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Kent County MI Register SEAL

SITE DEVELOPMENT AGREEMENT

This Site Development Agreement ("Agreement") is executed this 10th day of April, 2006, between Alpine Township, a Michigan general law township, whose address is 5255 Alpine Avenue, N.W., Comstock Park, Michigan 49321 ("Township") and Rosendall Holdings, L.L.C., a Michigan limited liability company, whose address is 2751 Alpine Ave., N.W., Grand Rapids, Michigan 49544 ("Developer").

RECITALS

A. Developer is the owner of real property located within the Township which parcel is legally described on attached Exhibit A and incorporated by reference ("Property").

B. The Property, in accordance with the Township's Zoning Ordinance, is zoned R-A (Rural Agricultural). Developer requested site plan and special use approval to develop the Property into a residential single-family site condominium development (the "Project").

C. During the Township Planning Commission's review of the Project, particular areas discussed included utility services, public safety, public infrastructure, and stormwater control measures to be utilized on the Property.

D. Chapters 2, 6, 18, and 21 of the Township's Zoning Ordinance, and other general Township ordinances, provide that before a special land use, site plan or site condominium for the Project could be approved, the Township must determine that the Project complies with identified criteria.

E. Following several hearings and reviews, the Township conditionally granted approval for the Project. The conditions imposed are consistent with the objectives and provisions contained in the Township's ordinances.

F. The Developer acknowledges and agrees that the Township relied upon the Developer's representations and pledges made during the planning review process in determining to approve the Project including, without limitation, the final site plan submitted by the Developer dated March 29, 2006, the terms of which are incorporated by reference (the "Site Plan").

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G. The parties desire to memorialize their understandings with respect to development of the Property. Although not exclusive, this Agreement, as supplemented by the Project's Master Deed and Bylaws, is intended to memorialize the parties' understandings.

AGREEMENT

For good and valuable consideration including, but not limited to, the covenants and pledges contained herein and the Township's willingness to forego the posting of performance guarantees for the development of the Project, the sufficiency of which is acknowledged, the parties agree as follows:

Section 1. Compliance with Legal Requirements and Approvals. Developer agrees to construct, install, and operate the Project in accordance with approvals received from governmental entities with applicable jurisdiction. In constructing the Project, Developer agrees to comply with all state and local laws, ordinances, and regulations as well as the terms of this Agreement. Without limitation, Developer further agrees to construct and operate the Project in accordance with any and all approvals received from the Township and/or its various bodies, officers and commissions

Section 2. Construction and Installation of Community Sewer System. Developer shall construct and install a Community Sewer System ("Sewer System" or "System") to serve the Project in accordance with approvals received from, and subject to the terms of, governmental entities with applicable jurisdiction including but not limited to the Michigan Department of Environmental Quality, the Kent County Health Department and the Kent County Department of Public Works. Unless otherwise agreed in writing, all such approvals shall be obtained, and evidence of the same shall be provided to the Township, before any building permits shall be issued for any part of the Project. The public sanitary sewer hook-up fee established by the Township from time to time shall be paid for each residential dwelling before a building permit for that unit is issued by the Township. All residential dwellings in the Project shall be served by the Sewer System.

(a) Forcemain. The Developer shall be permitted to install a small-diameter forcemain during the initial construction of those roadways serving the Property, in such locations directed and approved in advance by the Township Engineer. All forcemain installed shall be subject to inspection by the Township Engineer, in addition to the Kent County Department of Public Works. Following inspection and approval, the forcemain shall be conveyed to the Kent County Department of Public Works or other entity designated by the Township. To facilitate financing the installation of the forcemain, the Developer and Township shall enter into a payback agreement, for a term not to exceed 20 years, by which the Developer shall be reimbursed out of connection fees paid by property owners outside the Project for connections made to the forcemain, on a front foot basis in an amount not to exceed the initial costs of design, administration and construction of the forcemain.

