

\$ 39.00 DEED
14 MAY 96 3:30 P.M. RECEIPT# 52
RECORDED
FOREST E. YOUNGBLOOD, REGISTER OF DEEDS
WAYNE COUNTY, MI

BYLAWS OF

WINDRIDGE SUBDIVISION HOMEOWNERS ASSOCIATION

(Recorded Pursuant to Michigan Public Act 24 of 1945, As Amended)

(Pertaining to WindRidge Subdivision, Northville Township, Wayne County, Michigan, according to the Plat thereof as recorded in Liber 107 of Plats, Pages 27 et seq., Wayne County Records)

ARTICLE I

NAME AND LOCATION

The name of the corporation is WindRidge Subdivision Homeowners Association, hereinafter referred to as the "Association." The principal office of the corporation shall be located at Suite 400, 27400 Northwestern Highway, Southfield, Michigan 48034, or at such other place as may be established by the Board of Directors. Meetings of members and directors may be held at such places within the State of Michigan, Counties of Wayne or Oakland, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean the WindRidge Subdivision Homeowners Association, a Michigan non-profit corporation, its successors and assigns.

Section 2. The "Declaration" shall mean the Declaration of Restrictions, Conditions and Covenants for WindRidge Subdivision recorded in Liber 27484, Pages 452 et seq., Wayne County Records, as the same may be amended or supplemented pursuant to the terms thereof.

Section 3. The "Subdivision" shall mean WindRidge Subdivision, Township of Northville, Wayne County, Michigan, according to the plat thereof recorded in Liber 107 of Plats, Pages 27 et seq., Wayne County Records.

Section 4. "Lot" shall mean a lot within the Subdivision.

Section 5. "Declarant" shall mean David V. Johnson, the Declarant under the Declaration.

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Section 6. "Developer" shall mean WindRidge Associates, L.L.C., a Michigan limited liability company, or its successors or assigns.

Section 7. "Lot owner" shall mean the beneficial owner(s) of a Lot, irrespective of whether such Lot is acquired by deed, land contract or otherwise (i.e., the holder of fee simple title or, if the Lot is sold on land contract, the vendee(s) under the land contract).

Section 8. "Articles of Incorporation" shall mean the Articles of Incorporation for WindRidge Subdivision Homeowners Association has filed with the Michigan Department of Commerce.

Section 9. "PUD Agreement" means the Planned Unit Development Agreement dated as of December 9, 1993 between Victor International Corporation, Home Depot U.S.A, Inc. and the Charter Township of Northville, which PUD Agreement was recorded in Liber 27043, Pages 724 et seq., Wayne County Records.

ARTICLE III

PURPOSES

The purposes of the Association are set forth in its Articles of Incorporation.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS OF MEMBERS

Section 1. The Developer and Lot owners of the Subdivision shall be members of the Association. No other persons or entities shall be entitled to membership. The Developer may resign as a member of the Association upon written notice to the Association.

Section 2. The separate share of a member in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner, except automatically to a purchaser of a Lot in the Subdivision. In no event shall a member have a right to a distribution or return of any funds or assets of the Association, except with respect to overpayments made by the member of dues or assessments levied by the Association.

Section 3. (a) There shall be three classes of membership in the Association. Class A membership shall be voting, and the Developer shall be the only Class A member. Class B membership shall be non-voting until the time specified in subparagraph (b) below. Except as provided below each owner

of a Lot shall be a Class B member, and voting by the members of such Class shall be on a one vote per Lot basis (i.e., each Lot is entitled to one vote, irrespective of how many people own the Lot and hence are members of the Association). Class C membership in the Association shall be non-voting and shall consist of any member who does not occupy a dwelling at the time the Class B membership acquires voting rights (i.e., at the time specified below). A Class C member shall become a Class B member upon occupying a dwelling on a Lot.

(b) The only voting class of membership in the Association shall be Class A (i.e., the Developer shall have the sole vote in the Association, and the consequent right to appoint the Board of Directors), until such time as all of the Lots have occupied dwellings on them or at such earlier time as is designated in writing by the Developer as the date Class B members shall have the right to vote in the Association. When all of the Lots in the Subdivision have occupied dwellings on them, or at such earlier time as the Developer may specify in writing as aforesaid, Class B members of the Association shall have the voting rights specified in the above paragraph. Thereafter, the Board of Directors of the Association shall be elected by the combined vote of Class A and Class B members; however, voting as to all other matters shall be by class, and for the Association to take any other action it will be necessary for both Class A and Class B (but not Class C) members to approve the same by the applicable majority or super-majority requirements established in the Articles of Incorporation and Bylaws of the Association.

Section 4. If more than one person owns a Lot, collectively they shall be entitled to but one vote with respect to such Lot, and they shall upon request designate in the records of the Association the individual authorized to cast such vote.

Section 5. Votes may be cast in person, by proxy or by absentee ballot. Absentee ballots must be cast with respect to specific questions of which the notice required by these Bylaws is given prior to a particular meeting, and any such ballots must be filed with the secretary of the Association at or before the appointed time of such meeting.

Section 6. A majority shall consist of more than fifty percent (50%) of the votes of those members present in person or by proxy (or absentee ballot, if applicable) at a given meeting of the members of the Association. Whenever provided specifically herein or in the Articles of Incorporation, action by the members of the Association may be required to exceed the majority described in the preceding sentence; otherwise, the members shall act by the majority specified above.

ARTICLE VMEETING OF MEMBERS

Section 1. Annual Meetings - The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of eight o'clock P.M., or at such other time as may be specified by the Board of Directors; provided such date must be within ten (10) days of the date the meeting would have been held but for the action of the Board of Directors. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meeting - Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of three (3) or more members.

Section 3. Regular Meetings - In addition to the annual meetings, regular meetings of the members may be held at such times and places as shall be determined from time to time by the Board of Directors.

Section 4. Notice of Meeting - Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days before such meeting to each member entitled to vote thereat, addressed to the member's address appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 5. Quorum - The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-quarter (1/4) of the eligible votes of the total membership in each Class entitled to vote at the meeting shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

ARTICLE VIBOARD OF DIRECTORS

Section 1. Number - The affairs of the Association shall be managed by a Board of Directors of not less than three (3) members and not more than five (5) members; provided, the Board of Directors may contain between one (1) and five (5) members at anytime until Class B members become eligible to vote pursuant to Section 3(b) of Article IV above. At the first annual meeting held after Class B members become eligible to vote pursuant to Section 3(b) of Article IV above, the Board of Directors shall be elected by a combined vote of the Class A and Class B members. Prior to such time the Board of Directors shall be elected by the Class A member.

Section 2. Term of Office - The first Board of Directors shall serve for a term of three (3) years or such other shorter term as may be determined by the Class A member. Thereafter, the members of the Board of Directors shall serve for a term of two (2) years, unless earlier removed as provided below.

Section 3. Removal - Any director may be removed from the Board, with or without cause, by a majority vote of the member(s) of the Association who were eligible to vote for the directors at the meeting at which the director was elected.

Section 4. Vacancies - In the event of death, resignation or removal of a director, his or her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his or her predecessor; provided, if there are no remaining members of the Board the successor shall be chosen by a majority vote of the member(s) of the Association who were eligible to vote for the directors at the meeting at which the director was elected. Any successor director so selected or elected shall hold office until the next election of directors.

Section 5. Compensation - No director shall receive compensation for any service he or she may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his or her duties.

Section 6. Action Taken Without a Meeting - The directors shall have the right to take any action in the absence of a meeting which they could have taken at a meeting, by obtaining the written approval of all of the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VIINOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination - Nomination for election to the Board of Directors shall be made at the annual meeting by the Developer or by members of the Association eligible to vote.

