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 \$51.00 MISC RECORDING
 \$4.00 PERMUTATION
 04/28/2003 08:30:51 A.M. RECEIPT# 34799
 PAID RECORDED - OAKLAND COUNTY
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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**GOLF HIGHLANDS NO. 1**

As recorded in Liber 286,
 Pages 17, 18, 19, 20, 21, and 23, O.C.R.
 22,

CHARTER TOWNSHIP OF OXFORD, OAKLAND COUNTY, MICHIGAN

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
 (hereinafter referred to as the "Declaration"), is made this 19th day of FEBRUARY, 2003,
 by **SELECTIVE - DELAWARE, L.L.C.**, a Delaware limited liability company, whose address
 is 27655 Middlebelt Road, Suite 130, Farmington Hills, MI 48334 (hereinafter referred to as the
 "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property located in the Charter Township of Oxford, Oakland County, State of Michigan, which property is comprised of approximately 46.44 acres (including the first thirty-one lots of the Overall Development, as defined below) and is more particularly described on Exhibit "A", which real property has been platted and is now known as **GOLF HIGHLANDS No. 1** in accordance with the Plat recorded in Liber 286, Pages 17 and 23, Oakland County Records (the "Subdivision"); and

WHEREAS, the Subdivision is part of a parcel of land, which parcel is approximately 167.71 acres and is intended to be developed as 200 lots, numbered 1 through 200, and related open spaces (the "Overall Development") pursuant to a preliminary plat approved by the Board of Trustees of the Charter Township of Oxford on March 13, 2002 (the "Preliminary Plat");

WHEREAS, the Overall Development is subject to the Amended and Restated Master Declaration of Restrictions for Waterstone recorded at Liber 20873, Page 51, Oakland County Records, as amended by the First Amendment to Amended and Restated Master Declaration of Restrictions for Waterstone recorded at Liber 20693, Page 395, Oakland County Records, as the same may be amended from time to time after the date hereof pursuant to the terms thereof (the "Master Declaration"); and

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WHEREAS, Declarant desires to impose upon the Subdivision (but not any property outside of the Subdivision, whether or not owned by Declarant) additional covenants, conditions, restrictions, easements, charges and liens in order to insure the most beneficial development of the Subdivision as a single family residential area, to prevent any use thereof which might tend to diminish its valuable or pleasurable enjoyment, and to assure the harmony, attractiveness and utility thereof, to provide for Lot Owners in the Subdivision to bear certain expenses, to impose other rights and obligations as set forth below, to provide for the preservation of certain services and facilities for the Subdivision and the permanent maintenance of such facilities by an Association comprised of Lot Owners in the Subdivision, to establish an Association to which shall be delegated the powers and responsibility to maintain and administer the facilities and certain Areas of Responsibility, which Association shall also be empowered to administer and enforce the covenants, conditions, restrictions, easements, charges and liens as set forth in this Declaration and to collect and disburse the assessments and charges hereinafter set forth.

NOW, THEREFORE, Declarant hereby declares that the Subdivision and each and every Lot therein shall be held, sold, transferred, conveyed and occupied subject to the following covenants, conditions, restrictions, easements, charges and liens which shall run with the Subdivision and each and every 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 following meanings:

A. **Architectural Control Committee.** "Architectural Control Committee" means the committee appointed in accordance with the provisions of Article VIII below.

B. **Areas of Responsibility.** "Areas of Responsibility" means and refers to all areas shown on the Plat to be used and enjoyed, in common, by the Lot Owners, including, but not limited to storm drainage detention and retention facilities, private roadways and walkways, open space, Private Parks, Lakes and any other site improvement such as landscaping and/or signage areas. Such Areas of Responsibility are to be maintained and/or preserved pursuant to the terms and conditions of this Declaration, and in conjunction with the rights and responsibilities set forth in the Open Space Maintenance Agreement for Golf Highlands dated 2-19-03, between the Declarant and the Township (the "Open Space Maintenance Agreement"), which has been or will be recorded with the Oakland County Register of Deeds in regard to the subject property.

C. **Association.** "Association" means **GOLF HIGHLANDS HOMEOWNERS ASSOCIATION**, a Michigan nonprofit corporation to be organized for a perpetual term by the

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Declarant and in which all Lot Owners shall be Members.

D. Board of Directors. "Board of Directors" means persons appointed or elected to govern the affairs of the Association pursuant to the by-laws of the Association and this Declaration.

E. Dwelling. "Dwelling" means a single family residential dwelling.

F. Lakes. "Lakes" mean the lakes, if any, located within the Subdivision, as shown on the Plat.

G. Landscaping and Signage Areas. "Landscaping and Signage Areas" means the private landscape easement areas, shown on the Plat.

