violation of any of the provisions of the Condominium Documents will 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 and the improvements thereon, 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. The Association will have no liability to any Co-owner arising out of the exercise of its removal and abatement power authorized herein..

17.4 Assessment of Fines. The violation of any of the provisions of the Condominium Documents by any Co-owner will be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless rules and regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and notice thereof given to all Co-owners in the same manner as prescribed in Article IX, Section 5 of these Bylaws. Thereafter, fines may be assessed only upon notice to the offending Co-owners as prescribed in said Article IX, Section 5, and an opportunity for such Co-owner to appear before the Board no less than 7 days from the date of the notice

and offer evidence in defense of the alleged violation. All fines duly assessed may be collected in the same manner as provided in Article II of these Bylaws. No fine will be levied for the first violation. No fine will exceed \$25 for the second violation, \$50 for the third violation or \$100 for any subsequent violation.

17.5 Non-waiver of Right. 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 will not constitute a waiver of the right of the Association or of any such Co-owner to enforce such right, provision, covenant or condition in the future.

17.6 Cumulative Rights, Remedies and Privileges. All rights, remedies and privileges granted to the Association or any Co-owner or Co-owners pursuant to any terms, provisions, covenants or conditions of the Condominium Documents will be deemed to be cumulative and the exercise of any one or more will not be deemed to constitute an election of remedies, nor will 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.

17.7 Enforcement of Provisions of Condominium Documents. A Co-owner may maintain an action against the Association and its officers and Directors to compel such persons to enforce the terms and provisions of the Condominium Documents. 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 the Act.

ARTICLE XVIII 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 any other entity or to the Association. Any such assignment or transfer will be made by appropriate instrument in writing in which the assignee or transferee will join for the purpose of evidencing its consent to the acceptance of such powers and rights and such assignee or transferee will thereupon have the same rights and powers as herein given and reserved to the Developer. Any rights and powers reserved or retained by Developer or its successors will expire and terminate, if not sooner assigned to the Association, at the conclusion of the Development Period as defined in Article III of the Master Deed. The immediately preceding sentence dealing with the expiration and termination of certain rights and powers granted or reserved to the Developer is intended to apply, insofar as the Developer is concerned, only to Developer's rights to approve and control the administration of the Condominium and will not, under any circumstances, be construed to apply to or cause the termination and expiration of any real property rights granted or reserved to the Developer or its successors and assigns in the Master Deed or elsewhere (including, but not limited to, access easements, utility easements and all other easements created and reserved in such documents which will not be terminable in any manner hereunder and which will be governed only in accordance with the terms of their creation or reservation and not hereby).

ARTICLE XIX
MISCELLANEOUS PROVISIONS

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

19.2 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 will not affect, alter, modify or impair in any manner whatsoever any of the other terms, provisions or covenants of such Condominium Documents or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

19.3 Notices. Notices provided for in the Act, Master Deed or Bylaws must be in writing, and are to be addressed to the Association at P.O. Box 8308, Grand Rapids, Michigan 49518, or to any Co-owner at the address set forth in the deed of conveyance, or at such other address as may hereinafter be provided.

The Association may designate a different address for notices to it by giving written notice of such change of address to all Co-owners. Any Co-owner may designate a different address for notices to him by giving written notice to the Association. Notices addressed as above will be deemed delivered when mailed by United States mail with postage prepaid, or when delivered in person.

19.3 Amendment. These Bylaws may be amended, altered, changed, added to or repealed only in the manner set forth in Article XI of the Master Deed.

19.4 Conflicting Provisions. In the event of a conflict between the provisions of the Act (or other laws of the State of Michigan) and any Condominium Document, the Act (or other laws of the State of Michigan) shall govern; in the event of any conflict between the provisions of any one or more Condominium Documents, the following order of priority shall prevail and the provisions of the Condominium Document having the highest priority shall govern:

- (1) the Master Deed, including the Condominium Subdivision Plan but excluding these Bylaws;
- (2) these Bylaws;
- (3) the Articles of Incorporation of the Association;
and
- (4) the Rules and Regulations of the Association.

110,124.56/kjn
08/07/89

EXHIBIT "B" TO THE MASTER DEED OF
SUBDIVISION PLAIN INV. 111

CRYSTAL VIEW VILLAS

GAINES TOWNSHIP, KENT COUNTY MICHIGAN.

DEVELOPER:

CRYSTAL SPRINGS DEVELOPMENT CORPORATION P.O. BOX 8308 GRAND RAPIDS MI. 49518
ENGINEER:

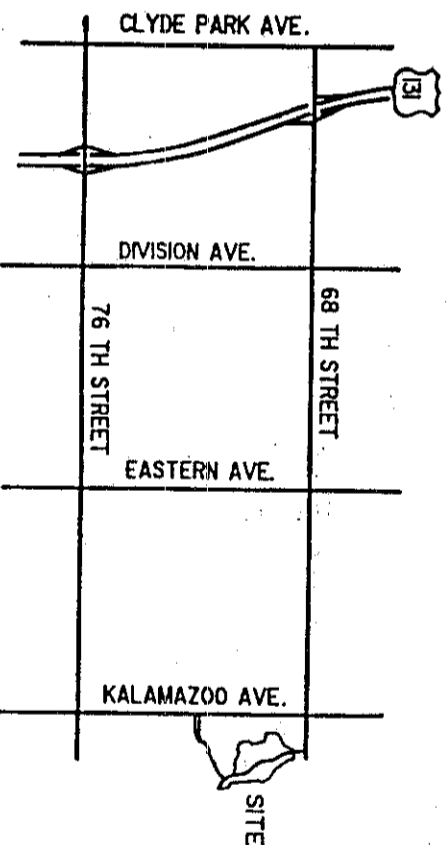
EXXEL ENGINEERING INC. 3959 CLAY AVE. S.W. GRAND RAPIDS MI. 49508

Description of Crystal View Villas, West Portion:

That part of the NW 1/4, Section 9, T8N, R11W, Gaines Township, Kent County, Michigan, described as: Commencing at the NW corner of Section 9; thence N89°43'22"E 1379.84 feet along the North line of said NW 1/4; thence S00°16'38"E 288.55 feet; thence Southerly 116.02 feet on a 283.0 foot radius curve to the left, the chord of which bears S12°01'20"E 115.21 feet to the PLACE OF BEGINNING of this description; thence Southeasterly 69.96 feet on said 283.0 foot radius curve to the left, the chord of which bears S30°51'00"E 69.78 feet; thence S37°55'55"E 140.78 feet; thence Southeasterly 190.66 feet on a 367.0 foot radius curve to the right, the chord of which bears S23°02'57"E 186.52 feet; thence S08°10'E 176.06 feet; thence Southeasterly 241.20 feet on a 283.0 foot radius curve to the left, the chord of which bears S32°35'00"E 233.97 feet; thence Southeasterly 109.83 feet on a 217.0 foot radius curve to the right, the chord of which bears S42°30'00"E 108.66 feet; thence S28°00'E 25.82 feet; thence Southerly 70.07 feet on a 217.0 foot radius curve, the chord of which bears S18°45'00"E 69.76 feet; thence S09°30'E 231.30 feet; thence S80°30'W 130.0 feet; thence N80°29'W 145.09 feet; thence N50°00'W 159.62 feet; thence S36°00'W 54.96 feet; thence S70°40'W 87.86 feet; thence N178°49'16"W 91.93 feet; thence N50°45'W 10.00 feet; thence N23°48'31"W 95.48 feet; thence N08°45'W 95.0 feet; thence N44°51'41"E 144.01 feet; thence N12°00'W 195.0 feet; thence N36°45'W 90.00 feet; thence N81°31'04"W 98.76 feet; thence N43°42'57"W 84.87 feet; thence N21°00'W 85.0 feet; thence N01°48'29"W 68.44 feet; thence N21°00'E 68.0 feet; thence N50°53'15"E 92.78 feet; thence N16°00'E 78.0 feet; thence S74°11'55"E 71.31 feet; thence N52°04'05"E 213.60 feet to the place of beginning. This parcel contains 12.533 Acres.

Description of Crystal View Villas, East Portion:

That part of the NW 1/4, Section 9, T5N, R11W, Gaines Township, Kent County, Michigan, described as: Commencing at the NW corner of Section 9; thence N89°43'22"E 1531.84 feet along the North line of said NW 1/4; thence S00°16'38"E 372.00 feet to the PLACE OF BEGINNING of this description; thence S69°30'E 130.42 feet; thence S29°40'E 181.56 feet; thence S51°30'E 155.0 feet; thence S49°30'E 149.91 feet; thence S61°10'18"E 72.52 feet; thence S47°08'34"E 66.68 feet; thence S07°40'E 112.0 feet; thence S26°15'W 112.08 feet; thence S19°11'E 82.68 feet; thence S05°30'W 230.0 feet; thence S09°30'E 260.0 feet; thence S22°49'21"E 53.97 feet; thence S59°05'E 54.29 feet; thence S79°46'14"E 58.97 feet; thence S01°30'E 120.0 feet; thence N82°00'W 57.00 feet; thence Northwesterly 278.37 feet on a 217.0 foot radius curve, the chord of which bears N46°15'00"W 259.67 feet; thence N09°30'W 389.30 feet; thence Northwesterly 91.38 feet on a 283.0 foot radius curve to the left, the chord of which bears N18°45'00"W 90.98 feet; thence N28°00'W 25.82 feet; thence Northwesterly 143.24 feet on a 283.0 foot radius curve to the left, the chord of which bears N42°30'00"W 141.72 feet; thence Northwesterly 184.95 feet on a 217.0 foot radius curve to the right, the chord of which bears N32°35'00"W 179.40 feet; thence N08°10'W 176.06 feet; thence Northwesterly 224.94 feet on a 433.0 foot radius curve to the left, the chord of which bears N23°02'57"W 222.42 feet; thence Northerly 142.61 feet on a 217.0 foot radius curve to the right, the chord of which bears N19°06'16"W 140.06 feet; thence N00°16'38"W 28.0 feet to the place of beginning. This parcel contains 6.812 Acres.



ATTENTION COUNTY REGISTER OF DEEDS-
THE CONDOMINIUM SUBDIVISION PLAN NUMBER
MUST BE ASSIGNED IN CONSECUTIVE SEQUENCE.
WHEN A NUMBER HAS BEEN ASSIGNED TO THIS
PROJECT IT MUST BE PROPERLY SHOWN ON
THIS SHEET AND IN THE SURVEYORS CERTIFICATE