Section 2. Requirements - To be nominated for the position of director by a member of the Association other than the Developer, the nominee must be a Lot owner who is a member in good standing of the Association. The Developer may nominate one or more persons for the position of Director who are not Lot owners or members of the Association.

Section 3. Election - Election to the Board of Directors by the Class B members shall be by secret written ballot. Election to the Board of Directors by the Class A member may be by secret written ballot or other means specified by such member. At any election at which Class B members are entitled to vote, the members or their proxies may cast one in respect to each vacancy. The persons receiving the largest number of votes for each vacancy shall be elected. Cumulative voting is not permitted.

ARTICLE VIIIMEETINGS OF DIRECTORS

Section 1. Regular Meeting - Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should the meeting fall upon a legal holiday, the meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings - Special meetings of the Board of Directors shall be held when called by the President or any officer of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum - A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act or decision of the Board.

ARTICLE IXPOWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers - Subject always to the terms and conditions of the Declaration and the Declarant's or the Developer's rights and powers thereunder, the Board of Directors shall have power to:

(a) Adopt and publish rules and regulations governing the common areas and amenities which are contemplated to be maintained by the Association, including those referred to in Article V of the Declaration (provided the same are approved by the Developer, are consistent with the Association's obligations in respect of the PUD Agreement and are authorized under the maintenance agreement or like agreements referred to in the Declaration or the Articles of Incorporation), and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Suspend the voting rights of, and limit the use of the common areas and amenities by, a member during any period in which such member shall be in default for more than thirty (30) days in the payment of any assessment levied by the Association;

(c) Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not specifically reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;

(d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(e) Employ a manager, independent contractors, professionals and such other employees, agents or consultants as the Board deems necessary to accomplish the purposes or duties of the Association, and to prescribe their duties and compensation; and

(f) Negotiate and approve the maintenance agreement or like agreements contemplated in the Declaration.

Section 2. Duties - The Board of Directors shall use good faith efforts to cause the Association to:

(a) Cause to be kept a complete record of all its acts and corporate affairs, as well as a record of current Lot owners, and to present a statement thereof to the members at the annual meeting of the members, or at a duly called special meeting when such statement is requested;

(b) Supervise all officers, agents and employees of this Association, and see that their duties are properly performed;

(c) As more fully provided in the Declaration:

(1) Assess and collect dues, fees or other charges to every Lot owner, except as provided below or in the Declaration (as the same may be amended, including amendments limiting the liability of specific Lot owners for fees, dues or charges). The dues, fees or other charges shall be in amounts reasonably sufficient to permit the Association to discharge its responsibilities, liabilities or prerogatives as provided in this Article and the Articles of Incorporation. It is contemplated that such dues, fees or charges generally shall be levied on a monthly basis, although the Association may levy special assessments to fund extraordinary expenses or to make up for shortfalls in the monthly dues, fees or other charges, when the same become apparent. If any required payment of dues, fees or other charges is not paid within thirty (30) days after the date the same is due, a late charge equal to eight (8%) percent of the payment so overdue shall be assessed. In addition, the Lot owner shall be assessed interest on overdue payments. Such interest shall accrue at seven (7%) percent from the date the payment is due but shall be waived if payment is received within thirty (30) days of the date due. All dues, fees, charges, late charges and accrued interest shall constitute a lien on any Lot(s) owned by any person responsible for the payment of the same, and the Developer or the Association, as the case may be, may enforce the lien by recording appropriate instruments confirming the existence of the lien and/or by foreclosing the lien by appropriate legal action. A Lot owner promptly shall reimburse the Developer and the Association for any costs incurred by either of them (i) in collecting or attempting to collect delinquent dues, fees, charges, late charges or accrued interest, (ii) in preparing or recording an appropriate instrument to confirm the existence of the lien, or (iii) in enforcing or attempting to enforce any lien for delinquent dues, fees, charges, late charges or accrued interest, including without limitation attorneys fees and other litigation costs. Such right of reimbursement shall be in addition to and not in limitation of any other rights or remedies available to the Developer or the Association hereunder or otherwise. In such legal action a court of competent jurisdiction shall be empowered to order a sale of any Lot(s) subject to the lien in order to satisfy the lien. Notwithstanding the foregoing, the lien shall be subordinate and junior to the lien of any first mortgage securing a loan for the acquisition or improvement of any Lot.

(2) Except as provided in the Declaration (as the same may be amended, including amendments limiting the liability of specific Lot owners for fees, dues or charges) or

otherwise specified in writing by the Developer, charge and assess the same dues to each Lot, irrespective of the size of the Lot, and whether or not the Lot owner resides in the Subdivision or has constructed a dwelling on his or her Lot. Notwithstanding the foregoing, at such time as two-thirds (2/3rds) of the aggregate number of Lots in the Subdivision have been sold by the Declarant or the Developer, no dues, fees or other charges shall be payable to the Association with respect to any Lots owned by the Declarant or the Developer. Instead, the financial needs of the Association shall be met by the dues, fees or other charges assessed on the remaining Lots, although at such time as the Declarant or the Developer sells or otherwise transfers a Lot to an unrelated third party, the Association shall levy fees with respect to such Lot;

(d) Send written notice of the assessment of dues, fees or other charges to every member subject thereto;

(e) Collect all assessments and enforce and foreclose the lien against any Lot owned by a Lot owner who is not paying his or her assessments, or bring an action at law against the Lot Owner obligated to pay the same;

(f) To the extent the same is not provided for in the maintenance agreement or similar agreement, to have contractors repair, maintain and replace the common areas and amenities of the Subdivision;

(g) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of any such certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(h) Procure and maintain liability insurance with respect to the common areas and amenities of the Subdivision in such amounts as the Board of Directors determines to be appropriate, but in no event less than five million (\$5,000,000) dollars per occurrence, and to procure and maintain adequate liability and hazard insurance on all other property owned by the Association or with respect to other Association matters. The Developer and the Declarant shall be named insureds under all such liability insurance coverages;

(i) Cause all officers or employees to be bonded, as the Board may deem appropriate;

(j) Perform such other acts or accomplish such other purposes as may be reasonably necessary to improve the appearance, atmosphere or pleasantness of the Subdivision as a first-class luxury single-family subdivision; and

(k) To exercise for the Association all powers, duties and authority vested in or delegated to the Association.

ARTICLE X

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices - The officers of this Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officer - The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members and shall be by majority vote of the directors.

Section 3. Term - The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, die or be removed, or otherwise disqualified to serve.

Section 4. Special Appointments - The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal - Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies - A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 7. Multiple Offices - The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties - The duties of the officers are as follows:

President

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(b) The Vice-President shall act in the place and stead of the President in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses; and perform such other duties as may be required by the Board.

Treasurer

(d) The Treasurer or management agent duly appointed by the Board of Directors shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board; shall sign all checks and promissory notes of the Association, provided same shall also be signed by the President or Vice-President; keep proper books of account; cause an annual audit of the Association books to be made by an accountant at the completion of each fiscal year, if requested to do so by the Board or any four (4) members of the Association; and prepare an annual budget and a statement at its regular annual meeting, and deliver a copy of each to the members.

Witnessed:

WINDRIDGE SUBDIVISION HOMEOWNERS
ASSOCIATION

Nancy A. Eaton
Nancy A. Eaton

By: David V. Johnson
David V. Johnson, a member of
WindRidge Associates, L.L.C.,
Incorporator and Member

Robyn J. Brooks
Robyn J. Brooks

STATE OF MICHIGAN)
) ss.
COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me as of this 8th day of November, 1995 by David V. Johnson, a member of WindRidge Associates, L.L.C., the incorporator of and a member in WindRidge Subdivision Homeowner Association, a Michigan non-profit corporation, on behalf of the corporation.

