COPY

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

BARRY COUNTY, MICHIGAN

DECLARATION OF EASEMENTS AND RESTRICTIVE COVENANTS

KNOW ALL MEN BY THESE PRESENTS, that Kay-D Development, a Michigan limited liability company, whose address is 6760 Irving Road, Hastings, MI 49058 (the "Developer"), being the owner or land contract vendee of all of the property contained in a development known as East Creek Estates and located in Irving Township, Barry County, Michigan, on the property described on Exhibit A hereto (the "Development"), hereby makes the following declarations as to easements in the Development and limitations, restrictions and uses to which all of the parcels in the Development may be put.

The declarations contained herein are based on the following factual recitals:

A. Developer plans to divide the Development into parcels as described on Exhibit B hereto and identified by the numbers "1" through "6" (each of which is individually referred to as a "Parcel," and which are collectively referred to herein as the "Parcels").

B. Developer wishes to permit the development of the Development into a community suitable for family living and, at the same time, wishes to maintain, insofar as possible, the natural character of this beautiful property and to require all man-made structures to blend into the natural background rather than stand out against it.

C. It is essential to the value of the Parcels that the Development be perpetually maintained in a manner consistent with high environmental, aesthetic and residential standards.

D. To accomplish the foregoing, Developer desires to impose certain building and use restrictions, covenants and conditions, as herein contained, upon and for the benefit of said Parcels and the Development as a whole.

E. Developer also desires to provide for the establishment and maintenance of private roadway and recreational easements to serve the Parcels and their owners and for the development of private driveway easements to serve certain of the Parcels.

F. Developer is willing to sell Parcels, but all buyers and subsequent owners must accept such Parcels subject to the declarations, covenants, restrictions and conditions set forth herein.

Section 1. Definitions.

As used herein, the terms set forth below shall have the following meanings:

1.1 "Architectural Control Committee" shall mean the committee appointed in accordance with the provisions of Section 5 below.

1.2 "Common Area" shall mean area within the Development reserved for the common use and enjoyment of all Parcel Owners, including the Roadway and Recreational Area.

1.3 "Developer" shall mean Kay-D Development, a Michigan limited liability, the proprietor of the land within the Development, or its successors or any person or entity to whom or to which it may, in a document recorded with the Register of Deeds of Barry County, Michigan, expressly assign one or more of its rights hereunder or delegate all or any of its authority hereunder.

1.4 "Development" shall mean the property located in Section 19, Township of Irving, Range 9, Barry County, Michigan, described on Exhibit A hereto.

1.5 "Improvement" shall mean every building of any kind, fence or wall, pool, tennis court, or other structure or recreational facility which may be erected or placed on any Parcel, any drainage system that may be established thereon, any driveway or landscaping thereon, or the water or septic systems or any part thereof on any Parcel.

1.6 "Maintenance Charge" shall mean the payments provided for in Sections 3.1 and 3.2 below.

1.7 "Parcel" shall mean any one of the parcels within the Development, as described on Exhibit B hereto. "Parcels" shall mean all such parcels.

1.8 "Parcel Owner" shall mean any person or other entity owning or purchasing a Parcel and any person having the right of occupancy of the dwellings constructed on such Parcel.

1.9 "Roadway" shall mean the roadway easement established in Section 2.1 below.

Section 2. Easements.

2.1 (a) A perpetual easement appurtenant is hereby established across, over and through the property described on Exhibit D hereto for the purpose of ingress and egress and for the construction, maintenance and repair (including reconstruction) of utilities.

(b) Such perpetual easement appurtenant shall burden the land it passes across, over and through and benefit and run with all of the Parcels.

2.2 Use of the Roadway described in Sections 2.1 above shall be subject to such rules and regulations as the Association may establish from time to time for safety purposes and for the purpose of protecting the peace and quiet of the Development or for such other purpose as the Association shall, in its sole discretion, determine. Rules and regulations may include, but are not limited to, the establishment of hours of use, the type and extent of use permitted, speed limits, the size of vehicles which may use the Roadway, and the prohibition or limitation of parking.

2.3 The Roadway may, but need not, be paved at the discretion of the Association; provided, however, that if the Roadway is at any time required by appropriate public authorities to be paved, it shall be paved under the direction of the Association at the expense of the Parcel Owners, such expense to be allocated in the same manner as Roadway Maintenance Charges are hereinafter allocated among the several Parcel Owners.