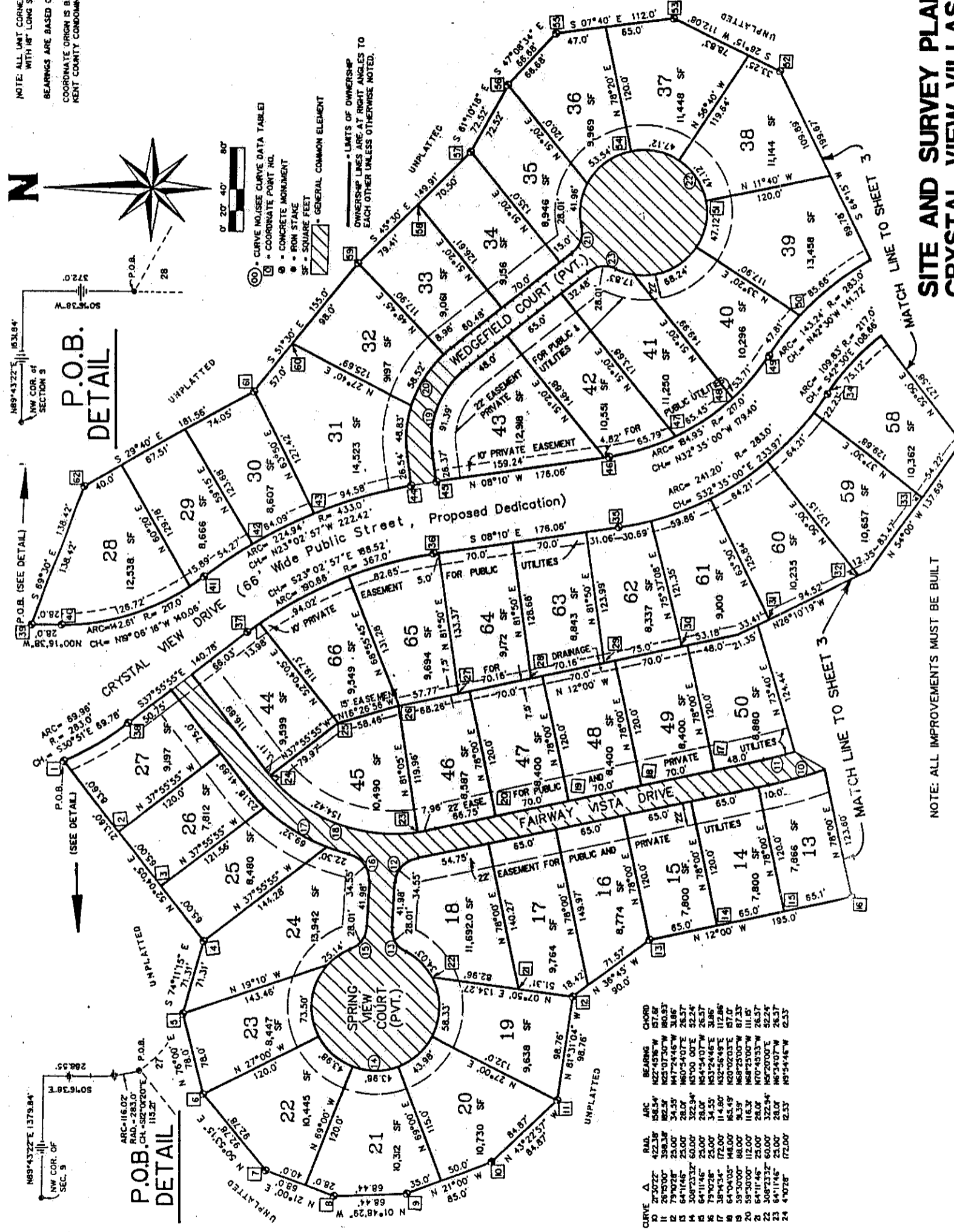
SHEET INDEX

1 FACE SHEET
2 SITE AND SURVEY PLAN
3 SITE AND SURVEY PLAN
4 UTILITY PLAN
5 UTILITY PLAN
6 SITE PLAN (EXPANSION AREA)

Richard L. Deane
PROPOSED JULY 13, 1989



COORDINATE ORIGIN IS BASED ON FOUNTAIN VIEW VILLAS
ENT COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 153

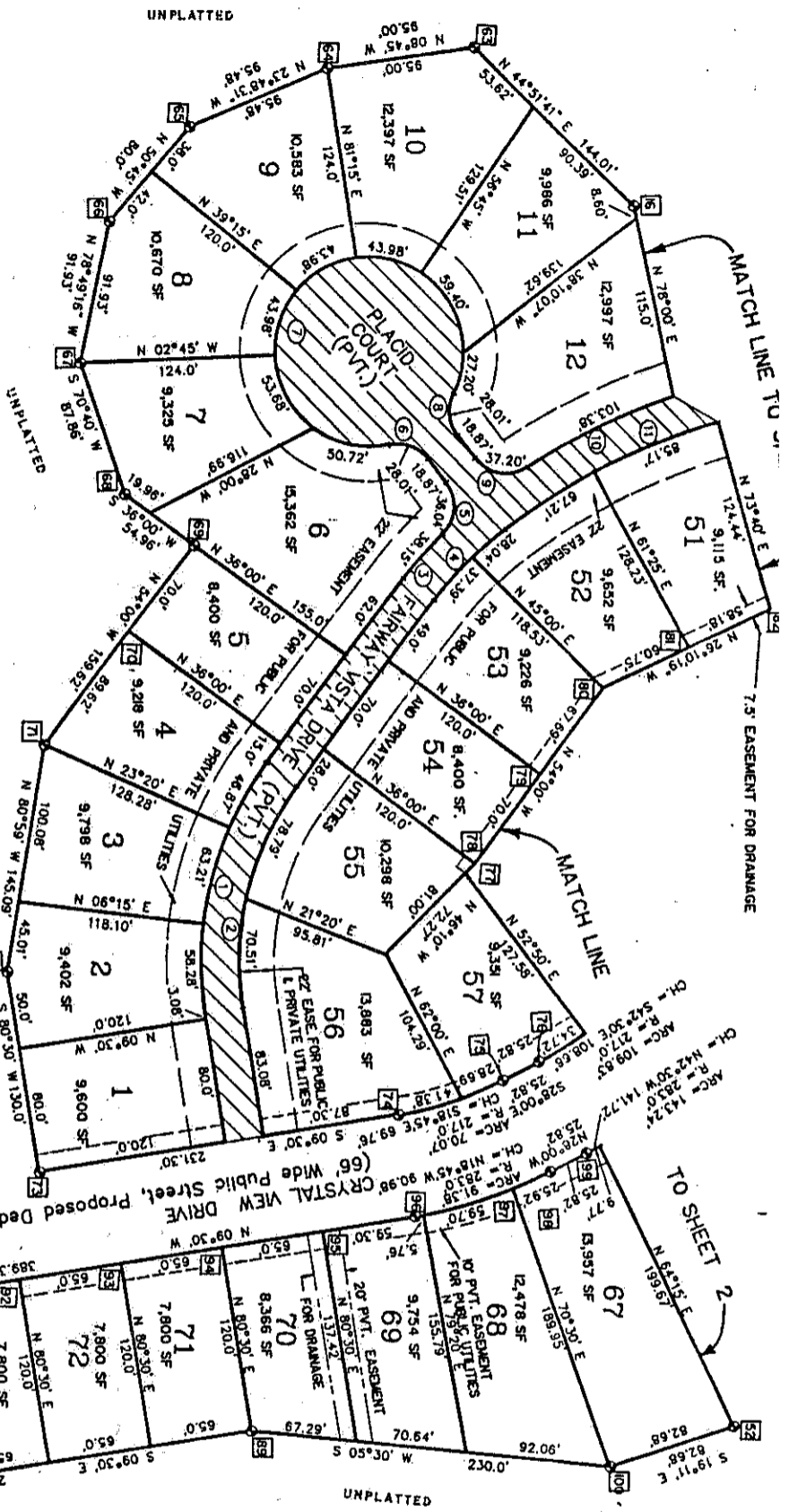


SITE AND SURVEY PLAN CRYSTAL VIEW VII A S

NOTE: ALL IMPROVEMENTS MUST BE BUILT

PROPOSED JULY 13, 1989





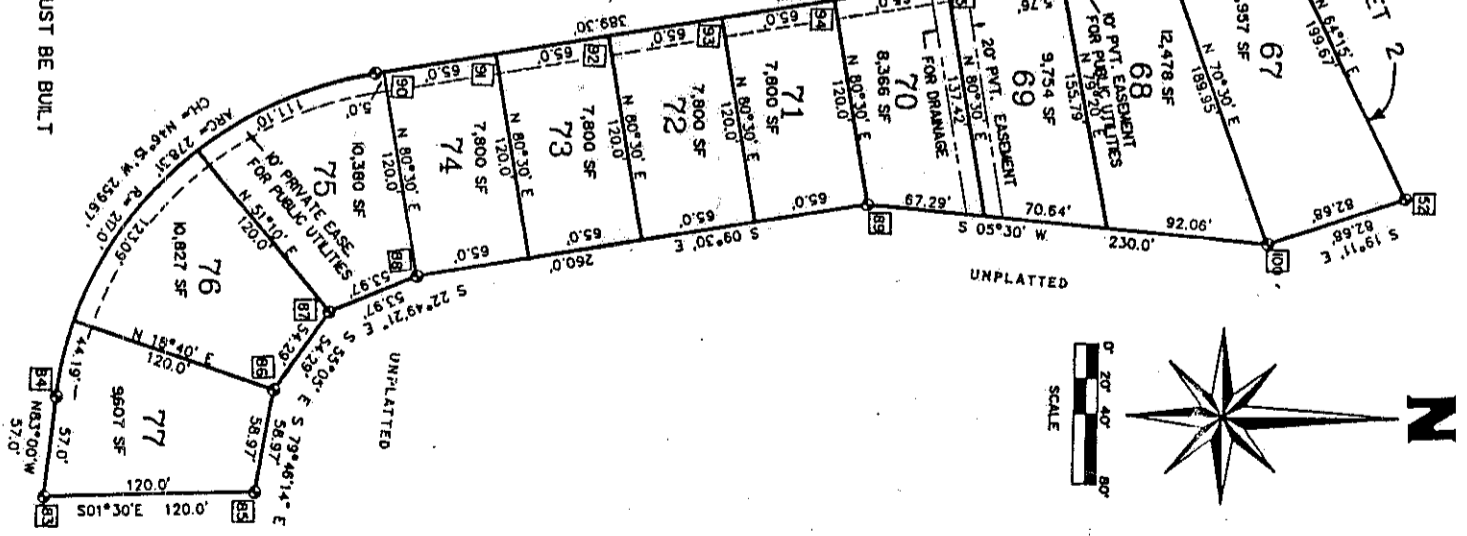
CLARE	Δ	RUL.	ARC	BEARING	CHORD
1	43.3007	32.007	68.36	N76.43500 W	83.367
2	42.3030	38.600	149.10	N49.45000 W	145.407
3	8.2034	26.000	33.85	N49.45000 W	33.82
4	83.3534	23.800	63.43	N46.01500 W	63.22
5	62.3534	23.000	16.04	N46.01500 W	11.00
6	66.1146	23.000	18.04	N39.39000 E	26.37
7	10.08123	50.00	322.94	N39.39000 E	52.24
8	66.1146	23.000	28.04	N43.50000 E	23.57
9	65.1146	23.000	17.00	N37.01900 E	11.86
10	27.3032	33.000	42.38	N23.01500 W	57.67
11	27.3032	33.000	62.34	N23.01500 W	80.33

SURVEYORS CERTIFICATE.

I, DOUGLAS S. BOWMAN, LICENSED LAND SURVEYOR OF THE STATE OF MICHIGAN, HEREBY CERTIFY: THAT THE SUBDIVISION PLAN SHOWING AS ABOVE, COUNTY OF CONSUMMA, SUBDIVISION PLAN NO. 1771, AS SHOWN ON THE ACCOMPANYING SURVEY PLAN REPRESENTS THE SURVEY ON THE GROUND LADE AND LAYED OUT IN ACCORDANCE WITH THE REQUIREMENTS OF THE MICHIGAN SUBDIVISION ACT, AND THAT THERE ARE NO EXISTING ENCUMBRANCES UPON THE LAND AND PROPERTY HEREIN DESCRIBED. THAT THE REQUIRED MONUMENTS WILL BE PLACED IN THE GROUND WITHIN ONE YEAR OF THE RECORDING OF THE CONSOLIDATING CONSUMMA SUBDIVISION PLAN, AS REQUIRED BY RULES PROMULGATED UNDER SECTION 42 OF ACT NO. 39 OF THE PUBLIC ACTS OF 1974, THAT THE ACCURACY OF THIS SURVEY IS WITHIN THE LIMITS REQUIRED BY THE RULES PROMULGATED UNDER SECTION 42 OF ACT NO. 39 OF THE PUBLIC ACTS OF 1974, THAT THE RECORDS AS SHOWN ARE NOTED ON THE SURVEY PLAN AS REQUIRED BY THE RULES PROMULGATED UNDER SECTION 42, ACT 39 OF THE PUBLIC ACTS OF 1974.