Nancy A. Peterson
Notary Public, Oakland County,
Michigan
My Commission Expires: 8/20/96

DRAFTED BY AND WHEN
RECORDED RETURN TO:

Cameron H. Piggott, Esq.
Dykema Gossett, PLLC
400 Renaissance Center
Detroit, Michigan 48243
(313) 568-6575

NANCY A. PETERSON
Notary Public, Oakland County, MI
My Commission Expires Aug. 20, 1996

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DECLARATION OF RESTRICTIONS,
CONDITIONS AND COVENANTS

WindRidge Subdivision

Township of Northville, Wayne County, Michigan
Adopted: Effective As Of: _____, 1994.

Plat Recorded in Liber 107, Pages 27-33 et seq.,
Wayne County Records.

* * * * *

THIS DECLARATION PROVIDES FOR: THE ESTABLISHMENT
AND FUNDING OF A HOMEOWNERS ASSOCIATION; CERTAIN
RESTRICTIONS OR REQUIREMENTS RELATIVE TO THE
SUBDIVISION AND ANY CONSTRUCTION OF A STRUCTURE
THEREIN; AND RIGHTS AND RESPONSIBILITIES RELATIVE
TO THE SUBDIVISION. FURTHERMORE, THIS
DECLARATION DEFINES AND SETS FORTH CERTAIN RIGHTS
AND OBLIGATIONS OF LOT OWNERS OR THE HOMEOWNERS
ASSOCIATION RELATIVE TO CERTAIN LANDSCAPING, THE
SUBDIVISION ENTRANCE WAYS AND OTHER MATTERS.
EACH PROSPECTIVE PURCHASER OF A LOT IN THE
SUBDIVISION IS URGED TO REVIEW THIS DECLARATION
CAREFULLY WITH HIS OR HER ATTORNEY.

* * * * *

THIS DECLARATION is made on the date above set
forth by David V. Johnson (the "Declarant") and WindRidge
Associates L.L.C., a Michigan limited liability company
(the "Developer"), each having an address at 27400
Northwestern Highway, Suite 400, Southfield, Michigan
48034. In addition, Lesli R. Johnson, the wife of the
Declarant, is joining in this Declaration to subject and
subordinate any dower interest she may have in the
property described below to the terms and conditions of
this Declaration.

W I T N E S S E T H:

WHEREAS, the Declarant owns the real property located
in the Township of Northville, Wayne County, Michigan which
currently is being platted under the Michigan Subdivision
Control Act, MCLA 560.101 et seq., as WindRidge Subdivision
(the "Subdivision"). The legal description of the Subdivision
is attached as Exhibit A.

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CLERK OF COURTS
WAYNE COUNTY

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WHEREAS, the Declarant desires to impose upon the Subdivision (but not any other property outside of the Subdivision, whether or not adjacent thereto and/or owned by the Declarant, the Developer or an affiliate of either Declarant or the Developer) with restrictions, conditions and covenants in order to insure the Subdivision's most beneficial development as a first class residential area; to prevent any use thereof which might tend to diminish its valuable or pleasurable enjoyment; to assure the harmony, attractiveness and utility thereof; to provide for the establishment of a Homeowners Association; to provide for the Homeowners Association or Lot owners in the Subdivision to bear certain expenses and meet certain obligations more particularly described below.

NOW THEREFORE, the Declarant hereby declares that the Subdivision and all existing or future lots therein shall be held, sold and conveyed subject to the following restrictions, conditions and covenants, which shall run with the Subdivision and each lot therein and shall be binding upon and inure to the benefit of all parties having any right, title or interest in the Subdivision or any part thereof, their heirs, successors, and assigns.

ARTICLE I

DEFINITIONS

As used in this Declaration the following terms shall have the meanings specified below:

The "Declarant" means David V. Johnson.

The "Developer" means WindRidge Associates L.L.C., a Michigan limited liability company.

The "Subdivision" means the real property described in attached Exhibit A.

"Lot" means a lot in the Subdivision.

"Lot owner" means the beneficial owner(s) of a Lot (i.e., the holder of fee simple title or, if a Lot is sold on land contract, the vendee[s] under the land contract). Unless the context expressly requires, the Developer shall be deemed to be a Lot owner of a Lot owned by the Developer for the purposes of Article II.

The "Road" means the roads and cul-de-sacs designated on the plat of the Subdivision.

"Structure" means any home, building, garage, driveway, parking area, gazebo, shed, fence, wall, swing set or other playground apparatus, or any other improvement or structure of a permanent or substantial nature.

The "Association" or the "Homeowners Association" means the homeowners association described in Article IV below.

The "Township" means the Charter Township of Northville, Michigan, or its successors.

ARTICLE II

RESTRICTIONS AND REQUIREMENTS

No Structure shall be erected, constructed or permitted to remain on any Lot unless the Structure has been approved by the Developer in accordance with Section A of this Article and also complies with the remaining restrictions and requirements of this Article, unless any non-compliance has been waived pursuant to Section F of this Article. Furthermore, any construction or maintenance activities for or on any Structure or Lot shall be performed strictly in accordance with the rules, restrictions, regulations or requirements of this Article.

A. Review Procedure; Submission Requirements.

1. The Developer intends that all Structures on any Lot or otherwise within the Subdivision shall be designed, developed and constructed so as to be harmonious, complimentary and dignified, all to the end that the Subdivision as developed and improved constitutes and provides a refined and exclusive environment of the highest architectural, construction and aesthetic standards. In order to accomplish such end, the Declarant hereby reserves and grants to the Developer the right to approve, disapprove and otherwise pass upon the design, appearance, construction or other attributes of any Structure proposed to be erected or maintained on a Lot, and no Structure shall be permitted or allowed with respect to a Lot unless the same has received in writing the approval of the Developer pursuant to the terms and conditions of this Article.

2. There shall be a three step submittal process for obtaining the approval of the Developer for any Structure to be erected, constructed, maintained or rebuilt on any Lot or in any other part of the Subdivision. The Developer's approval in writing of each of the submittals must be obtained before construction of any structure may be started. If appropriate, the Developer may waive the procedure in order to expedite the review procedure, although in no event shall the Developer be obligated to waive the procedure.

(a) The first step shall be application for "Concept Approval." In connection with seeking Concept Approval, the Lot owner or his or her representative shall submit (i) a topographic survey of the Lot prepared by a registered engineer or surveyor, showing existing grades and the location of all trees having a diameter at ground level of three (3") inches or more; (ii) a conceptual site plan showing the location of all proposed structures on the Lot; (iii) a conceptual floor plan, and (iv) conceptual front and rear elevation drawings of the proposed residence, including a description of colors and types of exterior materials. Concept Approval shall be deemed to have been granted when the Developer has approved all of the foregoing submissions.

(b) The second step shall be application for "Preliminary Approval", which may be made after the Developer has granted Concept Approval. In connection with seeking Preliminary Approval, the Lot owner or his or her representative shall submit (i) a detailed site plan superimposed over the aforementioned topographic survey, showing proposed grades, including detailing of proposed final grades for landscaping; (ii) a dimensioned floor plan; (iii) detailed elevation drawings showing all elevations; (iv) actual samples of bricks, shingles, stain materials and colors; and (v) a conceptual landscape plan. In addition, the location of all proposed structures shall be staked on the Lot to permit field inspection. Preliminary Approval shall be deemed to have been granted when the Developer has approved all of the foregoing submissions.

(c) The third step shall be application for "Final Approval." In connection with seeking Final Approval, the Lot owner or his or her representative shall submit (i) all prints, plans and other matters submitted or required to be submitted to the to procure a building permit; (ii) a dimensioned site plan sealed by a registered engineer showing setbacks, existing and proposed elevations, and all trees on the lot having a diameter at ground level of three (3") inches or more, including an indication as to which trees are to be removed; (iii) complete building plans sealed by a registered architect; (iv) a final landscape plan sealed by a registered landscape architect; (v) a construction schedule specifying completion dates for foundations, rough-in, the structure as a whole and landscape installation; (vi) a list of exterior materials and colors, including

actual samples if not already submitted; (vii) the deposit described in Section B, paragraph 6 below, if required by the Developer; and (viii) any other materials required by the Developer. Final Approval shall be deemed to have been granted when the Developer has approved all of the foregoing submissions.