H. Lot. "Lot" means any Lot within the Subdivision, as such Lots are set forth in the Plat.

I. Lot Owner. "Lot Owner" means the holder of record title to a Lot, whether one or more persons or entities, and shall include any land contract vendees of the Lot; provided, however, that a vendee under a land contract with the Declarant shall not be considered a Lot Owner unless otherwise elected in writing by the Declarant on or before the date such land contract is executed by such vendee and the Declarant. The term "Lot Owner" shall not include a mortgagee of a Lot unless and until such mortgagee acquires fee simple title to the Lot by foreclosure or other proceeding or conveyance in lieu of foreclosure and shall not include any interest in a Lot held as security for the performance of any obligation. In the event more than one person or entity owns an interest in fee simple title to any Lot, or has an interest as a land contract vendee (other than Lots owned by Declarant), the interests of all such persons collectively shall be that of one Lot Owner. Notwithstanding the foregoing, the optionee or land contract vendee of any Lot (including Lots owned by Declarant) shall be responsible for the payment of all assessments and charges imposed pursuant to this Declaration.

J. Member. "Member" means any member of the Association as hereinafter provided.

K. Plat or Plats. "Plat" refers to the Plat of Golf Highlands No. 1 as recorded in Oakland County Records at Liber 186, Pages 17 and 23, and any other recorded plat covering any other portion of the Overall Development subjected to this Declaration pursuant to Article II hercof.

L. Private Parks. "Private Parks" refers to the open spaces designated as Private Parks on the Plat, which as of the date of this Agreement specifically include: Dunlap Park, Court Park and Market Street Park.

M. Structure. "Structure" means any building, structure, Dwelling, garage, shed, outbuilding, fence, wall, gazebo, hedge, or any other improvement whether temporary or

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permanent in nature.

N. Subdivision. "Subdivision" shall have the meaning set forth in the Recitals; however, if additional subdivisions are platted within the Overall Development and are made subject to this Agreement, the term "Subdivision" shall include all the subdivisions so platted in the Overall Development.

O. Township. "Township" means and refers to the CHARTER TOWNSHIP OF OXFORD, Oakland County, Michigan.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

The Subdivision shall be subject to and shall be held, transferred, sold, conveyed and occupied pursuant to this Declaration. The Declarant shall have the right to amend this Declaration to cover other subdivisions within the Overall Development. It is the intention of this Declaration that the Declarant may add to the Subdivision all of the lots shown on the Preliminary Plat. Whether or not any such amendment occurs, the owners of lots in such other subdivisions within the Overall Development and the Lot Owners in the Subdivision shall have reciprocal rights of access for the use and enjoyment of all Areas of Responsibility in the Subdivision and common areas in the other subdivisions within the Overall Development, subject to payment of a pro rata share of the cost of maintenance, insurance and replacement of such areas, and further subject to any limitations on each Lot Owner's use rights hereafter established by this Declaration.

ARTICLE III

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

A. Membership. Every Lot Owner shall be a Member of the Association. Membership in the Association shall be appurtenant to and may not be separated from ownership of any Lot, which is subject to assessment hereunder.

B. Voting Rights. Each Member shall be entitled to one (1) vote for each Lot owned. When more than one person or entity holds an interest in any Lot ("multiple ownership"), all such persons shall be Members but in no event shall there be more than one vote cast with respect to any such Lot. When more than one person or entity holds an interest in any Lot, such vote shall be exercised as the holders of such interests may, among themselves, agree and they shall so notify the Association in writing prior to any vote. Where a Lot is subject to multiple ownership, and the Lot Owners fail or refuse to notify the Association of the manner in which the multiple owners shall exercise their single vote within fifteen (15) days of the date set for the meeting, then and in such event the Lot Owner whose name first appears on record title

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shall be deemed the Member authorized to vote on behalf of all the multiple Lot Owners and any vote cast in person or by proxy by said Lot Owner or the failure of said Lot Owner to vote shall be binding and conclusive on all such multiple Lot Owners.