JOSEPH W. BOWEN & CO.
MODEL ENGINEERS INC.
3535 CLAY AVE S.W.
RAND RAPIDS MI 49308

NOTE: ALL IMPROVEMENTS MUST BE BUILT




POINT	N. COORD.	E. COORD.
16	6321.73	6266.92
63	649.65	6673.34
64	6323.75	6684.79
65	6236.40	6220.33
66	667.78	6282.29
67	669.96	6372.48
68	659.05	6455.39
69	6243.51	6487.69
70	6202.37	6544.32
71	649.69	666.83
72	626.93	6760.13
73	848.84	6688.34
74	6376.54	6650.07
75	6442.60	6627.74
76	6463.40	6665.52
77	647.54	6693.28
78	6423.59	6688.98
79	6464.74	6632.35
80	6504.52	6377.39
81	6535.04	6550.80
82	6611.25	6323.4
83	586.96	7232.67
84	5823.90	7267.09
85	5536.92	7220.53
86	5947.39	782.49
87	5978.46	717.98
88	5028.21	7097.04
89	6284.64	7054.13
90	6008.40	6378.69
91	5072.31	6367.96
92	826.62	6351.23
93	6200.73	6394.51
94	8264.84	6393.78
95	6328.95	6592.05
96	6387.43	6595.26
97	6450.18	6697.12
98	6473.59	6686.02
99	6496.38	6671.90
100	6583.58	7076.18
52	6536.67	7045.04

NOTE: ALL UNIT CORNERS WILL BE MARKED WITH 16" LONG STEEL STAKES.

DEBARINGS ARE BASED ON SOLAR OBSERVATION.

COORDINATE ORIGIN IS BASED ON FOUNTAIN VIEW VILLAS, KENT COUNTY CONDOMINIUM SUBDIVISION PLAN NO. 153

 GENERAL COMMON ELEMENT

② - CURVE NO. (SEE CURVE DATA TABLE)

☐ - COORDINATE POINT NUMBER

② - LIMITS OF OWNERSHIP

OWNERSHIP LINES ARE AT RIGHT ANGLES TO BENCH OTHER UNLESS OTHERWISE NOTED.

② - CONCRETE MONUMENT

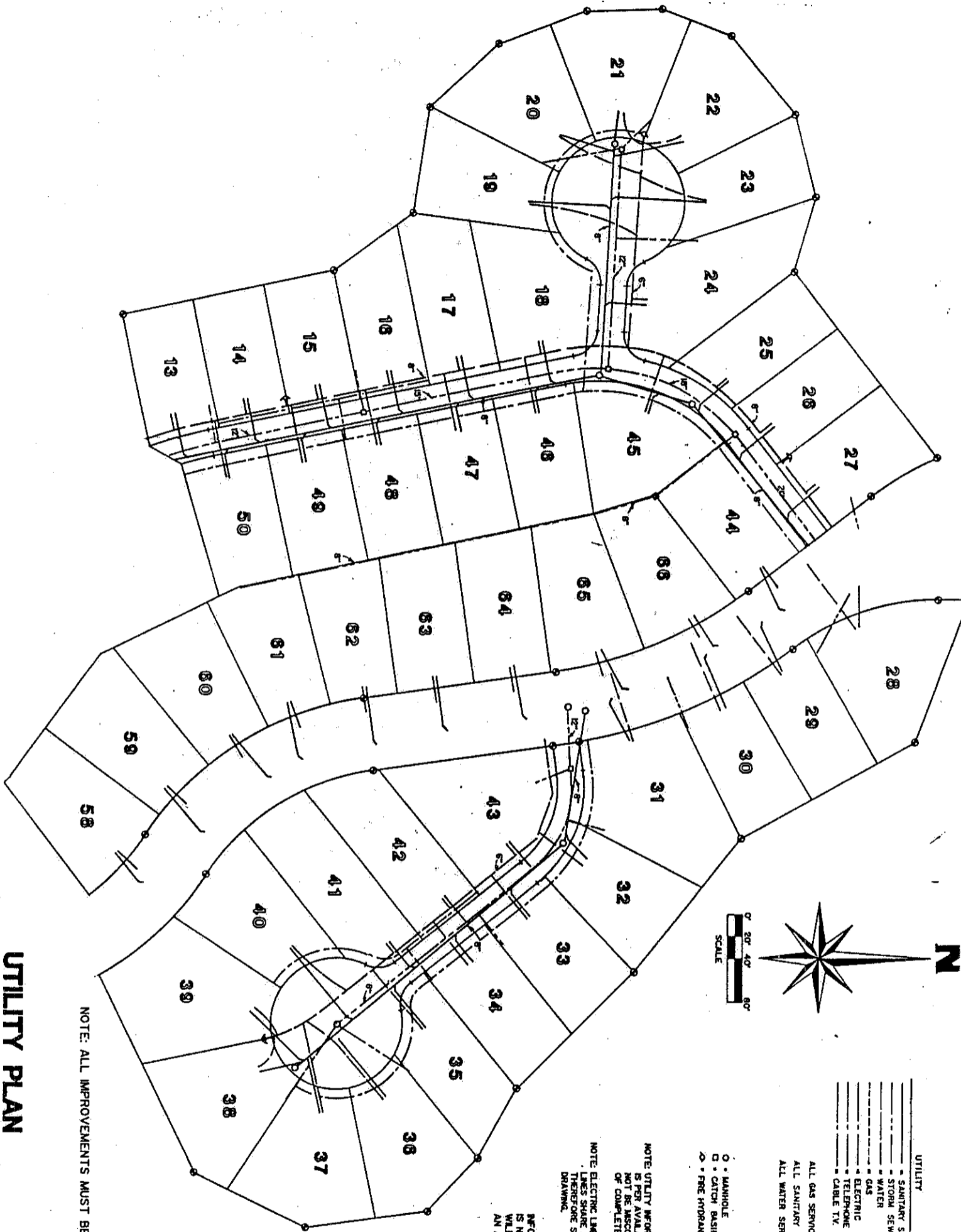
② - IRON STAKE

SP - SQUARE FEET

SITE AND SURVEY PLAN

Richard W. Lee
PROPOSED JULY 13, 1985





UTILITY		SOURCE OF INFORMATION	
—	SANITARY SEWER	—	EXCEL ENGINEERING INC.
—	STORM SEWER	—	EXCEL ENGINEERING INC.
—	WATER	—	EXCEL ENGINEERING INC.
—	GAS	—	MICH. COM. GAS CO.
—	ELECTRIC	—	CONSUMERS POWER CO.
—	TELEPHONE	—	MICH. BELL TEL. CO.
—	CABLE TV	—	U.S. CABLEVISION

ALL GAS SERVICES ARE 5/8" ALL SANITARY LATERALS ARE 6" ALL WATER SERVICES ARE 1"

- MANHOLE
- CATCH BASIN
- ◇ FIRE HYDRANT

NOTE: UTILITY INFORMATION AS SHOWN HEREON IS FOR AVAILABLE RECORD, AND SHOULD NOT BE ASSUMED TO BE A GUARANTEE OF COMPLETENESS OR ACCURACY.

NOTE: ELECTRIC, TELEPHONE, AND CABLE LINES SHARE A COMMON TRENCH AND ARE THEREFORE SHOWN AS ONE LINE ON THIS DRAWING.

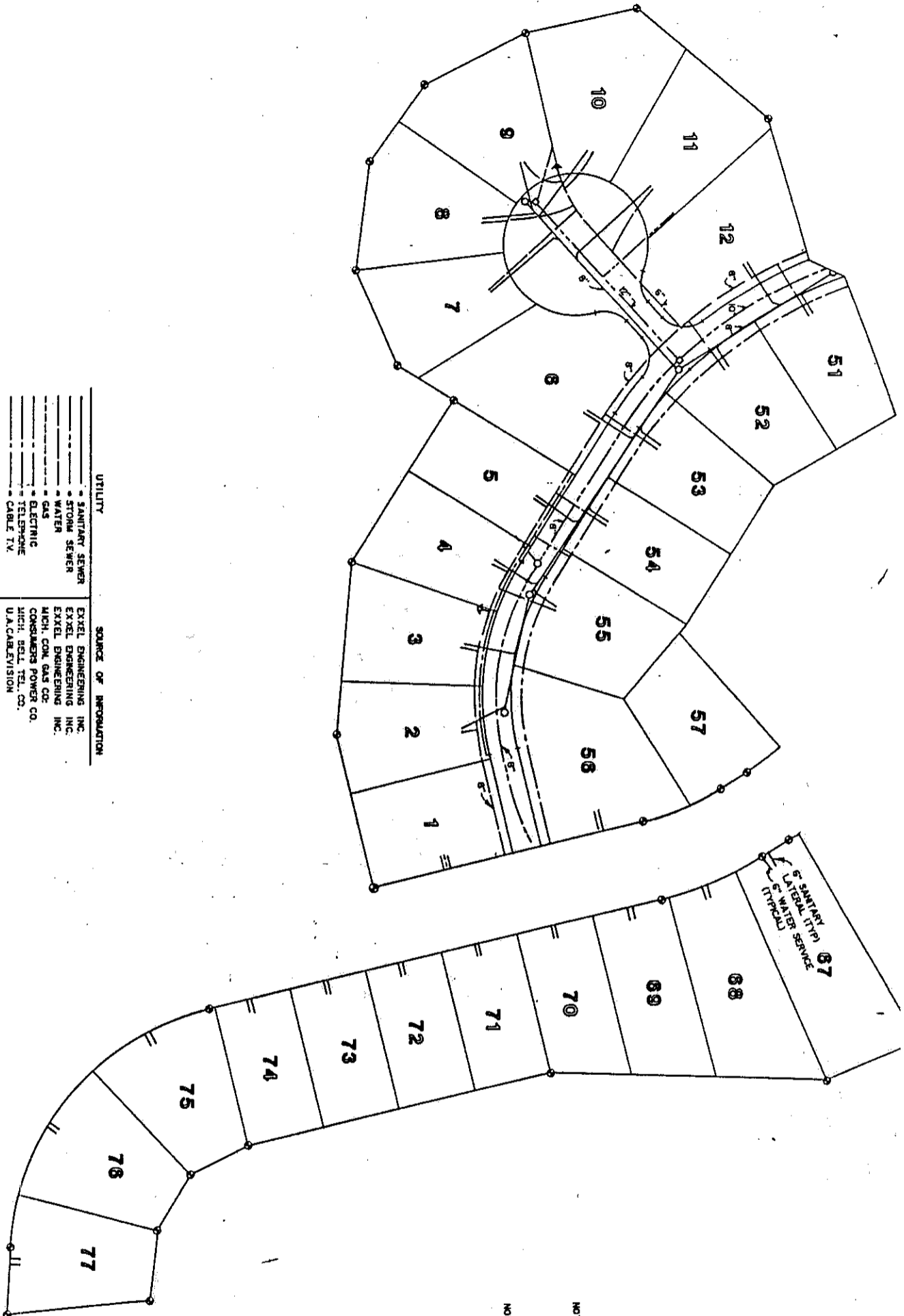
INFORMATION ON GAS LINE LOCATION IS NOT AVAILABLE AT THIS TIME AND WILL BE SHOWN AT A LATER DATE ON AN AS-BUILT BASIS.