2.4 Developer hereby reserves an easement for itself, the Association and any provider of utility services to enter upon any Parcel, if necessary, to install, construct, operate, maintain, repair or replace any facility it operates or controls, such as utilities, whether under or above ground, and for any other proper purpose.

Section 3. Maintenance of Roadway

3.1 The Association shall keep and maintain the Roadway in a good and serviceable condition. The Association's duties shall, in this regard, include, but not necessarily be limited to, reconstruction, repair, and snow removal, all as a majority of its directors shall from time to time see fit to perform or have performed. The Association may initially pay all costs thereof. However, each Parcel Owner shall ultimately share equally in such costs, regardless of (a) the degree of use to which any Parcel Owner puts the Roadway, and (b) the location of any Parcel along the Roadway. The Association shall bill each Parcel Owner for his proportionate share of such costs as such costs are incurred or at such other time or in such other manner as the directors of the Association may in their discretion deem appropriate. Each Parcel Owner shall promptly reimburse the Association for his share of such costs, as reflected upon the statement tendered.

3.2 (a) Provided he is current in his obligations hereunder, each Parcel Owner shall be released from all personal liability for costs hereunder immediately upon the sale or other conveyance of his complete fee interest in the Parcel owned by him that is benefited or burdened hereunder.

(b) If any Parcel Owner shall fail to pay any statement tendered by the Association to him, or his successors and assigns, within ten days after receipt thereof, the amount of such statement, together with interest thereon at the maximum legal rate, plus reasonable attorneys' fees necessary to collection, shall automatically become a continuing lien upon

the Parcel or Parcels of the obligor billed, which lien shall be superior to all claims to such Parcel or Parcels except first mortgages, as well as an enforceable personal obligation of the Parcel Owner. The Association, or its successors and assigns, may, upon the failure of a Parcel Owner to pay any statement tendered by the Association, record notice of its claim of lien against any such Parcel and thereafter pursue an action to foreclose said lien in any manner now or in the future permitted by law or equity, including, but not limited to, what is commonly known as a foreclosure by advertisement. In this regard, the Parcel Owner hereby grants the Association a power of sale and authorizes the Association to sell the Parcel to which delinquent charges are attributable or cause it to be sold at public auction and to deliver to the purchaser good and marketable title thereof, subject only to any first mortgage. The proceeds received at such a sale shall be distributed in accordance with the priorities established by applicable law. The Association may, in addition to, or instead of, foreclosure, obtain a personal judgment against the obligor.

3.3 Each Private Way shall be constructed, maintained, and repaired by, and at the sole expense of, the owner of the Parcel to which such Private Way is appurtenant.

Section 4. Subdivision; Other Easements.

4.1 No Parcel may be subdivided.

4.2 No Parcel Owner shall be permitted to grant any right-of-way or easement across his Parcel to any person or to benefit any parcel of property except another Parcel governed hereby. The foregoing restriction shall not include the usual utility easements.

Section 5. Architectural Control Committee.

5.1 An Architectural Control Committee (the "Committee") shall be established by the Association and shall at all times consist of one or more persons appointed by the Association. The Association shall have the right to terminate the tenure of any member of the Committee at any time and for any reason and to appoint new or additional members to the Committee at any time. The Association shall keep on file at its principal office a list of the names and addresses of the members of the Committee.

5.2 Except as otherwise provided herein, a majority of the members of the Committee shall have the power to act on behalf of the Committee without the necessity of a meeting and without the necessity of consulting the remaining members of the Committee. The Committee may act only by written instrument setting forth the action taken and signed by the members of the Committee consenting to such action.

5.3 If the Committee shall cease to exist or for any reason shall fail to function, the Board of Directors of the Association shall serve as the Committee, and in the absence of such a board, the Committee shall be selected by a majority of Parcel Owners.

5.4 If any Parcel Owner is aggrieved by a decision of the Committee, he may appeal for relief to the Association as a whole.

Section 6. Approval of Construction by Committee.

6.1 The Developer recognizes that there can be an infinite number of concepts and ideas for the development of Parcels consistent with its plan for the Development. The Developer wishes to encourage the formulation of new or innovative concepts and ideas. Nevertheless, for the protection of all Parcel Owners and for the preservation of the Developer's concept for the development of the Development, the Developer wishes to make certain that any development of a Parcel will maintain the natural beauty of the Development and, as much as reasonably possible, blend all man-made structures into the natural background. In order to meet these objectives, the Developer gives the Committee the power to review and approve or disapprove all Improvements to the Parcels prior to their implementation.