(b) Laterals for Adjacent Parcels. In its development of the Project, and prior to the issuance of building permits for the Project, the Developer shall install lateral leads along Candi Lane and the northern half of Samantha for existing lots outside of the Property; provided that, before connection to the System, each lot owner connecting to the Sewer System executes and records an agreement to reimburse the Developer and/or the Condominium Association a portion of the costs to operate the system in proportion to the charges imposed upon other users of the System. The actual cost of engineering and

installing such leads shall be paid for by the Township upon approval of the construction of the laterals by the Township Engineer and the Kent County Department of Public Works. The Developer shall make all of its records regarding the cost of design, construction and installation of the laterals available to the Township at all reasonable times.

Section 3. Operation, Maintenance and Conveyance of the Community Sewer System.

(a) Maintenance. The Condominium Association (the "Association") established by the Developer for the Project shall maintain the Sewer System in accordance with all applicable laws and regulations. In the event a grinder pump from a particular unit needs to be replaced, it must be replaced at the sole expense of the Association or the Owner of the unit with the same make and model as the original. (The Developer or Association will maintain a supply of spare grinder pumps.) Without limiting the foregoing, the following provisions shall also apply to the on-going maintenance of the Sewer System and its components:

(i) That portion of the Sewer System located within a roadway or public utility easement, or those portions of the Sewer System (if any) outside the Project, shall be maintained by the Kent County Department of Public Works or such other entity designated by the Township. Billings for such inspection and maintenance services, on a pro rata basis, shall be the responsibility of the Association and/or the Owners of units in the Project. The Township or such other entity designated to perform these functions by the Township, shall have a lien on the Property for any sewer system services performed (including all inspection and maintenance costs) to the full extent permitted by law. Upon connection of the Sewer System to the public sanitary sewer system as provided for herein, the Association and/or the Owners of units in the Project shall be responsible for all inspection and maintenance billings at the rate set by law.

(ii) All maintenance associated with the individual grinder pumps shall be the sole responsibility and cost of the Association and/or the Owners of the units in the Project. This maintenance duty running to the Association and/or Owners of units in the Project shall survive the conveyance of the remainder of the Sewer System and its connection to the public sanitary sewer system, it being the parties' intent that neither the Township nor any public entity shall ever have maintenance or operational obligations for the grinder pumps.

(iii) The Township or its agent shall have the right, at all reasonable times, to inspect any portion of the Sewer System up to the grinder pumps to determine the level of maintenance occurring and in order to maintain the Sewer System as reasonably necessary to ensure its functionality.

(iv) The Association and/or Owners of units in the Project shall, as a condition of receiving maintenance and related services for the Sewer System, agree to indemnify and hold harmless the Township, Kent County Department of Public Works and their officers, employees and designees (the "Indemnitees") for any

and all claims arising out of the provision of maintenance or inspection services, except where those claims are caused by the gross negligence or intentional acts of the Indemnitees.

(b) Failure to Maintain. In the event the Association and/or the Owners of units in the Project do not operate and maintain the Sewer System as required under the terms of this Agreement, the Township or its designee shall be entitled to take one or more of the following actions (or any combination of the same as determined necessary at the sole discretion of the Township):

(i) The Township or its agent may go onto the Project and maintain the System. No less than fifteen (15) days before taking such action, the Township shall provide to the Association and Owners of units in the Project (as shown on the latest Township tax assessment roll), by first-class mail, notice of its intention and shall afford the Association and Owners of units in the Project an opportunity to cure. Any and all costs, fees or expenses incurred by the Township in maintaining the System pursuant to this subsection may be, without further notice, assessed equally as a lien on units in the Project, to be collected in the same manner as ad valorem property taxes.

(ii) The Township may create a special assessment district for the purpose of maintaining the System. The Developer, Association and Owners of units in the Project shall, upon request of the Township, execute all petitions or other documents requested by the Township for the establishment of the special assessment district.

(c) Conveyance of Sewer System and Connection to Public Sanitary Sewer System.