NOTE: ALL IMPROVEMENTS MUST BE BUILT

PROPOSED JULY 13, 1989



UTILITY PLAN
CRYSTAL VIEW VILLAS



ALL GAS SERVICES ARE 3/8"
ALL SANITARY LATERALS ARE 6"
ALL WATER SERVICES ARE 1"

UTILITY	SOURCE OF INFORMATION
SANITARY SEWER	EXCEL ENGINEERING INC.
STORM SEWER	EXCEL ENGINEERING INC.
WATER	EXCEL ENGINEERING INC.
GAS	MICH. CON. GAS CO.
ELECTRIC	CONSUMERS POWER CO.
TELEPHONE	HIGH BELL TEL. CO.
CABLE TV	U.S. CABLEVISION

○ • MANHOLE
□ • CATCH BASIN
◇ • FIRE HYDRANT

NOTE: ALL IMPROVEMENTS MUST BE BUILT

UTILITY PLAN CRYSTAL VIEW VILLAS

EXCEL ENGINEERING INC. 3959 CLAY AVE. S.W. GRAND RAPIDS MI 49508

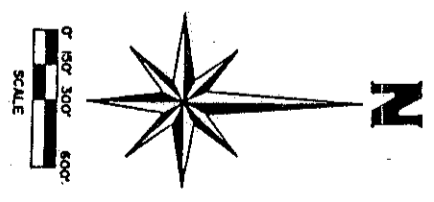
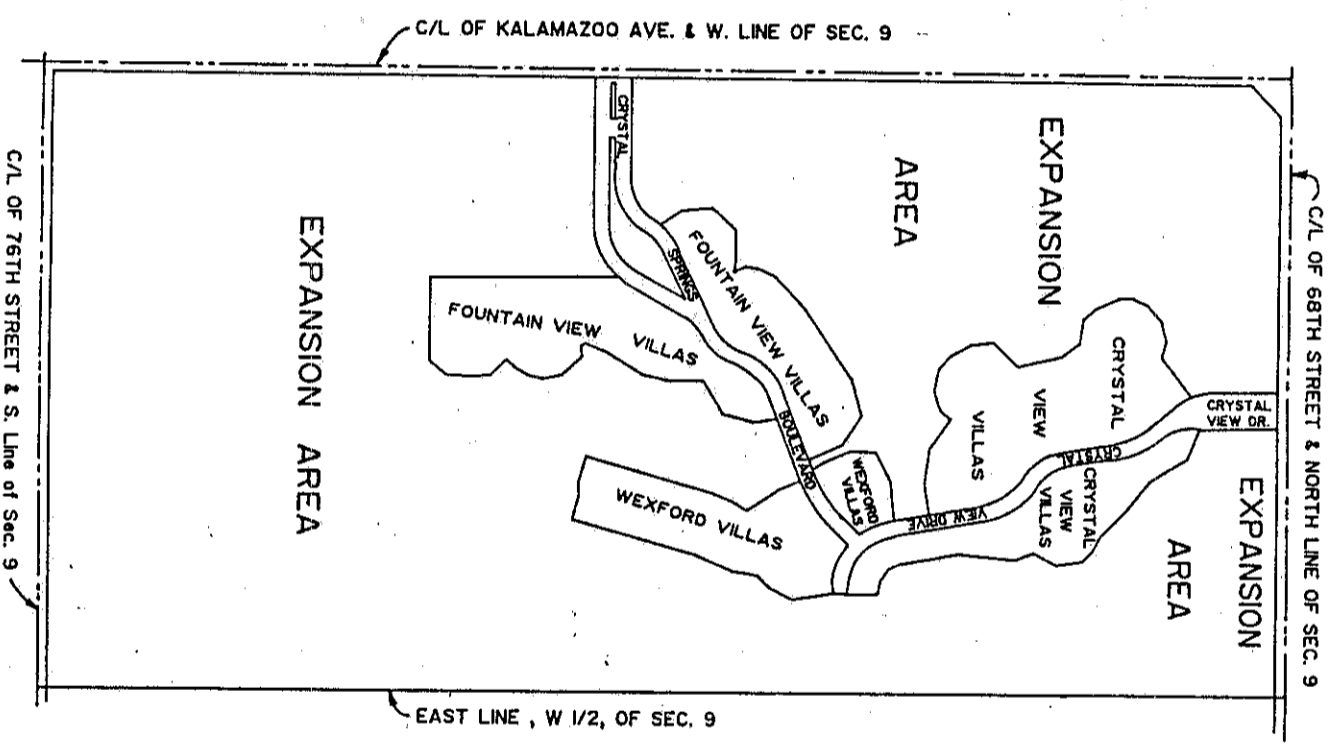
PROPOSED JULY 13, 1989



1"=20'
SCALE



NOTE: UTILITY INFORMATION AS SHOWN HEREON IS FOR AVAILABLE RECORD, AND SHOULD NOT BE RECONSTRUCTED TO BE A GUARANTEE OF COMPLETENESS OR ACCURACY.
NOTE: ELECTRIC, LINE, TELEPHONE, LINE, AND CATV LINES SHARE A COMMON TRENCH AND ARE THEREFORE SHOWN AS ONE LINE ON THIS DRAWING.
INFORMATION ON GAS LINE LOCATION IS NOT AVAILABLE AT THIS TIME AND WILL BE SHOWN AT A LATER DATE ON AN AS-BUILT BASIS.



PROPOSED JULY 13/1989

EXHIBIT "C"

PROOF OF SERVICE OF NOTICE OF INTENTION TO
ESTABLISH CONDOMINIUM

STATE OF MICHIGAN)
) ss.
COUNTY OF KENT)

RE: CRYSTAL SPRINGS VILLAS

The undersigned, Linda J. Tilma, hereby certifies that she sent on April 8, 1988 a Notice of Intention to Establish Condominium to the appropriate City, Village, Township or County, the appropriate County Road Commissioner and County Drain Commissioner, the Department of Commerce, the Department of Natural Resources, the Department of Public Health and the State Transportation Department and all of said Notices were sent by certified mail, postage prepaid and addressed to the parties at the addresses reflected on Schedule 1 attached hereto, consisting of copies of the return receipts reflecting delivery of each of the notices on April 9, 11 and 13, 1988.

Dated: November 1, 1988

Linda J. Tilma
Linda J. Tilma

The foregoing instrument was acknowledged before me this 1st day of November, 1988 by LINDA J. TILMA.

David E. Biener
David E. Biener
Notary Public, Kent County, MI
My Comm. Exp. 9/8/92

110,124.400/kas
04/19/88

Crystal Springs Villas

● SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery 1/Extra charge/1

3. Article Addressed to:	4. Article Number
Gaines Township 1685 - 68th St., S.E. Baton Rouge, LA 49511 P.O. Box 8874 Grand Rapids, MI 49501	P343 304 598
5. Signature - Addressee X <i>James A. Uyl</i>	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail
6. Signature - Agent X	Always obtain signature of addressee or agent and DATE DELIVERED.
7. Date of Delivery 4/13/88	8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268

DOMESTIC RETURN RECEIPT

Crystal Springs Villas

● SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery 1/Extra charge/1

3. Article Addressed to:	4. Article Number
Kent County Drain Commissioner 1500 Scribner, N.W. Grand Rapids, MI 49504	P 343 304 601
5. Signature - Addressee X <i>Calvin L.</i>	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail
6. Signature - Agent X	Always obtain signature of addressee or agent and DATE DELIVERED.
7. Date of Delivery 4/13/88	8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268

DOMESTIC RETURN RECEIPT

Crystal Springs Villas

● SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery 1/Extra charge/1

3. Article Addressed to:	4. Article Number
Corporation & Securities Bureau 6456 Mercantile Way Lansing, MI 48910	P 343 304 602
5. Signature - Addressee X <i>Robert M. Williams</i>	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail
6. Signature - Agent X	Always obtain signature of addressee or agent and DATE DELIVERED.
7. Date of Delivery APR 09 1988	8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268

DOMESTIC RETURN RECEIPT

Crystal Springs Villas

● SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery
1/Extra charge/1

3. Article Addressed to:

Michigan Dept of Natural Resources
Steven T. Mason Building
P.O. Box 30028
Lansing, MI 48909

4. Article Number
P 343 304 604

Type of Service:
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee
X

6. Signature — Agent
X

7. Date of Delivery
APR 09 1988

8. Addressee's Address (ONLY if requested and fee paid)
Post Office Box 3026
Lansing, Michigan 48909

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 DOMESTIC RETURN RECEIPT

Crystal Springs Villas - KPW

● SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery
1/Extra charge/1

3. Article Addressed to:

Michigan Dept. of Transportation
425 West Ottawa
P.O. Box 30050
Lansing, MI 48909

4. Article Number
P 343 304 603

Type of Service:
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee
X

6. Signature — Agent
X

7. Date of Delivery
APR 09 1988

8. Addressee's Address (ONLY if requested and fee paid)
Post Office Box 3026
Lansing, Michigan 48909

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 DOMESTIC RETURN RECEIPT

Crystal Springs Villas

● SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery
1/Extra charge/1

3. Article Addressed to:

Kent County Road Commission
1500 Scribner, N.W.
Grand Rapids, MI 49504

4. Article Number
P 343 304 599

Type of Service:
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee
X

6. Signature — Agent
X

7. Date of Delivery
APR 09 1988

8. Addressee's Address (ONLY if requested and fee paid)
Post Office Box 3026
Lansing, Michigan 48909

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 DOMESTIC RETURN RECEIPT

Crystal Springs Villas

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1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery
1/Extra charge/1

3. Article Addressed to:

Michigan Dept of Public Health
3500 North Logan
P.O. Box 30035
Lansing, MI 48909

4. Article Number
P 343 304 605

Type of Service:
☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee
X

6. Signature — Agent
X

7. Date of Delivery
09 APR 1988

8. Addressee's Address (ONLY if requested and fee paid)
SPARTAN CUB CO.
DELIVERY AGENT FOR
MICH. DEPT. OF HEALTH

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 DOMESTIC RETURN RECEIPT

JUL 13 1989

Corporation & Securities Bureau

ARTICLES OF INCORPORATION

OF

CRYSTAL VIEW VILLAS ASSOCIATION

FILED

JUL 13 1989

Administrator
MICHIGAN DEPT OF COMMERCE
Corporation & Securities Bureau

These Articles of Incorporation are signed by the incorporator for the purpose of forming a corporation not for profit under the provisions of Act No. 162 of the Public Acts of 1982, as follows:

848 402

ARTICLE I

NAME

The name of the corporation is:

Crystal View Villas Association

ARTICLE II

PURPOSES

The purpose or purposes for which the Association is formed are as follows:

To provide an entity pursuant to Act No. 59 of the Public Acts of 1978 as amended, hereinafter called the "Michigan Condominium Act", for the operation of condominium properties in Gaines Township, Kent County, Michigan, and in furtherance thereof:

- (a) To manage and administer the affairs of and to maintain Fountain View Villas, a condominium (hereinafter referred to as the "Condominium");
- (b) To levy and collect assessments against and from members and to use the proceeds thereof for the purposes of the Association;
- (c) To purchase insurance upon the Condominium property and to collect and allocate the proceeds thereof;
- (d) To rebuild improvements after casualty;
- (e) To employ personnel and to contract for the maintenance, administration and management of the Condominium, and to delegate to said persons such powers and duties as are necessary therefor;
- (f) To make and enforce reasonable regulations concerning the use and enjoyment of the Condominium;
- (g) To own, maintain and improve, and to buy, sell, convey, assign, mortgage, or lease (as landlord or tenant) any real and personal property, including, but not limited to, any Unit in the Condominium or any

other real property, whether or not contiguous to the Condominium, for the purpose of providing benefit to the members of the Association and in furtherance of any of the purposes of the Association;

- (h) To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business; to secure the same by mortgage, pledge or other lien;
- (i) To enforce the provisions of the Master Deed and Bylaws of the Condominium and of these Articles of Incorporation and such Bylaws and Rules and Regulations of this Association as may hereafter be adopted;
- (j) To do anything required of or permitted to it as administrator of the Condominium by the Condominium Master Deed or Bylaws or by Act No. 59 of 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 conferred upon nonprofit Associations by the laws of the State of Michigan 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.

All funds and the titles to all properties acquired by the Association and proceeds thereof will be held in trust for the members in accordance with the provisions of the Bylaws of the Association.

ARTICLE III

ORGANIZATION

This Association is organized upon a nonstock membership basis.

The Association has no real property assets or personal property assets.