No approval shall be effective unless given by the Developer in writing. If a Structure or any aspect or feature thereof is not in strict conformity with the requirements or restrictions set forth in this Article, any such nonconformity shall be permitted only if it is specifically mentioned as such in the submissions to the Developer, and the Developer specifically approves or waives the same in writing.

3. No alteration, modification, substitution or other variance from the designs, plans, specifications and other submission matters which have been approved by the Developer shall be permitted or suffered on any Lot unless the owner thereof obtains the Developer's written approval for such variation. So long as any such variance is minimal, the owner need not go through the entire submittal process described in paragraph 2 above, but in any event the owner must submit sufficient information (including material samples and the like) as the Developer determines in its sole discretion is required to permit the Developer to decide whether or not to approve the variance. The Developer's approval of any variance must be obtained irrespective of the fact that the need for the variance arises for reasons beyond the owner's control (e.g., material shortages or the like).

4. In making any of the written submissions contemplated in this Article, the owner shall cause four (4) copies thereof to be submitted to the Developer. Two copies shall be returned to the owner after the Developer has approved or disapproved the submission, and the other two copies shall be retained by the Developer for its files.

5. As of the effective date of this Declaration it is contemplated that David V. Johnson, a member of the Developer, shall be the representative of the Developer who evaluates and renders decisions on behalf of the Developer with respect to matters submitted to the Developer pursuant to this Declaration. No approval, waiver or other action to be taken by the Developer hereunder shall be effective unless approved by Mr. Johnson or another representative designated by Mr. Johnson in writing, or Mr. Johnson's successor as a member of the Developer. No Lot owner may rely on any approvals, waivers or other decisions granted by any other person, including other employees of the Developer. No agent, employee, consultant, attorney or other representative or adviser of or to the

Developer shall have any liability with respect to decisions made, actions taken or opinions rendered relative to matters submitted to the Developer under this Declaration.

6. The Developer reserves the right to assign, delegate or otherwise transfer its rights and powers of approval as provided in this Declaration, including without limitation an assignment of such rights and powers to the Architectural Control Committee described in Article III below or to any mortgagee.

B. Restrictions and Requirements.

The following rules, regulations, restrictions and requirements shall apply to each and every Lot in the Subdivision, and no Structure shall be erected, constructed or maintained on any Lot which is in contravention of such rules, regulations, restrictions and requirements, except to the extent any non-conformity has been waived by the Developer pursuant to Section F of this Article:

1. Each ranch house (determined to be such by the Developer) must have a minimum livable floor area of two thousand (2,000) square feet; each bilevel house (determined to be such by the Developer) having a master bedroom on the first (1st) floor must have a minimum livable floor area of two thousand three hundred (2,300) square feet; and each colonial house must have a minimum livable floor area of two thousand six hundred (2,600) square feet. No dwelling shall have a livable floor area of ten thousand (10,000) square feet or more. For the purposes of this paragraph, garages, patios, decks, open porches, entrance porches, terraces, basements, lower levels, storage sheds and like areas shall be excluded in determining the livable floor area, whether or not they are attached to the main dwelling. Enclosed porches shall be included in determining the livable floor area only if the roof of the porch forms an integral part of the roof line of the main dwelling.

2. The minimum dwelling width, including attached garage, shall be fifty-five (55') feet.

3. No Structure shall be placed, erected, altered or located on any Lot nearer to the front, side or rear lot line than is permitted by the ordinances of the Township at the time the same is erected. In addition, any dwelling or building shall meet the following setback requirements:

(a) A minimum of forty (40') feet from the front lot line;

(b) A minimum of fifty (50') feet from the rear lot line; and

(c) A minimum of fifteen (15') feet from each side lot line.

The Developer shall have the right (but not any obligation) to permit setbacks less than those set forth above if in its sole discretion the grade, soil or other physical conditions pertaining to a Lot justify such a variance and the Township approves the same. In addition all buildings and dwellings shall be orientated on the Lot so as to face the road on which it is located; provided, in no event shall any building or dwelling face Seven Mile Road or Haggerty Road. The Developer shall have the right (but not any obligation) to permit buildings or dwellings to be orientated other than set forth above if, in its sole discretion, the grade, soil or other physical conditions or aesthetic reasons justify such a variance and the Township approves the same.

4. The exterior of all buildings must be primarily brick or stone (but no yellow, green, white or off-white brick shall be allowed). No aluminum or vinyl siding or metal windows may be used in any dwelling, building or other Structure. Texture 1-11 may be used on the exterior of any structure. No exterior brick may be painted (either white, off-white or other color) without the prior written approval of the Developer. In connection with applying for such approval, the Lot owner shall submit such paint and brick samples as the Developer may request to assist it in determining whether or not to approve the painting of exterior brick.

5. All driveways shall be paved with asphalt, and shall be completed prior to occupancy. No front or rear entrance garages shall be erected or maintained, and all garages shall be attached to the main dwelling. The Developer shall have the sole and conclusive authority to determine what constitutes a front or rear entrance garage, but in any event no garage may face the Road.

6. Each Lot must be landscaped in accordance with the approved landscaping plan within the time limits set forth in paragraph 4 of Section C of this Article. The reasonable value of the landscaping surrounding a residence, as reflected in the landscaping plan to be approved by the Developer pursuant to Section A of this Article, shall be not less than five thousand (\$5,000) dollars, excluding landscape architectural fees. The Developer shall have the right to determine the reasonable value of the landscaping. After landscaping has been installed the Lot owner shall maintain the same in a good and sightly condition consistent with the approved landscaping plan. In connection with granting Final Approval for a residence pursuant to Section A, paragraph 2 above, the Developer shall have the right to require the owner of the Lot to place into escrow with the Developer a deposit equal to the reasonable costs of installing the landscaping for

the Lot pursuant to the approved landscaping plan, but in any event not less than five thousand (\$5,000) dollars, which deposit shall be released to pay for the costs of installing such landscaping. To the extent that the deposit earns interest, the interest shall be paid to the owner of the Lot at such time as the landscaping of the Lot has been completed pursuant to the approved landscaping plan; provided, the Developer shall not be required to maintain the deposit in an interest bearing account or to otherwise generate a return on the deposit.

7. No above ground swimming pools shall be erected or maintained on any Lot. The size, configuration, location and exterior appearance of any in-ground swimming pool shall be subject to the Developer's prior written approval, which may be withheld in the Developer's sole discretion.

8. No fence, wall or hedge of any kind shall be erected or maintained on any Lot without the prior written approval of the Developer. No fence, wall or hedge shall be located nearer to any front lot line than is permitted for dwellings under paragraph 3 above. No fence, wall or hedge shall be maintained or erected which blocks or hinders vision at street intersections. No chain link fences shall be permitted on any Lot. Notwithstanding the foregoing, a temporary fence, wall or hedge may be erected on a Lot on which a model home is located provided that any such temporary fence, wall and/or hedge promptly is/are removed once the home ceases to be used as a model home.

9. No prefabricated chimneys shall be installed or maintained for any purpose, including without limitation for fireplaces, furnaces, heaters or stoves; provided, however, the Developer may approve prefabricated chimneys on the rear of a home and/or the rear one half ($\frac{1}{2}$) of the side of a home.

10. No outside radio, television aerial, antenna, satellite dish or other reception or transmission device shall be placed, constructed, altered or maintained on any Lot without the prior written consent of the Developer, which the Developer may withhold in its sole discretion.