(i) The Association and/or each Owner shall permanently connect the Sewer System, and all of its components, to the public sanitary sewer system no later than July 1, 2015 if the Project is then located within a public sanitary sewer system service district or at such later date when the Project is brought within a public sanitary sewer system service district. All costs and expenses associated with making the permanent connection including, without limitation, the costs of extending the public sanitary sewer system at its then existing terminus to the Project, shall be borne by the Association and/or the Owners of units in the Project. The Township may assist in financing the extension and permanent connection costs through the creation of a special assessment district, and the Association and/or the Owners of units in the Project agree to fully cooperate in the creation of such a district including the execution of all necessary petitions. Moreover, all costs associated with converting and connecting the Sewer System and its wastewater treatment facility into a pumping station and the conversion of existing grinders (as necessary) into pumping units shall be borne by the Association and/or the Owners of units in the Project. Notwithstanding the foregoing, in the event that the Sewer System completely fails prior to 2015, then the Association and/or each Owner of a unit in the Project shall, at their sole cost, make a temporary connection to the existing public sanitary sewer system at the Kenowa Hills Middle School. The Township shall reasonably assist in acquiring the easements necessary for a temporary connection.

(ii) The acceptance of a conveyance or the execution of a land contract by any Owner of a unit in the Project or purchaser shall constitute the agreement and consent by such Owner or purchaser, his heirs, executors, administrators and assigns, that such Owner or purchaser consents to

the conveyance of the Sewer System and its connection to the public sanitary sewer system as described herein. The Board of the Association shall be vested with full power and authority to obligate all Owners of units in the Project to participate in a special assessment district or districts and to consider and act upon all other public sanitary sewer issues on behalf of the Association and all Owners of units in the Project, including, but not limited to, granting easements to the Township for connections to the public sanitary sewer system and conveying ownership of the Sewer System to the Township or its designee.

Section 4. Water System. The Project shall be served by private wells. The Developer shall meet all requirements and obtain all approvals required by law prior to installing such wells. In addition, in the event a public water system becomes available to serve the Project in the future, the Developer or its successors shall execute and convey, at no cost to the Township, such easements reasonably necessary to facilitate the connection of the units in the Project to the public water system.

Section 5. Conflict. In the event of any conflict between the terms of the Project's Master Deed/Bylaws and this Site Development Agreement with respect to the conveyance and connection of the Sewer System to the public sanitary sewer system or other utility matters, then the terms of this Site Development Agreement shall control.

Section 6. Easement Across Jeremy and Samantha. If at such time in the future it becomes necessary to obtain public utility easements along, across, over or under Jeremy Street or Samantha Drive, then the Developer or its successors shall execute and convey, at no costs to the Township, such easements reasonable necessary to extend and operate public utility services with these roadways.

Section 7. Violation of Agreement. The parties acknowledge that monetary damages for a breach of this Agreement would be inadequate to compensate the parties for the benefit of their bargain. Accordingly, the parties expressly agree that in the event of a violation of this Agreement, the non-breaching party shall be entitled to receive specific performance. Nothing herein shall be deemed a waiver of the Township's rights to seek enforcement of this Agreement or zoning approvals previously granted, to the extent otherwise authorized by law and the parties acknowledge that a violation of this Agreement by the Developer or its successors would be a violation of the zoning approvals granted by the Township.

Section 8. Amendment. This Agreement may only be amended in writing, signed by all parties.

Section 9. Recording. The obligations under this Agreement are permanent covenants that run with the land, and thus bind successors in title of the Developer. This Agreement shall be recorded with the Kent County Register of Deeds at the Developer's sole expense and a copy of the recorded Agreement shall be supplied to the Township at no expense to the Township.

Section 10. Miscellaneous.

(a) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the enforceability or validity of the remaining provisions and this Agreement shall be construed in all respects as if any invalid or unenforceable provision were omitted.

(b) Notices. Any and all notices permitted or required to be given shall be in writing and sent either by mail or personal delivery to the address first above given.