The Association is to be financed by assessment of members.

ARTICLE IV

REGISTERED OFFICE

The location of the first registered office is:

7200 Kalamazoo Avenue, S.E., Caledonia, Michigan 49316

The post office address of the first registered office is:

P.O. Box 8308, Grand Rapids, Michigan 49518

The name of the first resident agent at the registered office is:

Ernest C. Schrock

ARTICLE V

INCORPORATORS

The names and addresses of all the incorporators are as follows:

<u>Name</u>	<u>Residence or Business Address</u>
Ernest C. Schrock and E. Leroy Yoder	P.O. Box 8308, Grand Rapids, Michigan 49518

ARTICLE VI

DIRECTORS

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

<u>Name</u>	<u>Residence or Business Address</u>
Ernest C. Schrock	P.O. Box 8308, Grand Rapids, Michigan 49518
E. Leroy Yoder	P.O. Box 8308, Grand Rapids, Michigan 49518

ARTICLE VII

MEMBERS

The qualifications of members, the manner of their admission to the Association, the termination of membership, and voting by such members will be as follows:

(a) Each Co-owner (including the Developer) of a Unit in the Condominium will be a member of the Association, and no other person or entity will be entitled to membership, except that the undersigned incorporators will be members of the Association until their membership is terminated as hereinafter provided.

(b) Membership in the Association (except with respect to any nonco-owner incorporators, who will cease to be

members upon the qualification for membership of any Co-owner) will be established by acquisition of fee simple title to a Unit in the Condominium and by recording with the Register of Deeds of Kent County, Michigan, a deed or other instrument establishing a change of record title to such Unit and the furnishing of evidence of same satisfactory to the Association (except that the Developer of the Condominium will become a member immediately upon establishment of the Condominium) the new Co-owner thereby becoming a member of the Association, and the membership of the prior Co-owner thereby being terminated. If a Unit is sold pursuant to a land contract evidenced of record with the Register of Deeds of Kent County, Michigan and with a copy or other evidence acceptable to the Association on file with the Association which grants possession of the Unit to the vendee, the land contract vendee, and not the land contract vendor, will be a member of the Association while the land contract is executory, unless a document signed by both land contract vendor and vendee and filed with the Association expressly provides otherwise, provided that the land contract vendor will always have joint and several responsibility for any dues or assessments or other charges payable to the Association.

(c) If there is more than one owner of a Unit, all such owners will collectively share the membership attributable to the Unit.

(d) Neither membership nor any share of a member in the funds and assets of the Association can be assigned, pledged, encumbered or transferred in any manner except as an appurtenance to the member's Unit in the Condominium.

(e) Voting by members will be in accordance with the provisions of the Bylaws of this Association.

(f) Membership in the Association will be available without regard to sex, race, color, age, marital status, creed or national origin.

ARTICLE VIII

WRITTEN CONSENT

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 in 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 will be given to members who have not consented in writing.

ARTICLE IX

CONTRACTS WITH DIRECTORS

No contract or other transaction between this Association and one or more of its directors or officers, or between this Association and any other corporation, firm or association will be voidable by the fact that any one or more of the directors or officers of this Association are interested in or are directors or officers of such other corporation, firm or association, or that any director or officer individually may be a party to or may be interested in any contract or transaction of this Association; provided that the contract or other transaction is fair and reasonable to the Association when it is authorized, approved or ratified, or that the material facts as to such relationship or interests are disclosed or known to the board or committee at the time it authorized, approved or ratified the contract or transaction by a vote sufficient for the purpose without counting the vote of such interested director or officer, and each and every person who may become a director or officer of the Association is hereby relieved from any liability which might otherwise exist from contracting with the Association for the benefit of himself or a firm, association or corporation in which he may be otherwise interested.

ARTICLE X

VOLUNTEER DIRECTOR PERSONAL LIABILITY

A volunteer director of the Association shall not be personally liable to the Association or its members for monetary damages for breach of fiduciary duty as a director, except for liability: (a) for any breach of the director's duty of loyalty to the Association or its members; (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (c) resulting from a violation of §551(1) of the Michigan Nonprofit Corporation Act; (d) for any transaction from which the director derived an improper personal benefit; or (e) for any act or omission that is grossly negligent. In the event the Michigan Nonprofit Corporation Act, P.A. 1982, No. 162, is amended after adoption of this Article to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Association shall be eliminated or limited to the fullest extent permitted by the Michigan Nonprofit Corporation Act, as so amended. Any repeal, modification or adoption of any provision in these Articles of Incorporation inconsistent with this Article shall not adversely effect any right or protection of a director of the Association existing at the time of such repeal, modification, or adoption.

ARTICLE XI

ASSOCIATION ASSUMPTION

The Association shall assume all liability to any person other than the Association or its members for all acts and omissions of a volunteer director.

ARTICLE XII

INDEMNITY

The Association will indemnify a person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and whether formal or

informal, by reason of the fact that the person is or was a director or officer of the Association, or is or was serving at the request of the Association as a director, officer, partner, or trustee of another corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not, against expenses, including attorneys' fees, judgments, fines, penalties, or amounts paid in settlement actually and reasonably incurred by the person in connection with the action, suit, or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Association or its members, and with respect to any criminal action or proceeding, if the person had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or plea of nolo contendere or its equivalent, will not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interest of the Association or its members, or, with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct was unlawful.

ARTICLE XIII

COMPROMISE OR ARRANGEMENT

When a compromise or arrangement or a plan of reorganization of this Association is proposed between this Association and its creditors or any class of them or between this Association and its members, or any class of them, a court of equity jurisdiction within the state, on application of this Association or of a creditor, or member of the Association, or on application of a receiver appointed for the Association, may order a meeting of the creditors or class of creditors or of the members or class of members to be affected by the proposed compromise or arrangement or reorganization, to be summoned in such manner as the court directs. If a majority in number representing seventy-five percent (75%) in value of the creditors or class of creditors, or

of the members or class of members to be affected by the proposed compromise or arrangement or reorganization, agree to a compromise or arrangement or reorganization of this Association as a consequence of the compromise or arrangement, the compromise or arrangement and the organization, if sanctioned by the court to which the application has been made, shall be binding on all the creditors or class of creditors, or on all of the members or class of members and also on this Association.

ARTICLE XIV

AMENDMENT

These Articles may be amended only by the affirmative vote of not less than two-thirds of the entire membership of the Association; provided, that in no event will any amendment make changes in the qualifications for membership or the voting rights of members without the unanimous consent of the membership. Amendments may be made without the consent of any member by the Developer of the Condominium alone to achieve compliance with the laws of the State of Michigan or with ordinances, rules, interpretations or orders of any government body or agency or any court of competent jurisdiction.

ARTICLE XVI

CONFLICTING PROVISIONS

In the event of any conflict between the provisions of any one or more of the following documents, the following order of priority shall prevail and the provisions of the document having the highest priority shall govern:

- (a) the Master Deed, including the Condominium Sub-division Plan;
- (b) the Condominium Bylaws;
- (c) these Articles of Incorporation;
- (d) the Bylaws of the Association; and
- (e) the Rules and Regulations of the Association.

We, the incorporators, sign our names this 11th day of July, 1989.

Ernest C. Schrock
Ernest C. Schrock

E. Leroy Yoder
E. Leroy Yoder

CRYSTAL SPRINGS
DECLARATION OF RESIDENTIAL USE RESTRICTIONS

CRYSTAL SPRINGS DEVELOPMENT CORPORATION, a Michigan corporation of P.O. Box 8308, Grand Rapids, Michigan 49518 (the "Developer") desires to impose certain building and use restrictions and related terms and provisions upon residential areas of the Crystal Springs development (described in its entirety on Exhibit "A") which are designated by the Developer as subject to this Declaration either in this Declaration or other instruments recorded with the Kent County Register of Deeds by Developer. The residential areas which may be so designated include proposed lots and plats of residential lots (the "Lots"), condominium projects of residential condominium units (the "Units") and common areas such as those between the streets forming the boulevard entrances to Crystal Springs (the "Boulevard Areas").

All recorded plats of areas in the Crystal Springs development with a proprietor's certificate executed by Developer and all recorded condominium master deeds of areas in the Crystal Springs development executed by Developer shall be considered designated by the Developer as subject to this Declaration unless the Developer designates otherwise in such documents or by other instrument recorded within thirty (30) days of recording such documents with the Kent County Register of Deeds.

NOW, THEREFORE, it is hereby declared that the residential areas of Crystal Springs designated by Developer will be subject to the following conditions, reservations, restrictions, covenants, terms and provisions (collectively the "Restrictions"):

I. USE RESTRICTIONS

1.1 Residential Use. The Lots and Units are for single-family residential purposes only. There will not exist on any Lot or Unit at any time more than one residence. No building or structure intended for or adapted to business purposes, and no duplex, apartment house, lodging house, rooming house, half-way house, hospital, sanatorium or doctor's office, or any multiple-family dwelling of any kind will be erected, placed, permitted, or maintained on any Lot or Unit. No improvement or structure whatever, other than a first class private residence with attached garage and approved patio walls and swimming pool may be erected, placed, or maintained on any Lot or Unit. No Lot or Unit will be used or occupied by other than a single family, its temporary guests and family servants and no Lot or Unit will be used for other than residential use.

1.2 Home Occupations. Although all Lots and Units are to be used only for single-family residential purposes, nonetheless home occupations will be considered part of a single-family residential use if, and only if, the home occupation is conducted entirely within the residence and participated in solely by members of the immediate family residing in the residence, which use is clearly incidental and secondary to the use of the residence for dwelling purposes and does not change the character thereof. To qualify as a home occupation, there must be (i) no sign or display that indicates from the exterior that the residence is being utilized in whole or in part for any purpose other than that of a dwelling; (ii) no commodities sold upon the premises; (iii) no person is employed other than a member of the immediate family residing on the premises, and (iv) no mechanical or electrical equipment is used, other than personal computers and other office type equipment. In no event shall a barber shop, styling salon, beauty parlor, tea room, fortune-telling parlor, animal hospital, or any form of animal care or treatment

such as dog trimming, be construed as a home occupation. Although garage sales are included within the prohibited uses since commodities are sold at garage sales, garage sales may nonetheless be conducted with the prior written approval of the Association, if the Association determines to permit garage sales, so long as conducted in accordance with any rules or conditions adopted by the Association.

1.3 Letter and Delivery Boxes. The Developer will determine the location, color, size, design, lettering, and all other permitted particulars of all mail or paper delivery boxes, and standards and brackets and name signs for such boxes.

1.4 Lighting. A dusk to dawn light (or gas light) of the type approved by the Developer will be installed and maintained on each Lot in front of the front building setback line and on each Unit in front of the residence on the Unit as located by the Developer. If electric, post lights shall be equipped with automatic operators (electric eye) to provide light from sundown to dawn.

1.5 Signs. No signs or any advertising will be displayed on any Lot or Unit unless their size, form, and number are first approved in writing by the Developer, except that one "For Sale" sign referring only to the Lot or Unit on which displayed and not exceeding five (5) square feet in size may be displayed without approval. A name and address sign, the design of which will be furnished to the Lot or Unit owner on request by the Developer, will be permitted. Nothing herein will be construed to prevent the Developer from erecting, placing, or maintaining signs and offices as may be deemed necessary by the Developer in connection with the sale of Lots or Units.

1.6 Exterior Changes. Any change in the physical appearance of the exterior of any residence as constructed by Developer or as approved by the Developer for construction must have the prior written approval of the Developer. This includes exterior colors of buildings and significant landscaping changes.

1.7 Solar Panels. Solar panel installation and location must be approved in writing by the Developer prior to construction.

1.8 Tennis Courts and Pools. No tennis courts or above-ground pools will be permitted on any Lot or Unit.

1.9 Outbuildings and Structures. No mobile home, modular home, tent, shack, barn, storage shed, temporary building, outbuilding, playhouse, doll house, guest house or dog house may be placed, erected or maintained on any Lot or Unit. No play structure or other structure with a canopy, awning or roof may be placed, erected or maintained on any Lot or Unit. Dog runs may only be constructed with the prior written approval of the Developer.