11. Dog kennels or runs or other enclosed shelters for permitted animals must be an integral part of the approved dwelling and must be approved by the Developer and the Township relative to the location and design of fencing or other Structures. Any such kennel or run must be kept in a clean and sanitary condition at all times.

12. All driveways must be at least three (3') feet from the side of the Lot and at least ten (10') feet from any existing driveway on the adjacent Lot. If a circular driveway is located on a Lot, no portion of the circular driveway may be

located within ten (10) feet of either side lot line of the Lot. In no event may any driveway come off of Seven Mile Road or Haggerty Road.

13. No single-level flat roofs shall be permitted on the entire main body of any dwelling, building or other Structure, including outbuildings. Flat roofs may be installed over Florida rooms, porches or patios, and tasteful flat roofs may be installed on multiple levels of a dwelling, but only if the same are approved by the Developer. The minimum pitch of any roof shall be 6/12 (vertical/horizontal) unless the Developer agrees (in writing) to permit a different pitch. No white, silver, gray or other off-white or similar shade roofs shall be permitted.

14. Basketball hoops or backboards may be permitted with the prior written approval of the Developer and only in the back or side of a dwelling or garage, and then only if appropriately screened by landscaping or otherwise so as not to be visible from the Road, Seven Mile Road or Haggerty Road.

15. No signs, including "for rent," "for sale," architect, builder, contractor, landscaper, landscape architect or other signs shall be erected or maintained on any Lot except as follows:

(a) During the construction of a dwelling a sign may be erected so as to identify the lot number of the Lot and the name of the builder, but only if the Developer provides written authority for the erection of the sign. The Developer may withhold such authority in its sole discretion. The size, location, color and content of any sign permitted by the Developer shall be as specified by the Developer, and may include the Developer's logo.

(b) A street address sign may be erected in connection with the construction of a dwelling on a Lot, but only if the Developer provides written authority for the erection of the sign. The Developer may withhold such authority in its sole discretion, unless the same is required by the Township. The size, content, location and color of the sign shall be specified by the Developer.

16. No external air conditioning unit shall be placed in or attached to a window or wall of any Structure. No compressor or other component of an air conditioning system, heat pump or similar system shall be visible from the Road, Seven Mile Road or Haggerty Road; provided, however, that with respect to a newly constructed home or a newly installed air conditioning system, heat pump or similar system, the owner shall be afforded a reasonable opportunity (but in no event

more than one hundred twenty (120) days) to install landscaping for purposes of screening said air conditioning system, heat pump or similar system before there shall be deemed to be a violation of this provision. To the extent reasonably possible external components of an air conditioning system, heat pump or like system shall be located so as to minimize any disruption or negative impact thereof on adjoining Lots in the Subdivision in terms of noise or view. The Developer shall have conclusive authority to determine whether a system complies with the foregoing requirements.

17. To the extent deemed appropriate by the Developer in its sole discretion, the requirements and restrictions set forth herein relative to the front of any Lot shall be deemed to apply to the rear of any Lot, so that no unsightly or inappropriate condition or structure may be seen from the Road, Seven Mile Road or Haggerty Road.

C. Requirements, Restrictions and Regulations
Relative to Construction Activities.

The Declarant hereby reserves and grants to the Developer the right to establish and enforce such rules and regulations relative to the performance of construction activities within the Subdivision (whether or not in connection with the construction, repair or maintenance of a residence or other Structure) as the Developer determines to be appropriate in order to maintain the tranquility, appearance and desirability of the Subdivision. Unless waived by the Developer in writing, the following rules, regulations, restrictions and requirements shall apply to any construction activities within the Subdivision:

1. All construction activities must be started within twelve (12) months of the time specified in the construction schedule submitted to and approved by the Developer pursuant to Section A of this Article. Prior to commencement of construction the owner must obtain all permits or approvals required by the Township.

2. Once commenced, all construction activity shall be prosecuted and carried out with all reasonable diligence, and the exterior of all dwellings and other Structures must be completed as soon as practical after construction commences and in any event within twelve (12) months after such commencement, except where such completion is impossible or would result in exceptional hardship due to strikes, fires, national emergencies or natural calamities.

3. Except in case of an emergency involving the risk of human life, physical injury or substantial property damage, no construction activities shall be carried on within the

Subdivision between the hours of 7:00 p.m. and 7:00 a.m. on any day, nor at any time on a legal holiday, whether or not done indoors; provided, construction activities may be permitted on a legal holiday with the prior written permission of the Developer, which permission the Developer may grant or withhold in its sole discretion. Construction activities shall be deemed to exclude general repair work performed solely by the owner of a Lot.

4. Except as provided in paragraph 13 of Section D of this Article, all landscaping must be completed as soon as possible but, in any event, within one hundred twenty (120) days after initial occupancy of the dwelling or, in the case of speculative or unsold homes, within one hundred twenty (120) days after the exterior of the dwelling has been (or with due diligence should have been) substantially completed.

5. The following requirements shall apply to the construction of Structures within the Subdivision (unless the same are specifically waived, in whole or in part, by the Developer, in writing), which requirements shall be in addition to and not in lieu of other requirements set forth in this Declaration or established pursuant to the terms of this Declaration:

(a) No Structure shall be constructed on any Lot in the Subdivision unless prior to the commencement of construction thereof the owner and the general contractor or builder thereof enter into an agreement in form and substance acceptable to the Developer whereby they agree to: (i) maintain a dumpster or other form of trash receptacle on the Lot during the course of construction; (ii) deposit all trash, garbage, scraps and other disposable items therein; (iii) keep the Lot in a sightly and clean condition during the course of construction; (iv) remove from the Lot the dumpster and all trash, garbage, scraps or other debris arising during such construction activities and otherwise restore the Lot to a sightly and clean condition promptly after completion of construction; and (v) to the extent possible, keep all dirt, mud and other debris from accumulating on any road during and after the course of construction, including by cleaning or sweeping the road at intervals specified by the Developer and by cleaning the road again upon completion of construction. The Developer shall have the authority to determine whether or not an owner or an owner's general contractor or builder is in compliance with the foregoing requirements and obligations.

(b) If for any reason the Developer does not require the execution of such an agreement, each owner of a Lot and the general contractor or builder of any Structure on a Lot nevertheless shall observe and perform the requirements and obligations set forth in this paragraph.

(c) The Developer shall have the right to require an owner or any general contractor or builder retained by such owner to post as security for its obligations hereunder a deposit in the amount of one thousand five hundred (\$1,500) dollars. Such requirement may be made as a condition precedent to the commencement of construction or may be imposed by the Developer at any subsequent time. The deposit shall be held by the Developer and need not be segregated by the Developer, although the Developer shall maintain separate records with respect to the disposition thereof. In no event shall interest be payable with respect to the deposit, whether or not the Developer earns interest thereon.

(d) In the event that the owner, general contractor or builder fails to observe or perform any responsibility or obligation under this paragraph or under any agreement called for in this paragraph, the Developer shall have the right (but not any obligation) to enter upon the Lot and correct or rectify such failure, including by installing or relocating a dumpster, disposing of debris and sweeping or otherwise cleaning a road. The Developer shall be entitled to be reimbursed by the Lot owner and the general contractor or builder for all costs incurred by the Developer in connection with correcting or rectifying such failure, which reimbursement may be deducted from the aforementioned deposit or may be billed by the Developer to the Lot owner, which bill shall be payable by the Lot owner within five (5) days after the submission thereof.

(e) The Developer intends to provide as much advance notice as is reasonably feasible (but in no event more than five (5) days advance notice) prior to taking any corrective or rectifying action under this paragraph which would entail an expense in excess of two hundred fifty (\$250) dollars. If dirt, mud or debris accumulates on a road and could be attributable to construction activities on more than one Lot, the Developer shall have the right in its sole discretion to determine the extent to which the same is attributable to each Lot, and to apportion the cost of and responsibility for cleaning, sweeping or otherwise removing the mud or debris among the relevant Lots.