6.2 No Parcel Owner shall construct, alter, or maintain any Improvements on a Parcel or perform any significant alteration to the terrain until all of the following have been completed:

(a) The Parcel Owner has submitted to the Committee a complete set of preliminary sketches showing floor plans, exterior elevations, and an outline specification for materials and finishes.

(b) The Committee has approved the preliminary sketches.

(c) Upon approval of preliminary sketches, the Parcel Owner has submitted to the Committee one complete set of plans and specifications therefor, in form satisfactory to the Committee, showing insofar as is appropriate:

(i) The size and dimensions of the Improvements;

(ii) The exterior design;

(iii) The exterior color scheme;

(iv) The exact location of the Improvements on the Parcel; and

(v) The location of the driveways, parking areas and landscaping.

(d) Such plans and specifications have been approved in writing by the Committee.

Approval of preliminary sketches and detailed plans and specifications may be withheld, not only because of their noncompliance with any of the restrictions and conditions contained herein, but also because of the reasonable dissatisfaction of the Committee as to the location of the structures on the Parcel, color scheme, finish, design, proportions, shape, height, type, or appropriateness of the proposed Improvement or alteration, the materials used therein, the kind, shape, or type of roof proposed to be placed thereon, the number of trees that must be removed, the degree of terrain alteration

involved, or because of its reasonable dissatisfaction with any matters or things which, in the reasonable judgment of the Committee, would render the proposed Improvement inharmonious or out of keeping with the Development or with the Improvements erected in the immediate vicinity of the Parcel.

6.3 If at any time a Parcel Owner shall have submitted to the Committee plans and specifications in accordance with this section for a structure or alteration, and the Committee has neither approved such plans and specifications within 30 days from the date of submission nor notified the Parcel Owner of its objection within such 30-day period, then such plans and specifications shall be deemed to have been approved by the Committee. In the event that a Parcel Owner shall file revised plans and specifications for a structure or alteration with the Committee after receiving objections from the Committee with respect to original plans and specifications, and the Committee has neither approved them nor notified the Parcel Owner of further objections within 30 days from the date of submission, then such revised plans and specifications shall be deemed to have been approved by the Committee.

Section 7. Care and Appearance of Premises.

Parcel Owners shall maintain the exterior of all Improvements on any Parcel and the Parcel itself in a neat and attractive manner, and in good condition and repair.

Section 8. Uses Permitted and Prohibited.

8.1 Parcels shall be used solely for the construction of one single-family residence (including a garage for private use) and shall be limited in use to single-family residential purposes.

8.2 No offensive activity or activity which is in violation of any law, ordinance, statute or governmental regulation shall be carried on in the Development, nor shall anything be done which may be or become an annoyance or a nuisance to the other Parcel Owners in the Development. All pets shall be leashed at any time they are upon the Common Areas. Parcel Owners shall clean up after their pets.

8.3 At no time shall there be permitted to be kept anywhere in the Development any commercial vehicles, mobile homes, motor homes, recreational vehicles, wrecked or disabled automobiles, or similar objects, unless stored in a garage permitted to be constructed under Section 8.1 above, nor shall any camping be permitted upon any Parcel; provided, however, that for a period of not more than ___ years after executing a binding purchase agreement for a Parcel, a Parcel Owner and his immediate family may camp on his Parcel in a manner that does not interfere with the rights of other Parcel Owners.

8.4 The exterior of any Improvement being constructed upon a Parcel shall not remain incomplete for a period of longer than six months from the date upon which construction of the Improvement was commenced. All construction shall be diligently pursued to completion.

Section 9. Rules and Regulations.

The Association may promulgate rules and regulations specifically authorized hereunder and such other rules and regulations as may be reasonably necessary or helpful to achieve the quality of living in the Development desired by the Association. All Parcel Owners and their guests and invitees shall abide by such rules and regulations.

Section 10. Violation of Provisions.

If any Parcel Owner shall construct or permit to be constructed an Improvement on any Parcel or Common Area contrary to the provisions hereof, or if any Parcel Owner shall maintain any Improvement or thing on any Parcel or Common Area contrary to the provisions hereof or the rules and regulations promulgated by the Committee, the Association, not earlier than 15 days after it has delivered written notice to a Parcel Owner of a violation of one or more of the provisions thereof, may enter upon and alter, repair, or change any Improvement or thing which may be upon the Parcel or Common Area in violation thereof so as to make such Improvements or things conform to such provisions. The Association may charge the Parcel Owner for the entire cost of the work done by or for it pursuant to the provisions of this section, which shall become payable to the Association upon demand or thereafter become a lien against the Parcel Owner's Parcel, enforceable in accordance with the provisions of Section 3.2 hereof.