1.10 Fuel Storage Tanks. No oil or fuel storage tanks may be installed on any Lot or Unit.

1.11 Animals. No animals, birds or fowl may be kept or maintained on any Lot or Unit, except dogs, cats and pet birds which may be kept thereon in reasonable numbers as pets for the pleasure and use of the occupants. No animal may be kept or bred for any commercial purpose and all animals will have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No dog may be permitted at any time outside a residence unless the dog is contained within a permitted dog run or unless the dog is accompanied by an

attendant who shall have such dog firmly held by collar and leash, which leash shall not exceed eight (8) feet in length. No person owning, harboring, or having in his possession any cat shall permit or allow such cat to run at large or in any yard or enclosure other than the yard or enclosure of the Lot or Unit occupied or owned by such cat owner. No savage or dangerous animal will be kept on any Lot or Unit. Owners will have full responsibility for any damage to persons or property caused by his or her pet. Pets must be walked only in areas designated by the Association and must not be curbed near buildings, walkways, shrubbery or other public space. The owner is required to properly dispose of the waste his or her animal deposits on any property. No dog which barks and can be heard on any frequent or continuing basis will be kept in any residence or on any Lot or Unit. The Association may, without liability to the owner thereof, remove or cause to be removed any animal which it determines to be in violation of the restrictions imposed by this Section. The Association will have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper.

1.12 Garage Doors. For security and aesthetic reasons, garage doors will be kept closed at all times except as may be reasonably necessary to gain access to and from any garage.

1.13 Recreational and Commercial Vehicles. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, motorcycles, all terrain vehicles, snowmobile trailers or vehicles other than automobiles or vehicles used primarily for general personal transportation use may be parked or stored upon any Lot, Unit or adjoining areas, unless parked in a garage with the door closed. No inoperable vehicles of any time may be brought or stored upon any Lot, Unit or adjoining areas, either temporarily or permanently, unless within a garage with the door closed. Commercial vehicles and trucks will not be parked in or about any Lot, Unit or adjoining areas (except as above provided) unless while making deliveries or pickups in the normal course of business. No trucks over 3/4 ton or commercial-type vehicles of any nature will be parked overnight on any Lot, Unit or adjoining areas, except in an enclosed garage without the prior written consent of the Developer. Any vehicle with a company name or other advertising or commercial designation will be considered a commercial-type vehicle.

1.14 Nuisances. No owner of any Lot or Unit will do or permit to be done any act or condition upon his Lot or Unit which may be or is or may become a nuisance. No Lot or Unit will be used in whole or in part for the storage of rubbish of any character whatsoever, nor for the storage of any property or thing that will cause the Lot or Unit to appear in an unclean or untidy condition or that will be obnoxious to the eye; nor will any substance, thing, or material be kept upon any Lot or Unit that will emit foul or obnoxious odors, or that will cause any noise that will or might disturb the peace, quiet, comfort, or serenity of the occupants of surrounding Lots or Units. No weeds, underbrush, or other unsightly growths will be permitted to grow or remain upon any part of a Lot or Unit and no refuse pile or unsightly objects will be allowed to be placed or suffered to remain anywhere on a Lot or Unit. In the event that any owner of any Lot or Unit will fail or refuse to keep a Lot or Unit free from weeds, underbrush, or refuse piles or other unsightly growths or objects, then the Developer or the Association may enter upon the Lot or Unit and remove the same and such entry will not be a trespass; the owner of the Lot or Unit will reimburse the Developer or the Association all costs of such removal. In addition, if any owner of any Lot or Unit fails to mow at

least four times each summer, then the Developer or the Association may enter upon the Lot or Unit and mow the Lot or Unit and such entry will not be a trespass; the owner of the Lot or Unit will reimburse the Developer or the Association all costs of such mowing.

1.15 Garbage and Refuse Disposal. All trash, garbage and other waste is to be kept only in sanitary containers inside garages or otherwise within fully enclosed areas at all times and will not be permitted to remain elsewhere on the Lot, Unit or other adjoining areas, except for such short periods of time as may be reasonably necessary to permit periodic collection. All trash, garbage and other waste must be removed from the Lot or Unit at least once each week. No incinerators or other equipment for the disposal of waste will be permitted on any Lot or Unit.

1.16 Zoning. The use of any Lot or Unit and any structure constructed on any Lot or Unit must satisfy the requirements of the zoning ordinance of Gaines Township, Kent County, Michigan, which is in effect at the time of the contemplated use or construction of any structure unless a variance for such use or structure is obtained from the Zoning Board of Appeals of Gaines Township and further there is obtained a written consent thereto from the Developer.

1.17 Mineral Extraction. No derrick or other structures designed for use in boring for oil or natural gas will be erected, placed, or permitted upon any Lot or Unit, nor will any oil, natural gas, petroleum, asphaltum, or hydrocarbon products or minerals of any kind be produced or extracted from or through the surface of any Lot or Unit. Rock, gravel, and/or clay will not be excavated or removed from any Lot or Unit for commercial purposes.

1.18 Maintenance. The Developer and the Association each will have the right to enforce all maintenance and repair obligations applicable to Lots and/or Units under this Declaration, Rules and Regulations adopted by the Association and under any other declaration of covenants or restrictions, however designated, applicable to each Lot and/or Unit. Each owner of a Lot or Unit will perform such maintenance and repair to their Lot or Unit to keep is up to the community standards of Crystal Springs, as determined by the Developer and the Association; this will include, but not be limited to, the painting of exteriors, roof maintenance and repair of exterior premises.

II. EASEMENTS AND UTILITIES

2.1 Easements. The Developer has and hereby reserves all easements for utilities or drainage shown on the recorded plats and/or condominium subdivision plans and full rights of ingress and egress for the Developer and Developer's agents, employees, and assigns over any part of the Lots or Units for the purpose of installing and servicing the utilities and drains for which the easements are reserved.

2.2 Easements to be Clear. No structures will be erected upon any Lot or Unit which will interfere with the rights of ingress and egress provided in Section 2.1. Any fences, paving or plantings which interfere with the rights of ingress and egress provided in Section 2.1 may be removed as necessary when installing or servicing the utilities and drains and neither Developer nor Developer's agents will have liability for such removal.

2.3 Drainage. No changes will be made in the grading of any Lot or Unit areas used as drainage swales which would

alter surface run-off drainage patterns without the prior written consent of Developer.

2.4 Utility Lines and Antennas. All electrical service, cable television, and telephone lines will be placed underground and no outside electrical lines or other lines or wires will be placed overhead without the prior written approval of Developer. No exposed or exterior radio or television transmission or receiving antennas, dishes or other devices will be erected, placed, or maintained on any Lot or Unit. Any waiver of these restrictions will not constitute a waiver as to other Lots or lines or antennas.

2.5 Electric Service. Each residence constructed must have an electric service entrance of sufficient capacity to meet present and future requirements of occupants in accordance with the engineering standards of the electric utility company providing electric power to the Lot.

2.6 Cable Television. Each residence constructed must be pre-wired for cable television service.

III. GOLF COURSE PROPERTY

3.1 Golf Course Property. Some Lots and Units adjoin the Crystal Springs Country Club golf course. Ownership of a Lot or Unit gives no right to use any part of the golf course property for any purpose. Every owner of a Lot or Unit by the acceptance of a deed or a land contract for a deed agrees not to trespass on such adjoining property and to restrain pets, family members and guests from trespassing on such adjoining property.

IV. PROPERTY OWNERS' ASSOCIATION

4.1 Crystal Springs Property Owners Association. Every owner of a Lot or Unit by the acceptance of a deed or a land contract for a deed, will thereby automatically become a member of the Crystal Springs Property Owners Association, a Michigan non-profit corporation organized by the Developer (the "Association"). The owner of each Lot or Unit will collectively have one vote for each Lot or Unit owned in making Association decisions such as electing its Board of Directors. The owner of two adjoining Lots or Units or a Lot or Unit and an adjoining portion of a subdivided Lot or Unit with but one residence or building site on the combined site will have only one vote and will be treated as the owner of one Lot or Unit for assessment purposes. The total number of votes at any time will be equal to the then total number of all Lots and Units then subject to this Declaration, adjusted for any combined or subdivided Lots or Units.

4.2 Association Facilities. All of the individual Lot or Unit owners and members of their immediate families or their tenants or guests (if in the company of an owner, owner's immediate family member or tenant) will have the right to use the facilities owned by the Association subject, however, to such rules and regulations covering the use thereof as may be set forth in the Articles of Incorporation and By-laws of the Association or otherwise established by the Association.

4.3 Dues and Assessments. In consideration of the Lot or Unit owner having the right in common with other members to use the facilities of the Association, each Lot or Unit owner other than the Developer in accepting a deed or a land contract for a deed of any Lot or Unit, further agrees for himself, his heirs, successors and assigns to pay to the Association annual dues and any special assessments levied by the Association for that Lot or Unit, in such amount as may be determined by the

Association for each year, subject to the limitations of Section 4.4, for the purpose of paying or creating a fund to pay any taxes and assessments levied on land owned by the Association, maintenance and improvement costs associated with Association facilities, insurance premiums for insurance maintained by the Association and administrative expenses of the Association, provided an equal annual amount is assessed each year against each Lot and Unit. Notice of the amount and due date of the annual dues and any assessments will be given to each Lot and Unit owner.

4.4 Ceiling on Annual Dues and Assessments. The total of the dues and assessments levied against each Lot and Unit may not exceed \$200.00 per Lot or Unit per year. The \$200.00 annual limit may be increased by either a majority vote of the members or by the Board of Directors, so long as any increase by the Board does not exceed the percentage increase in the Consumer Price Index from January 1, 1989 to January 1 of the year the increased amount is to first be effective. The Consumer Price Index (All Items) for the United States published by the United States Department of Labor, Bureau of Labor Statistics will be used to determine the amount of any permissible increase by the Board of Directors. If that Index is changed so that the base year differs from that in effect when the term commences, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If that Index is discontinued or revised during the term, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

4.5 Collection of Assessments. Each Lot and Unit owner will be obligated to pay all dues and assessments levied with regard to his Lot or Unit during the time that he is the owner thereof, and no Lot or Unit owner may exempt himself from liability for his dues and/or assessments by waiver of the use or enjoyment of any of the Association facilities. In the event of default by any Lot or Unit owner in paying the dues or assessments, the Association may impose reasonable fines, late charges and/or charge interest up to the highest rate permitted by law (not exceeding twenty-five percent (25%) per annum) on such dues or assessments from the due date thereof. Unpaid dues and assessments, together with such fines, late charges and interest, will constitute a lien on the Lot or Unit prior to all other liens except sums unpaid upon a first mortgage of record recorded prior to the recording of any notice of lien by the Association.

Upon the sale or conveyance of a Lot or Unit, all unpaid dues and assessments against the Lot or Unit, together with all unpaid fines, late charges and interest, will be paid out of the sale price by the purchaser in preference over any other assessment or charge. A purchaser or grantee will be entitled to a written statement from the Association setting forth the amount of unpaid Association dues and assessments against the seller or grantor and such purchaser or grantee will not be liable for, nor will the Lot or Unit conveyed or granted be subject to a lien for any unpaid dues or assessments against the seller or grantor in excess of the amount set forth in such written statement. Unless the purchaser or grantee requests a written statement from the Association at least five (5) days before sale and pays the amount of the statement from the purchase price, the purchaser or grantee will be liable for any unpaid dues or assessments against the Lot or Unit together with unpaid fines, late charges, interest, costs, and attorneys fees incurred in the collection thereof.