(f) The location of the dumpster required under this paragraph shall be depicted on the final site plan submitted under Section A of this Article, and shall be subject to the Developer's approval. The Developer intends to approve only locations that render the dumpster as unobtrusive as reasonably possible.

6. No trees measuring three (3") inches or more in diameter at ground level may be removed without the prior written approval of the Developer. Prior to commencement of construction, each Lot owner shall submit to the Developer for its written approval, a plan for the preservation of trees in connection with the construction process. Any trees measuring three (3") inches or more in diameter at ground level which are removed or destroyed in the construction process, either intentionally or accidentally, shall be replaced with trees of the same sort and size unless the Developer waives such requirement in its sole discretion. It shall be the responsibility of each owner of a Lot to maintain and preserve all such trees on the Lot, which responsibility shall include welling trees, if necessary.

D. Additional Restrictions and Regulations;
Reservation of Easement.

In addition to the other restrictions or regulations specified above, the restrictions and regulations set forth in paragraphs 1 through 12 below shall apply to each Lot in the Subdivision and any owner or occupant thereof.

1. Upon sale or conveyance to individual purchasers, all Lots in the Subdivision shall be used only for single family residential purposes. For the purposes of this Declaration, single family residential purposes shall be deemed to include a Lot owner, a Lot owner's spouse and the Lot owner's children, but shall not include multiple family units, even if one or more members of each family have an ownership or other interest in the Lot. Except as specifically permitted herein, no Structure shall be erected, altered, placed or permitted to remain on any Lot other than one (1) detached single family dwelling, the height of which shall not exceed two and a half (2 1/2) stories. The Developer shall have the sole and conclusive authority to determine what constitutes two and a half stories in height for the purposes of the preceding sentence. Each dwelling shall include an attached garage, and may include such outbuilding or other accessory Structure as the Developer may approve in writing. No part of any dwelling or other Structure shall be used for any activity normally conducted as a business, trade or profession; provided, however, this prohibition shall not apply to (a) maintaining a professional library in a dwelling (b) keeping personal records

or transacting personal business in a dwelling, or (c) participating in personal, business or professional telephone calls or correspondence in a dwelling.

2. No Structure of a temporary character shall be placed upon any Lot at any time; provided, however, that this prohibition shall not apply to shelters approved by the Developer and used by a contractor during the construction of Subdivision improvements or a dwelling, although no such temporary shelter shall be used at any time as a residence or be permitted to remain on a Lot after substantial completion of construction.

3. No mobile home, trailer, house or camping trailer, tent, shack, tool storage shed, barn, tree house or other similar Structure shall be placed on any Lot at any time, either temporarily or permanently.

4. No trailers, trucks, pick-up trucks, boats, boat trailers, aircraft, commercial vehicles, campers or other recreational vehicles or other vehicles except passenger cars, passenger vans and minivans, shall be parked or maintained on any Lot unless in a suitable private garage which is built in accordance with the restrictions set forth herein. No abandoned, inoperable or seldom used passenger cars, passenger vans or minivans shall be parked or maintained on the driveway of any Lot for any extended period of time, it being intended that only vehicles in active use will be parked on driveways or otherwise maintained outside of a private garage. No off-road or all terrain motorcycles, snowmobiles or like vehicles designed primarily for off-road use shall be used, maintained or operated in the Subdivision. (There shall be no parking on the Road except in connection with special events, and then) only with the prior approval of the Developer.

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5. Each owner shall maintain his or her Lot and lawn, garden, landscaping or Structure thereon in good and attractive condition to the end that such presents an excellent appearance from the Road, Seven Mile Road and Haggerty Road. Each owner of a Lot shall prevent the development of any unclean, unsightly or unkept conditions of buildings or grounds on such Lot which might negatively affect the beauty or attractiveness of the neighborhood as a whole or the specific area. Such obligation shall apply whether or not the owner has constructed a dwelling on the Lot. As soon as practical after purchasing a Lot from the Developer, a Lot owner shall remove all dead or seriously diseased trees from the Lot. Each Lot owner shall promptly remove any trees that die or become seriously diseased thereafter.

6. No mowing, sweeping, leave gathering, gardening, fertilizing or other lawn maintenance activities shall be performed or permitted on Sundays or legal holidays. Such

activities may be conducted on other days only between the hours of 8:00 a.m. and 6:00 p.m. The watering of a lawn or garden by sprinkler system or typical garden hose shall not be deemed to be lawn maintenance activities for the purposes of this paragraph.

7. No animals or fowl (except household pets) shall be kept or maintained on any Lot, and household pets shall be confined to the Lot. Pets causing a nuisance or destruction shall be restrained or removed from the Subdivision.

8. No lawn ornaments, sculptures or statues shall be placed or permitted to remain on any Lot without the prior written approval of the Developer.

9. No noxious or offensive activity shall be conducted on upon any Lot, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the neighborhood. This restriction shall include without limitation the burning of trash, leaves or other debris on a Lot. There shall not be maintained any animals or device or thing of any sort whose normal or customary activities or existence is in any way noxious, noisy, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the reasonable enjoyment of other property in the neighborhood.

10. The Declarant reserves and grants to the Developer the right to enter (or have designees enter) upon any Lot for the purpose of mowing, removing, clearing, cutting or pruning any underbrush, weeds or other unsightly or inappropriate growth which in the sole discretion of Developer detracts from the overall beauty, setting or safety of the Subdivision. The owner of the Lot shall be obligated to reimburse the Developer for the cost of any such activities. Such entrance or other action as aforesaid shall not be deemed a trespass. The Developer and its designees likewise may enter upon a Lot to remove any trash or debris which has collected or accumulated on such Lot at the Lot owner's expense and without such entrance and removal being deemed a trespass. The provisions of this paragraph shall not be construed as imposing any obligation on the Developer to mow, clear, cut or prune any Lot, or to provide garbage or trash removal services.

11. The Declarant hereby grants to the applicable public or private utility companies perpetual and releasable easements and right on, over and under the ground to erect, maintain, repair, replace and use electric, telephone and television poles, wires, cables, conduits, sewers, water mains and other suitable equipment for the conveyance and use of electricity, telephone, television, gas, sewer, water, alarm systems or other public conveniences or utilities, at all locations as shown on the final plat. These easements and rights expressly include the right to cut any trees, bushes or

shrubbery, to make any gradings of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance. Such rights may be exercised by the applicable utility company, but this grant shall not impose or imply any obligation on the part of the Declarant or the Developer to provide or maintain any such utility or service.

12. No Lot shall be subdivided, or its boundary lines changed, except with the written consent of the Developer and with compliance with Section 263 of Act 288 of the Public Acts of 1967, as amended. However, the Declarant hereby reserves and grants to the Developer the right to replat any two (2) or more Lots shown on the plat or preliminary plat of the Subdivision in order to create a modified building Lot or Lots and to take such other steps as are reasonably necessary to make such replatted Lots suitable and fit as a building site to include, but not be limited to, the relocation of easements, walkways and rights of way to conform to the new boundaries of said replatted Lots; provided that in any event in so replatting the Developer shall comply with or satisfy any requirements with respect thereto under Act 288 of the Public Acts of 1967, as amended, including Section 104 and/or Sections 221 through 229.

E. Standard for Developer's Approvals; Exculpation from Liability.

1. In reviewing and passing upon the plans, drawings, specifications, submissions and other matters to be approved or waived by the Developer under this Article, the Developer intends to ensure that the Structures and other features embodied or reflected therein meet the requirements set forth in this Article; however, the Developer reserves the right to waive or modify such restrictions or requirements pursuant to Section F of this Article. In no event shall a waiver or other grant of relief by the Developer as to one Lot entitle any other Lot owner to a waiver or other relief, whether or not the waiver or relief sought is similar to the waiver or relief granted the other Lot owner.