(c) Waiver. No failure or delay on the part of any party in exercising any right, power, or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights and remedies provided by law.

(d) Governing Law. This Agreement is being executed and delivered and is intended to be performed in the State of Michigan and shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws thereof.

(e) Headings and Recitals. The parties acknowledge and agree that the headings and subheadings in this Agreement are for convenience only and shall have no bearing or effect. The parties further acknowledge and agree, however, that the Recitals hereto are and shall be considered an integral part of this Agreement proper to its correct understanding and interpretation.

(f) Authorization. The parties affirm that their representatives executing this Agreement on their behalf are authorized to do so and that all resolutions or similar actions necessary to approve this Agreement have been adopted and approved. The Developer further affirms that it is not in default under the terms of any land contract for all or part of the Property.

The parties have executed this Agreement on the day and year first above written.

ALPINE TOWNSHIP

By Marta Brechting
Marta Brechting, Supervisor

STATE OF MICHIGAN)
) ss.
COUNTY OF KENT)

2006 The foregoing instrument was acknowledged before me this 10th day of April, 2005, by Marta Brechting, the Supervisor of Alpine Township, a Michigan township on behalf of the township, who is personally known to me or who has produced his or her PK: personally known as identification.

Elizabeth Christensen
Elizabeth Christensen
Notary Public, Kent County, Michigan
Acting in Kent County, Michigan
My commission expires: 02-09-2012

LEGAL DESCRIPTION

Part of the Northwest ¼ of Section 33, T8N, R12W, Alpine Township, Kent County, Michigan, described as: Commencing at the Northwest corner of said Section; thence South 86°25'44" East along the North line of said Section 472.59 feet to the Place of Beginning; thence South 86°25'44" East along the North line of said Section 853.14 feet to the West line of the East 1320.00 feet of the Northwest ¼ of said Section; thence South 00°15'11" West parallel with the North-South ¼ line of said Section 835.30 feet; thence South 86°25'44" East parallel with the North line of said Section 809.00 feet; thence North 00°15'11" East parallel with the North-South ¼ line of said Section 192.86 feet; thence South 86°25'44" East parallel with the North line of said Section to the centerline of Peach Ridge Avenue (66.00 feet wide); thence Southeasterly along the centerline of Peach Ridge Avenue to the South line of the North 735.00 feet of the Northwest ¼ of said Section; thence North 86°25'44" West along the South line of the North 735.00 feet of the Northwest ¼ of said Section to the West line of the East 330.00 feet of the Northwest ¼ of said Section; thence South 00°15'11" West parallel with the North-South ¼ line of said Section 150.00 feet; thence South 86°25'44" East along the South line of the North 885.00 feet of the Northwest ¼ of said Section 330.00 feet to the North-South ¼ line of said Section; thence South 00°15'11" West along the North-South ¼ line of said Section 294.77 feet; thence North 89°44'49" West 396.00 feet; thence South 00°15'11" West parallel with the North-South ¼ line of said Section 130.79 feet; thence North 86°27'08" West 834.14 feet; thence North 03°32'52" East 189.42 feet; thence South 86°27'08" East 358.75 feet; thence North 03°32'52" East 242.16 feet; thence North 86°25'44" West 358.75 feet; thence South 03°32'52" West 242.31 feet; thence North 84°53'32" West 434.18 feet; thence South 03°32'52" West 663.24 feet; thence North 86°27'08" West 961.99 feet to the West line of said Section; thence North 00°29'57" East along the West line of said Section 1548.78 feet; thence North 65°14'19" East 521.81 feet to the Place of Beginning. Said parcel is subject to a right of way for Peach Ridge Avenue. Said parcel is also subject to and together with the 66.00 foot wide easements for ingress, egress and public utilities known as Candi Lane, Samantha Drive and Jeremy Street. Further subject to and together with all easements of record, the easements described, reserved or set forth in the Master Deed or upon a Subdivision Plan or as declared in the Master Deed or Bylaws.

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