The Association may discontinue the furnishing of any services and/or deny access to Association facilities to a Lot or Unit owner in default in dues or assessments upon seven (7) days written notice to such Lot or Unit owner. A Lot or Unit owner in default of dues or assessments will not be entitled to vote at any meeting of the Association so long as such default continues.

4.6 Lien Foreclosures. In the event of default in payment of any of the Association dues or assessments, together with all unpaid fines, late charges and interest, the Association, its successors and assigns, may file a notice of claim of lien in the office of the Register of Deeds, Kent County, Michigan, for the amount of the unpaid annual dues or assessments, together with all unpaid fines, late charges and interest. The notice of claim of lien will state the amount of the unpaid dues or assessment, together with all unpaid fines, late charges and interest, the legal description of the Lot or Unit affected thereby and the name of the delinquent member of the Association. The lien, whether evidenced of record by a notice of claim of lien or not, may be foreclosed against the Lot or Unit by an action in law or equity or by any other legal proceedings which are or may be permitted by law, including foreclosure in the same manner as a mortgage may be foreclosed under the laws of the State of Michigan; in addition to the foreclosure of the lien, a personal decree for deficiency may be obtained against a member of the Association who is delinquent in the payment of dues or assessments. In an action for foreclosure, a receiver may be appointed and reasonable rental for the Lot or Unit may be collected from the Lot or Unit owner or anyone claiming under him, and all expenses incurred in collection, including interest, costs and actual attorney's fees, and any advances for taxes or other liens paid by the Association to protect its lien, will be chargeable to the Lot or Unit owner in default. The lien of the Association will not have priority over a recorded first mortgage upon the Lot or Unit unless the notice of claim of lien has been filed with the Register of Deeds' Office prior to the date of recording of the mortgage. The sale or transfer of any Lot or Unit will not affect the lien of the Association; however, the foreclosure of any such prior recorded first mortgage as permitted by the laws of the State of Michigan or the acceptance of a deed in lieu of foreclosure of such first mortgage will extinguish the Association lien as to payments thereof which become due prior to the expiration of the redemption period under said foreclosure or by the acceptance of a deed in lieu of foreclosure. The foreclosure of any mortgage or the acceptance of a deed in lieu of foreclosure of any mortgage will not relieve such Lot or Unit for liability of any assessment thereafter becoming due or from the lien thereof.

4.7 Association Lands. The Boulevard Areas and any and all other lands within or adjoining the Crystal Springs residential areas which are conveyed to the Association by the Developer will be the property of the Association. The Association in consideration of such conveyance will pay all taxes and assessments levied by any governmental authority against said property.

4.8 Association as Successor to Developer Rights. The Developer will have the right to assign any or all rights or powers as Developer to enforce these Restrictions or grant approvals, consents, or waivers as provided in these Restrictions to the Association at such time and on such conditions as the Developer determines in the sole discretion of the Developer. Upon such assignment, the Association will have and will succeed to all such granted rights and powers with the same powers as if the Association had been named as Developer in this Declaration.

V. BOULEVARD AREAS

5.1 Nature of Areas. The Boulevard Areas are to be maintained with a park-like atmosphere. No sign or any advertising will be displayed in the Boulevard Areas unless their size, form, and number are first approved in writing by the Developer.

5.2 Buildings. No buildings or other permanent improvements will be constructed within the Boulevard Areas, with the exception of signs installed or approved by the Developer.

5.3 Easements. The Developer hereby reserves perpetual easements to enter upon and install facilities within the Boulevard Areas for utility purposes, access purposes or other lawful purposes for the benefit of any lands. Developer also reserves the right to grant easements for utilities over, under and across the Boulevard Areas to appropriate governmental agencies or public utility companies and to transfer title of all or any part of the Boulevard Areas to state, county or local governments.

VI. ENFORCEMENT OF RESTRICTIONS

6.1 Remedies for Violations. In the event of a breach or attempted or threatened breach of any Restriction by any Lot or Unit owner, the Developer, the Association, other Lot or Unit owner or any of them, will be entitled forthwith to full and adequate relief by injunction and all other such available legal and equitable remedies from the consequences of such breach.

6.2 Costs to Enforce. All costs incurred by the Developer or the Association in enforcing the Restrictions, including reasonable attorneys fees, will be reimbursed by the owner(s) of the Lot(s) and/or Unit(s) in breach of the Restrictions to the Developer or the Association enforcing the Restrictions.

6.3 Payments and Liens. Payment for all reimbursable costs incurred as provided in this Declaration will be due and payable thirty (30) days after receipt of a statement therefor, which statement will detail the reimbursement sought, the manner of its calculation, and evidence of payment of the reimbursable costs. Any such claim for reimbursement, together with interest at the rate of seven percent (7%) per annum and actual costs including attorney's fees incurred in efforts to collect such reimbursement, will be a secured right and a lien therefor will attach to the Lot or Unit, and improvements thereon, owned by the defaulting Lot or Unit owner. After written notice to all owners of record and all mortgagees of record of that Lot or Unit, the party having paid such costs may foreclose the lien established hereby in the same manner as a mortgage may be foreclosed under the laws of the State of Michigan, provided such liens will be subject and subordinated to any prior mortgage of record with any purchaser at any foreclosure sale (as well as any grantee by deed in lieu of foreclosure sale) under any such prior mortgage taking title free and clear from any such then existing lien, but otherwise subordinated to the provisions hereof.

6.4 Failure to Enforce. No delay or omission on the part of the Developer, the Association, or the owners of other Lots or Units in exercising any rights, power, or remedy herein provided, will be construed as a waiver thereof or acquiescence in any breach of the Restrictions. No right of action will accrue nor will any action be brought or maintained by anyone whatsoever against the Developer or the Association for or on account of a failure to bring any action on account of any breach of these Restrictions, or for imposing Restrictions which may be unenforceable.

6.5 Severability. Invalidation of any one of the Restrictions by a court of competent jurisdiction will not affect any of the other Restrictions which will remain in full force and effect.

VII. MISCELLANEA

7.1 Binding Effect. Developer hereby declares that this Declaration will be binding upon the Developer, his grantees, successors and assigns, and that the Restrictions created herein will run with the land. Each owner of a Lot or Unit or any portion of a Lot or Unit by acceptance of a deed, land contract or other conveyance to a Lot or Unit or any portion of a Lot or Unit thereby agrees to all Restrictions.

7.2 Waivers. Notwithstanding anything to the contrary herein, the Developer, in the sole discretion of the Developer, may waive or permit reasonable modifications of the Restrictions as applicable to particular Lots and/or Units. The Developer will be deemed to have waived the Restrictions to the extent necessary to prevent the Developer's actions violating the Restrictions.

7.3 References to Lot and Unit Owners. Wherever reference is made in this Declaration to the owner of a Lot or Unit or a Lot or Unit owner, such reference will be deemed to include all owners collectively with any ownership interest in the respective Lots or Units respectively owned by them, whether there will be one or more such owners.

7.4 Amendment and Termination. Except as otherwise provided in this Section or Article VIII, this Declaration may be amended, altered, modified or terminated by, and only by, the mutual written agreement of all parties, including mortgagees, then owning any interest of record in the Lots or Units or other areas affected by the amendment, alteration, modification or termination (excluding Lots or Units which are not then, but could in the future become, subject to this Declaration). Amendments may be made without the consent of owners or mortgagees of Lots or Units by the Developer alone as long as the amendment does not materially alter or change the rights of the owner or mortgagee of a Lot or Unit, including, but not limited to, amendments for the purpose of facilitating conventional mortgage loan financing for existing or prospective owners of Lots or Units and/or to enable or facilitate the purchase of such mortgage loans by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association and/or any other agency of the federal government or the State of Michigan. Amendments may be made without the consent of owners or mortgagees of Lots or Units by the Developer alone even if such amendment will materially alter or change the rights of the owners or mortgagees of Lots and/or Units, to achieve compliance with the laws of the State of Michigan or with ordinances, rules, interpretations or orders of any government body or agency or any court of competent jurisdiction, or to amend Exhibit "A" attached hereto either to remove lands which may be designated as subject to this Declaration or to add adjoining lands which may be designated as subject to this Declaration.

7.5 Notices. All notices, demands, requests, consents and approvals required or permitted under this Declaration will be in writing and will be given or served by personal delivery or postage prepaid United States first class, registered or certified mail, return receipt requested, to the party at that party's last known address. Notice will be deemed to have been on the earlier of (a) the date when received, or (b) on the second business day after mailing if mailed in the State of Michigan.

7.6 No Gift or Dedication. Nothing herein contained will be deemed to be a gift or dedication of any portion of the Lots or Units or other areas in Crystal Springs to the general public or for any public purposes whatsoever, it being the intention of the Developer that this Declaration will be strictly limited to the purposes herein specifically expressed.

7.7 No Third Party Beneficiaries. No third party, except grantees, heirs, representatives, successors and assigns of the Developer, as provided herein, will be a beneficiary of any provision of this Declaration.

7.8 Captions. The captions of the Articles and Sections of this Declaration are for convenience only and will not be considered or referred to in resolving questions of interpretation and construction.

7.9 Governing Law. This Agreement will be construed, interpreted and applied in accordance with the laws of the State of Michigan.

VIII. DURATION

8.1 Duration. This Declaration will remain effective for a period of twenty-five (25) years from the date this Declaration is recorded except as terminated by seventy-five percent (75%) of the owners of the Lots and the Developer. This Declaration will remain effective after the initial period of twenty-five (25) years except as terminated or amended by an instrument signed by all owners of a majority of the Lots and recorded, agreeing to terminate the effectiveness of this Declaration in whole or in part, or to amend this Declaration in a manner applying equally to all Lots and Units.

IN WITNESS WHEREOF, the parties hereto have executed this Crystal Springs Declaration of Residential Use Restrictions the 13th day of July, 1988.

WITNESSES:

CRYSTAL SPRINGS DEVELOPMENT CORPORATION

Keith P. Walker
Keith P. Walker

By: Ernest C. Schrock
Ernest C. Schrock, Its President

Linda J. Tilma
Linda J. Tilma

And
By: E. Leroy Yoder
E. Leroy Yoder, Its Secretary

STATE OF MICHIGAN)
COUNTY OF KENT) ss.

The foregoing instrument was acknowledged before me this 13th day of July, 1988 by ERNEST C. SCHROCK, the President of CRYSTAL SPRINGS DEVELOPMENT CORPORATION, a Michigan corporation, on behalf of the corporation.

Linda J. Tilma
Linda J. Tilma
Notary Public, Kent County, MI
My Commission Expires: 11-21-90

STATE OF MICHIGAN)
COUNTY OF KENT) ss.

The foregoing instrument was acknowledged before me this 13th day of July, 1988 by E. LEROY YODER, the Secretary of CRYSTAL SPRINGS DEVELOPMENT CORPORATION, a Michigan corporation, on behalf of the corporation.

Linda J. Tilma
Linda J. Tilma
Notary Public, Kent County, MI
My Commission Expires: 11-21-90

This Instrument Drafted By:
KEITH P. WALKER, ESQ.
MC SHANE & BOWIE
540 Old Kent Building
Grand Rapids, MI 49503

Return to draftsman
after recording

CRYSTAL SPRINGS VILLAS ESCROW AGREEMENT

THIS AGREEMENT made this 5th day of March, 1991, by and between Landquest-Crystal, Inc., a Michigan corporation of P.O. Box 8308, 7200 Kalamazoo Avenue, S.E., Grand Rapids, Michigan 49518 (the "Developer") and Transamerica Title Insurance Company of 921 N. Division, Grand Rapids, Michigan 49503 (the "Escrow Agent").