2. In addition to ensuring that all Structures comply with the requirements and restrictions of Section B, the Developer (or the Architectural Control Committee, to the extent approval powers are assigned to it by the Developer pursuant to Article III below) shall have the right to base its approval or disapproval of any plans, designs, specifications, submissions or other matters on such other factors, including completely aesthetic considerations, as the Developer (or the Architectural Control Committee) in its sole discretion may determine appropriate or pertinent. The Developer currently intends to take into account the preservation of trees and of

the natural setting of the Subdivision in passing upon plans, designs, drawings, specifications and other submissions. Except as otherwise expressly provided herein, the Developer or the Architectural Control Committee, as the case may be, shall be deemed to have the broadest discretion in determining what dwellings, fences, walls, hedges or other Structures will enhance the aesthetic beauty and desirability of the Subdivision, or otherwise further or be consistent with the purposes for any restrictions.

3. In no event shall the Declarant, the Developer (or the agents, officers, employees or consultants thereof) or any member of the Architectural Control Committee have any liability whatsoever to anyone for any act or omission contemplated herein, including without limitation the approval or disapproval of plans, drawings, specifications, elevations or the dwellings, fences, walls, hedges or other Structures subject thereto, whether such alleged liability is based on negligence, tort, express or implied contract, fiduciary duty or otherwise. By way of example, neither the Declarant, the Developer nor any member of the Architectural Control Committee shall have liability to anyone for approval of plans, specifications, structures or the like which are not in conformity with the provisions of this Declaration, or for disapproving plans, specification, structures or the like which arguably are in conformity with the provisions hereof. In no event shall any party have the right to impose liability on, or otherwise contest judicially, the Declarant, the Developer or any other person for any decision of the Developer (or alleged failure of the Developer to make a decision) relative to the approval or disapproval of a Structure or any aspect or other matter as to which the Developer has the right to approve or waive under this Declaration.

4. The approval of the Developer (or the Architectural Control Committee, as the case may be) of a Structure or other matter shall not be construed as a representation or warranty that the Structure or matter is properly designed or that it is in conformity with the ordinances or other requirements of the Township or any other governmental authority. Any obligation or duty to ascertain any such non-conformities, or to advise the owner or any other person of the same (even if known), is hereby disclaimed.

F. Developer's Right to Waive or Amend Restrictions and Regulations.

Notwithstanding anything herein to the contrary, the Declarant reserves and grants to the Developer the right to approve any Structure or activities otherwise proscribed or prohibited hereunder, or to waive any rule, regulation, restriction or requirement provided for in this Declaration, if in the Developer's sole discretion such is appropriate in order

to maintain the atmosphere, architectural harmony, appearance and value of the Subdivision and the Lots therein, or to relieve the owner of a Lot or a contractor from any undue hardship or expense. In no event, however, shall the Developer be deemed to have waived or be estopped from asserting its right to require strict and full compliance with all the rules, regulations, restrictions and requirements sent forth herein, unless the Developer indicates its intent and agreement to do so in writing and, in the case of an approval of nonconforming Structures, the requirements of paragraph 2 of Section A of this Article are met. Notwithstanding the foregoing, if the Developer's rights to approve Structures or other activities are assigned or otherwise transferred to the Architectural Control Committee and the members of such Committee are appointed by the Homeowners Association, such Committee shall not have the authority to waive any specific and objective restrictions explicitly set forth or established in this Declaration in its sole discretion, but shall have the right to waive the same if, in the reasonable judgment of a majority of the members of the Committee, the waiver (a) is reasonable under all of the circumstances, (b) will not create undue hardship on other Lot owners, and (c) will not frustrate the basic intent of this Declaration to ensure that the Subdivision remains a first class, luxury residential subdivision.

ARTICLE III

ARCHITECTURAL CONTROL COMMITTEE

1. At such time as all of the Lots in the Subdivision are sold by the Declarant and dwellings are erected thereon, or at such earlier time as the Developer in its sole discretion may elect, the Developer may assign, transfer and delegate to an Architectural Control Committee all or any of the Developer's rights to approve, waive or refuse to approve plans, specifications, drawings, elevations, submissions or other matters with respect to the construction or location of any Structure on any Lot or any other matter which the Developer may approve or waive as provided in Article II above. Any such assignment, transfer or delegation must be in writing. Thereafter, the Architectural Control Committee shall exercise all of the authority and discretion granted to the Developer in Article II above relative to approving, waiving or disapproving such matters, to the extent assigned, transferred or delegated by the Developer, and the Developer shall have no further responsibilities with respect to such matters.

2. The Architectural Control Committee shall be comprised of up to three (3) members to be appointed by the Developer. The Developer also may transfer its right to designate the members of the Architectural Control Committee to the Homeowners Association for the Subdivision. Until such

event, the Developer reserves the right to appoint and remove members of the Architectural Control Committee in its sole discretion. If the Developer is dissolved prior to a delegation to the Homeowners Association of its right to appoint and remove the members of the Architectural Control Committee, such right shall devolve upon the Declarant, the personal representative(s) of the Declarant's estate or such other person or entity as may be designated by the Developer.

3. At the time any Lot owner submits plans or other documents for approval pursuant to the foregoing provisions of this Declaration, the Lot owner shall pay the Developer the sum of three hundred fifty (\$350), which the Developer shall retain as a fee for the costs of architectural control activities. *see*

ARTICLE IV

HOMEOWNERS ASSOCIATION; LIEN RIGHTS; OBLIGATION TO IMPOSE DUES

1. The Declarant intends to have the Developer incorporate a Michigan nonprofit membership corporation to serve as the Association for the Subdivision (the "Association" or "Homeowners Association"). The Homeowners Association shall be subject to such provisions as may be established in the Bylaws or Articles of Incorporation of the Association, which the Developer reserves the right to prepare and to amend or modify until the time specified in paragraph 4 below. Any sale or purchase of a Lot in the Subdivision shall be subject to the Bylaws and Articles of Incorporation for the Homeowners Association, and by acquiring a Lot each Lot owner agrees to abide by and observe such Bylaws and Articles, as such may have been or may thereafter be created or modified by the Developer pursuant to the provisions of this Article.

2. By virtue of acquiring a beneficial ownership interest in a Lot, whether by deed, land contract or otherwise, a person shall be deemed automatically to become a member of the Association. Any person transferring all of his or her beneficial ownership interest in a Lot(s), by deed, land contract sale or otherwise, automatically shall be terminated as a member of the Association. Membership in the Association shall be deemed to be an incident to a beneficial ownership interest in a Lot, and in no event may the membership or any rights or privileges thereof be severed or separated from the beneficial ownership interest of a Lot. Notwithstanding the foregoing, the termination of a person's beneficial ownership interest in a Lot, and the consequent termination of his or her membership in the Association, shall not be deemed to relieve such person from any debt or obligation which accrued or arose during the period in which the person was a member of the Association.

3. The Articles of Incorporation and Bylaws of the Association shall provide that there shall be two or more classes of membership in the Association, as determined by the Developer. Class A membership shall be voting, and the Developer shall be the only Class A member. Class B membership shall be non-voting until the time specified in paragraph 4 below. Except as provided below each owner of a Lot shall be a Class B member, and voting therein shall be on a one vote per Lot basis (i.e., each Lot is entitled to one vote, irrespective of how many people own the Lot and hence are members of the Association). The Articles of Incorporation and Bylaws of the Association also may call for a Class C membership in the Association, whereby any member who does not occupy a dwelling at the time the Class B membership acquires voting rights (i.e., at the time specified in paragraph 4 below) is transferred from Class B membership to Class C membership. Class C members shall have no voting rights. A Class C member shall become a Class B member upon occupying a dwelling on a Lot.