Section 11. Enforcement.

For a violation or breach of any of the provisions hereof, the Association shall have the right to proceed at law or in equity to compel compliance with the terms hereof or to prevent the violation or breach and to foreclose any lien granted hereunder. If the Association shall fail or refuse to enforce any violation after request has been made by one or more Parcel Owners, such owners shall have the joint and several right to proceed in law or equity seeking a money judgment or to compel such compliance.

In addition to the foregoing right, the Association shall have the right, whenever there shall have been built on any Parcel any structure which is in violation of these restrictions, to enter upon property where such violation of these reservations and restrictions exists and summarily abate or remove the same at the expense of the owner thereof, and any such entry and abatement or removal shall not be deemed a trespass. The failure promptly to enforce any of the reservations and restrictions shall not bar their enforcement. The invalidation of any one or more of the reservations and restrictions by any court of competent jurisdiction in no wise shall affect any of the other reservations and restrictions, but they shall remain in full force and effect.

Section 12. Association.

12.1 Any person acquiring legal or equitable title to a Parcel shall automatically by virtue thereof become a member of the Association. The Association consists of all Parcel Owners in the Development. The Association is entitled to carry on such business as is

authorized by its Articles of Incorporation, including, but not limited to, the powers granted it hereunder.

12.2 As a member of the Association, and in consideration of having the right to use the Common Area, each owner of legal or equitable title to any Parcel by acquiring such legal or equitable title agrees for himself, his heirs, successors and assigns, to pay to the Association any dues, assessments, charges, costs, or fines as may from time to time be levied by the Association for any lawful reason.

12.3 Notice of the amount of any Maintenance Charge or other charge, dues, assessment, or fine shall be given to the owner of legal and equitable title to any Parcel by first-class mail addressed to his last-known address as it appears on the rolls of the Association.

12.4 Any Maintenance Charge or other charge not paid on or before the due date established by the Association shall be considered as being in default and shall bear interest at the highest rate then permitted by law. Such interest, and all costs incurred by the Association in connection with the collection of any such charge, including reasonable attorneys' fees, shall be collectible by the Association and shall constitute a continuing lien upon any Parcel within the Development owned by the Parcel Owner responsible therefor. Such lien may be enforced in accordance with the procedure set forth in Section 3.2 above. All such charges shall also be the personal obligation of the Parcel Owner against whom they were assessed.

12.5 The Association shall be managed by its board of directors in accordance with Bylaws therefor adopted by the Developer. The Bylaws may further define the rights and obligations of the Association and its members, but this Declaration shall govern in the event of an inconsistency between it and such Bylaws.

Section 13. Assignment of Rights.

All rights hereunder granted to Parcel Owners shall not be further assignable by such owners except as an appurtenance to and in conjunction with a sale of their Parcel.

Section 14. Amendment.

The covenants and restrictions of this instrument shall run with the land and be binding until ___, 200_. These restrictions may be amended or extended by the affirmative written action of the Developer and 50% of the owners of all Parcels not owned by the Developer. So long as the Developer owns any Parcel, this instrument may not be amended at any time without the consent of the Developer. Any amendments shall become effective ten days after notice of adoption of the amendment, together with a copy of the recorded amendment, is mailed to all Parcel Owners. Notwithstanding the foregoing provisions of this Section 14, the easements reserved and granted in this instrument shall be binding perpetually, and no amendment shall modify or terminate such easements.

IN WITNESS WHEREOF, the Developer has executed this instrument as of this ___ day of ___, 2000.

WITNESSES:

KAY-D DEVELOPMENT

_____

By:_____

Its: Member

_____

STATE OF MICHIGAN)
) ss.
COUNTY OF_____)

On this ___ day of _____, 2000, before me, a Notary Public for the County of_____ State of Michigan, personally appeared _____, to me known, who, being by me duly affirmed according to law, did affirm and say he/she is a Member of Kay-D Development, the corporation which executed the within or foregoing instrument on behalf of said corporation.

_____

Notary Public, _____ County, MI
My commission expires:_____

THIS INSTRUMENT PREPARED BY:

Michelle H. Anthes
Borre, Peterson, Fowler & Reens, P.C.
300 Ottawa Ave., N.W., Suite 500
Grand Rapids, MI 49503
(616) 459-1971

Exhibit A
Legal Description of Entire Property

Exhibit B
Legal Description of Parcels into Which the Property Will Be Divided

Exhibit C
Description of Driveway Easements