W I T N E S S E T H :

WHEREAS, the Developer is engaged in the development of several condominium projects including Crystal Springs Villas, Wexford Villas, and Fountain View Villas, and intends on developing additional condominiums in Gaines Township, Kent County, Michigan (collectively the "Crystal Springs Villas", and individually the "Project"); and

WHEREAS, Developer intends to enter into Preliminary Reservation Agreements and/or Purchase Agreements and/or Purchase Agreements and Construction Contracts (the "Purchase Agreements") with various Purchasers (the "Purchasers") respecting the proposed purchase of condominium units in the Crystal Springs Villas (the "Units"); and

WHEREAS, the Purchase Agreements will require that all deposits made thereunder by Purchasers towards purchase of a condominium unit shall be held in escrow for the period specified in this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, it is agreed as follows:

1. Deposits into Escrow. Upon the execution of a Purchase Agreement for the purchase of a Unit, the Purchaser may pay a down payment toward the purchase price of the Unit. The down payment shall be deposited by the Developer with the Escrow Agent, or at the Developer's election, may be paid by the Purchaser to the Escrow Agent. At the time of closing of the purchase of a Unit, funds due to the Developer from the Purchaser (i) shall be deposited with the Escrow Agent by the Developer to the extent required to assure substantial completion of those portions of the phase of the Project in which the Unit is located and which on the Condominium Subdivision Plan are labeled "must be built" or (ii) shall be deposited with the Escrow Agent by the Developer if so required by the terms and provisions of any release agreement between the Developer and the mortgagee of any mortgage which may be a lien against the property or (iii) may be deposited with the Escrow Agent at the option of the Developer. The Escrow Agent shall be provided with a copy of the fully-executed Purchase Agreement to which each deposit relates. The Developer shall be the depositor of all amounts deposited with the Escrow Agent hereunder.

2. Investment of Escrow Funds. All monies deposited with the Escrow Agent hereunder shall be invested by the Escrow Agent in a Grand Rapids, Michigan bank with a net worth of at least One Million Dollars (\$1,000,000) in non-interest bearing accounts as designated by the Developer (or, in the absence of such designation, as selected by the Escrow Agent).

3. Release of Purchase Agreement Escrow Funds. No part of the escrowed funds relating to a Unit and Purchaser received by the Escrow Agent under the terms of this Agreement shall be released to either the Developer or to the Purchaser on or before conveyance of legal or equitable title except upon the following conditions:

(a) Upon conveyance of legal or equitable title to any Unit, the Escrow Agent shall pay to the Developer all sums deposited with it relating to that Unit and

that Purchaser; provided, (i) a certificate of occupancy, if required by local ordinance, has been issued for the Unit and (ii) if there are portions of the phase of the Project in which the Unit is located which on the Condominium Subdivision Plan are labeled "must be built," the Escrow Agent is furnished with a certificate signed by a licensed professional engineer or architect either confirming that those portions of the phase of the Project in which the 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 thereof (the "certificate of substantial completion"). Those portions of the phase of the Project in which the Unit is located and which on the Condominium Subdivision Plan are labeled "must be built" shall be substantially complete only after (i) all utility mains and leads, (ii) all major structural components of buildings, (iii) all building exteriors and (iv) 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 therefor. 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 Agreement, shall not be required to be constructed, installed, or furnished precisely in accordance with the specifications for the Project. If there are portions of the phase of the Project in which the Unit is located which on the Condominium Subdivision Plan are labeled "must be built" and there was no certificate of substantial completion presented to the Escrow Agent upon conveyance of legal or equitable title to a Unit, or if the certificate identified an amount necessary for substantial completion of those portions of the phase of the Project in which the Unit is located and which on the Condominium Subdivision Plan are labeled "must be built", the escrowed funds relating to that Unit and that Purchaser shall be released only in accordance with section 4 hereof.

(b) In the event that a Purchaser withdraws from a Purchase Agreement prior to the time the Purchase Agreement becomes a binding Purchase Agreement as therein provided, all sums paid to the Escrow Agent relating to that Unit and that Purchaser shall be returned to that Purchaser within three (3) business days after withdrawal, provided the Purchaser or the Developer has timely notified the Escrow Agent of the withdrawal.

(c) In the event that the Developer determines that a Purchaser does not meet credit requirements for participation in the Project, or a Purchaser fails to obtain a conventional mortgage as provided by the Purchase Agreement with that Purchaser, the Developer shall so notify the Escrow Agent in writing and all sums deposited with the Escrow Agent relating to that Unit and that Purchaser shall be returned to that Purchaser.

(d) In the event the Developer determines not to construct any Unit subject to a Purchase Agreement which is in a building labeled "need not be built" on the Condominium Subdivision Plan, and the Developer so notifies the Escrow Agent in writing, all sums paid to the Escrow Agent relating to that Unit and a Purchaser of that Unit shall be paid to that Purchaser.

(e) In the event any Purchaser defaults in his obligations prior to the time his Purchase Agreement becomes a binding Purchase Agreement, and the Developer terminates that Purchaser's rights under the Purchase Agreement with that Purchaser and so notifies the Escrow Agent in writing, all sums deposited with the Escrow Agent relating to that Unit and that Purchaser shall be paid to that Purchaser.

(f) In the event that, subsequent to the time that any Purchaser's Purchase Agreement becomes a binding Purchase Agreement, the Purchaser shall default in making any payments required by the Purchase Agreement or in performing any of the obligations contained in the Purchase Agreement to be performed by Purchaser and the Developer so certifies to the Escrow Agent in writing, the Escrow Agent shall release to the Developer all sums deposited with the Escrow Agent relating to that Unit and that Purchaser not exceeding the amount of liquidated damages provided in the Purchase Agreement, and the Escrow Agent shall release to the Purchaser the balance of all sums relating to that Unit and that Purchaser.

4. Release of Completion Escrow Funds. All funds relating to a Unit which were not released on conveyance of legal or equitable title to that Unit because there was no certificate of substantial completion presented to the Escrow Agent or because the certificate of substantial completion presented to the Escrow Agent determined an amount necessary for substantial completion of those portions of the phase of the Project in which that Unit is located and which on the Condominium Subdivision Plan are labeled "must be built" shall be retained in escrow, upon the following conditions:

(a) The Escrow Agent shall release to the Developer all funds in escrow in excess of the amounts determined by the issuer of the most recent certificate of substantial completion presented to the Escrow Agent to be necessary for substantial completion of those portions of the phase of the Project in which that Unit is located and which on the Condominium Subdivision Plan are labeled "must be built". 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 relating to the phase of the Project in which that Unit is located after such partial release would be insufficient in the opinion of the issuer of such certificate for substantial completion of any remaining incomplete items of that phase of the Project for which funds have been deposited in escrow, only the amount in escrow in excess of such estimated cost to substantially complete those portions of the phase of the Project in which that Unit is located and which on the Condominium Subdivision Plan are labeled "must be built" shall be released by the Escrow Agent to the Developer. Notwithstanding a release of escrowed funds that is authorized or required by this section 4, the Escrow Agent may refuse to release funds from escrow if the Escrow Agent, in its judgment, has sufficient cause to believe the certificate confirming the substantial completion or determining the amount necessary for substantial completion is fraudulent or without factual basis. If the Escrow Agent shall make such a determination, the Escrow Agent shall give written notice

to the Developer and the issuer of such certificate of the basis for the Escrow Agent concluding such certificate is fraudulent or without factual basis.

(b) Not earlier than nine (9) months after closing the sale of the first Unit in a phase of the Project for which escrowed funds have been retained as necessary for substantial completion of those portions of the Phase which on the Condominium Subdivision Plan are labeled "must be built", the Escrow Agent, upon the request of the condominium association of the Project or any Co-owner of any Unit in that phase of the Project, shall notify the Developer of the amount of funds so deposited or security provided pursuant to section 5 for such purpose that remains, and of the date determined under this subsection 4(b) upon which those funds can be released. Three (3) months after receipt of a request pertaining to funds retained in escrow pursuant to this section 4, 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 a written agreement between the condominium association of the Project and the Developer entered into after the transitional control date (as defined in the Master Deed of the Project). 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 retained funds with the Circuit Court of Kent County, Michigan. In any interpleader action, the Circuit Court of Kent County, Michigan shall be empowered, in its discretion, to appoint a receiver to administer the application of the funds.

5. Alternative Security. Notwithstanding the provisions of sections 3 and 4, in the event that the Developer furnishes the Escrow Agent with evidence of adequate security, including, without limitation, an irrevocable letter of credit, lending commitment, indemnification agreement, or other resource having a value, in the judgment of the Escrow Agent, of not less than the amount then retained in escrow sought by the Developer to be released, the Escrow Agent shall release to the Developer an amount of escrowed funds on deposit with it equivalent to the value of such security.

6. Independent Party. The Escrow Agent in the performance of its duties under this Escrow Agreement shall be deemed an independent party not acting as the agent of the Developer, any Purchaser, Co-owner or other interested party, if any. 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 Michigan Condominium Act, the Escrow Agent shall have no liability whatever to the Developer or to any Purchaser, Co-owner or other interested party, if any, 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 Escrow Agreement and the Michigan Condominium Act, of all amounts deposited with it pursuant to this Escrow Agreement.

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

8. Release. Upon making delivery of the funds deposited with Escrow Agent pursuant to any of the Purchase Agreements and performance of the obligations and services stated therein and herein, 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 set forth in such Agreement and in this Escrow Agreement, and that by acceptance of this Escrow Agreement, 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.

9. Indemnity. The Developer hereby indemnifies and holds harmless the Escrow Agent from any loss or damage sustained by 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.

10. Notices. All notices required or permitted under this Escrow Agreement and all notices of change of address shall be in writing and shall be deemed received on the day following the day on which such notice is deposited in the United States mail, first class or certified mail, return receipt requested, postage prepaid, addressed to Escrow Agent, or to Developer, at their respective addresses given herein, or said written notices and requests may be made by personal delivery to either party.

11. Compensation. The Escrow Agent shall receive no compensation or payment for serving as Escrow Agent pursuant to this Escrow Agreement.

12. Amendment. Any change in the terms or conditions hereof may only be made in writing and signed by the parties or their duly authorized representatives.

13. Continuing Agreement. Escrow Agent and Developer agree that, unless otherwise terminated pursuant to written notice from either party, this Agreement shall be in effect for the three condominium projects identified on Page 1 of this Agreement and for all other condominium projects developed by Developer in Gaines Township, Kent County, Michigan, located within any of the following areas:

The Northeast 1/4 of the Northeast 1/4 of Section 9 Town 5 North, Range 11 West, Gaines Township, Kent County, Michigan.

ALSO the South 3/4 of the East 1/4 of the Southwest 1/4 of said Section 9, EXCEPT the East 286 feet thereof; ALSO EXCEPT the West 330 feet of the East 616 feet of the South 660 feet thereof;

ALSO the West 3/4 of the Southwest 1/4 of said Section 9; EXCEPT the West 1194 feet thereof and except the North 990 feet thereof;

ALSO the East 660 feet of the North 990 feet of the West 3/4 of the Southwest 1/4 of said Section 9;

ALSO the North 330 feet of the West 3/4 of the Southwest 1/4 of said Section 9, except the East 660 feet thereof;

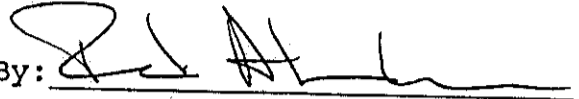
ALSO the South 660 feet of the North 990 feet of the West 3/4, of the Southwest 1/4 of said Section 9, except the East 660 feet thereof and except the West 896 feet thereof;

ALSO the North 1/4 of the Southeast 1/4 of said Section 9.

and for which Escrow Agent is providing owner's and mortgagee's title insurance policies to the condominium unit Purchasers and their mortgagees.

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement on the day and year first above written.

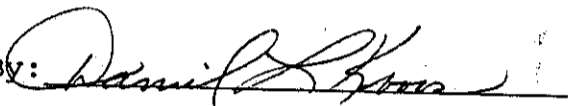
LANDQUEST-CRYSTAL, INC.

By: 

Its President

DEVELOPER

TRANSAMERICA TITLE INSURANCE
COMPANY

By: 

Its: Special Projects Mgr
ESCROW AGENT