4. The only voting class of membership in the Association shall be Class A (i.e., the Developer shall have the sole vote in the Association, and the consequent right to appoint the Board of Directors), until such time as one hundred percent (100%) of the Lots have occupied dwellings on them or at such earlier time as is designated in writing by the Developer. When one hundred percent (100%) of the Lots in the Subdivision have occupied dwellings on them, or at such earlier time as the Developer may specify in writing, Class B members of the Association shall have the voting rights specified in paragraph 3 above. Thereafter, the Board of Directors of the Association shall be elected by the combined vote of Class A and Class B members; however, voting as to all other matters shall be by class, and for the Association to take any other action it will be necessary for each voting class to approve the same by the applicable majority or super-majority requirements established in the Articles of Incorporation and Bylaws of the Association.

5. The Articles or Bylaws of the Association may be amended at any time after the time specified in paragraph 4 above, provided that the amendment receives the affirmative vote of seventy five (75%) percent of each class of the Association members entitled to vote, and further provided that no such amendment may:

(a) Eliminate the eligibility of any Lot owner to vote, or change the basis for voting;

(b) Purport to have any retroactive effect;

(c) Change the super-majority (i.e., 75%) voting requirement, or the restrictions on amendments, which are contained in this paragraph; and

(d) Affect or diminish any obligation, responsibility or liability of the Association which is established in this Declaration, as such may be amended, or in any contract or agreement contemplated by this Declaration, as amended (including without limitation contracts contemplated in Article V below).

6. The Association shall have the right and the obligation to assess and collect dues, fees or other charges to every Lot owner in the Subdivision, except as provided below. The dues, fees or other charges shall be in amounts reasonably sufficient to permit the Association to discharge its responsibilities, liabilities or prerogatives as provided in Article V below and this Article. It is contemplated that such dues, fees or charges generally shall be levied on a yearly basis, although the Association periodically may levy special assessments to fund extraordinary expenses or to make up for shortfalls in the yearly dues, fees or other charges. The dues, fees or charges may include an amount to fund reserves to defray anticipated capital expenses. Furthermore, at the sale of any Lot the Developer may collect on behalf of the Association an amount equal to the projected dues for the first full year during which the Association is to discharge all of its obligations or responsibilities hereunder (or the year following closing, if the sale occurs after the commencement of such first year), as such amount is projected by the Developer. If any required payment of dues, fees or other charges is not paid within thirty (30) days after the date the same is due, a late charge equal to eight (8%) percent of the payment so overdue shall be assessed. In addition, the Lot owner shall be assessed interest on overdue payments. Such interest shall accrue at the rate of seven (7%) percent per annum from the date the payment is due, but shall be waived if payment is received within thirty (30) days of the date due. All dues, fees, charges, late charges and accrued interest shall constitute a lien on any Lot(s) owned by any person responsible for the payment of the same, and the Developer or the Association, as the case may be, may enforce the lien by recording appropriate instruments confirming the existence of the lien and/or by foreclosing the lien by appropriate legal action. A Lot owner promptly shall reimburse the Developer and the Association for any costs incurred by either of them (i) in collecting or attempting to collect delinquent dues, fees, charges, late charges or accrued interest, (ii) in preparing or recording an appropriate instrument to confirm the existence of the lien, or (iii) in enforcing or attempting to enforce any lien for delinquent dues, fees, charges, late charges or accrued interest, including without limitation attorneys fees and other litigation costs. Such right of reimbursement shall

be in addition to and not in limitation of any other rights or remedies available to the Developer or the Association hereunder or otherwise. In any legal action to enforce the lien hereby created on a Lot a court of competent jurisdiction shall be empowered to order a sale of any Lot(s) subject to the lien in order to satisfy the lien. Notwithstanding the foregoing, the lien shall be subordinate and junior to the lien of any first mortgage securing a loan for the acquisition or improvement of any Lot.

7. The Association shall charge the same dues to each Lot, irrespective of the size of the Lot. The dues shall be payable by the Lot owner whether or not the Lot owner resides in the Subdivision or has constructed a dwelling on his or her Lot. Notwithstanding the foregoing, at such time as two-thirds (2/3rds) of the aggregate number of Lots in the Subdivision have been sold by the Declarant, no dues, fees or other charges shall be payable to the Association with respect to any Lots owned by the Declarant. Instead, the financial needs of the Association shall be met by the dues, fees or other charges assessed on the remaining Lots. If thereafter the Declarant sells or otherwise transfers a Lot to an unrelated third party, the Association may levy fees with respect to such Lot.

8. Unless the parties agree to the contrary, when a Lot is sold or otherwise transferred, the dues, fees or other charges payable for the month of closing shall be prorated on an even basis (i.e., based on the number of days during the month for which the transferor owned the Lot).

9. If the Association fails to observe or perform any of its obligations or responsibilities provided for in or contemplated by this Declaration, as such may be amended, the Developer or its designee may (but shall not be under any obligation to) perform such obligation or responsibility or take other appropriate corrective action, and all costs or expenses incurred in doing so or associated therewith, including legal fees and other litigation costs, shall be promptly reimbursed by the Association. Furthermore, the Developer shall be subrogated to the rights of the Association to collect, assess or levy dues, fees or other charges against Lot owners with respect to such costs or expenses, including the right to impose, foreclose or otherwise enforce a lien on Lots with respect to such costs and expenses. The Developer shall be entitled to legal fees and other actual costs incurred in obtaining reimbursement from the Association or in collecting dues or fees against Lot owners pursuant to this paragraph, and the aforementioned lien shall secure such reimbursement obligation. Furthermore, the Developer may (but shall not be obligated to) loan funds to the Association in order to permit the Association to discharge its

responsibilities or fulfill its objectives. Such loans may bear interest, but not in excess of the rate such loans could have been obtained from third party institutional lenders.

10. Either before or after the time specified in paragraph 4 above, the Association, on its own or pursuant to the Maintenance Agreement described in paragraph 3 of Article V below, may enter into one or more management contracts with the Developer or any third party, pursuant to which the Developer or the third party may perform all or any of the services or obligations which the Association is obligated to provide relative to the Subdivision or amenities thereof, or to provide administrative services relative to the Association's affairs (e.g., collecting and disbursing dues, fees or other charges). If a management contract is with the Developer or an entity controlled by the Developer, the contract may call for the Developer or the entity controlled by the Developer to receive as compensation reimbursement or payment of all costs and expenses paid or incurred (including not only third party expenses by also office overhead and other direct or indirect costs or expenses) in connection with work performed under the contract or in connection with the management of the Association's affairs, plus a net profit of fifteen (15%) percent of such reimbursable costs and expenses.

Para 11 - 1st Amendment

ARTICLE V

RESPONSIBILITIES OF ASSOCIATION AND/OR LOT OWNERS RELATIVE TO MAINTAINING, LANDSCAPING, ETC.

1. The Developer currently contemplates that the Subdivision is to have certain amenities. These amenities include landscaping and signs or markers at the Subdivision entrance way(s), although in no event shall the Developer be obligated to provide such amenities. The Association shall have the responsibility of repairing, maintaining and operating such amenities pursuant to the terms of the Maintenance Agreement.

2. In addition to the foregoing responsibilities, the Association may perform such other acts or accomplish such other purposes as may be reasonably necessary to maintain or improve the appearance, atmosphere or pleasantness of the Subdivision as a first class single family subdivision, or as are set forth in the Articles of Incorporation or Bylaws of the Association.

3. The repair, maintenance and replacement obligations and responsibilities of the Association relative to the landscaping shall be carried out pursuant to the terms and

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