Notwithstanding the foregoing, no Member, other than Declarant, shall have the right to vote on Association matters, and the Declarant shall have the exclusive right to establish bylaws for the Association, to appoint the Board of Directors of the Association, and to amend this Declaration, all in Declarant's sole and absolute discretion, until the earlier to occur of: (a) such time as Declarant has conveyed legal and equitable title to not less than one hundred percent (100%) of the total of the Lots in the Subdivision and the lots in any other actual or proposed subdivision which has been or which might thereafter be subjected to this Declaration pursuant to Article II; and (b) such time as Declarant shall execute and deliver to the Association a written instrument executed by Declarant specifically relinquishing such exclusive voting rights. For the purposes of this paragraph, a conveyance shall be deemed to have occurred only when a lot and home have been sold and conveyed for occupancy. From and after the earlier of such dates, the Board of Directors shall be elected by the Members, and the Declarant shall have no further responsibilities with respect to the Association except for its responsibilities as a Member of the Association so long as it remains a Lot Owner.

ARTICLE IV

EASEMENTS AND PROPERTY RIGHTS IN THE AREAS OF RESPONSIBILITY

A. Lot Owner's Easement of Enjoyment. Subject to the other provisions of this Declaration, as the same may be amended as provided herein, every Lot Owner shall have a right and easement to use the Areas of Responsibility for their intended purposes, and such easement shall be appurtenant to and shall pass with title to every Lot. Declarant reserves the right (but not the obligation), in its sole and absolute discretion, to create, in the Areas of Responsibility, recreational facilities for the benefit of all Lot Owners. Declarant expressly reserves the right to establish separate associations to own, maintain, repair, and replace recreational facilities that are limited in use to less than all of the Members.

B. [Intentionally Omitted]

C. [Intentionally Omitted]

D. Landscaping and Signage Areas. The Landscaping and Signage Areas shown on the Plat have been established by Declarant for the benefit of all Lot Owners and are subject to use by the Association for landscaping and signage purposes. During the period that Declarant is in control of the Association pursuant to Article III, paragraph B, Declarant reserves the right to use all Landscaping and Signage Areas to promote the sale of Lots and homes in the Subdivision. The Lot Owners are obligated to pay their pro rata share of the cost of maintaining the landscaping, berming and other improvements including, but not limited to, signage for the Subdivision installed by Declarant in the Landscaping and Signage Areas.

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E. Conveyance of Areas of Responsibility. Pursuant to the Open Space Maintenance Agreement Declarant shall convey title to those portions of the Areas of Responsibility deemed "Open Spaces" under the Open Space Maintenance Agreement to the Association. The Declarant may, at its discretion, convey any portions of the remaining Areas of Responsibility to the Association.

ARTICLE V

MAINTENANCE AND ASSESSMENT COVENANT

A. Association Responsibilities. Except as hereinafter provided, the Association shall have the duty and the responsibility to preserve, operate, maintain, and repair the Areas of Responsibility, for the benefit of the Subdivision, pursuant to the terms and conditions of this Declaration and the Open Space Maintenance Agreement.

B. Personal Obligation for Assessments and Charges. Declarant, for and on behalf of each and every Lot owned within the Subdivision, does hereby covenant and agree and each Lot Owner, is deemed to covenant and agree to pay to the Association: (a) all annual assessments or charges when due; (b) special assessments, if any, for capital improvements to be established and collected as hereinafter set forth; (c) special assessments against the Lot Owner for the cost of installing, maintaining and, where needed, replacing street trees, mail boxes, and (where applicable) shoreline improvements which are the obligations of Lot Owners under the terms of this Declaration; and (d) charges assessed by the Township against the Subdivision or the Declarant that are directly or indirectly attributable to the construction of a home on the Lot as described in paragraph G of this Article V and street cleaning described in paragraph I of Article VII, and each Lot Owner does covenant, agree and accept all of the terms, conditions, covenants and agreements hereof in accordance herewith.

C. Purpose of General Assessments; Collection by the Township. The purpose of the general assessments levied by the Association shall be for the fulfillment of the obligations of the Association hereunder, including but not limited to those undertaken under Article XI below, and for the repair, maintenance, operation, management and improvement of the Areas of Responsibility, including but not limited to the payment of all taxes and insurance thereon, the repair and replacement thereof, the operation thereof, the construction and installation of additions thereto and improvements thereon, and for the cost of labor, equipment, materials, management and supervision for and in conjunction therewith. Notwithstanding anything contained herein to the contrary, in the event the Association fails or refuses to provide the necessary repairs, maintenance, operation, management and improvement of the Areas of Responsibility, then and in such event the Township shall have the right but not the obligation to assess the Lot Owners for all costs for the same under and pursuant to this Declaration and each Lot Owner consents to such assessment and agrees that such assessment shall be payable on demand to the Township. In addition to other methods of collection, the Township shall have the right to place such assessment on the Township tax rolls of the assessed property.

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D. Annual Assessments. Until January 1 of the year immediately following the first conveyance by Declarant of a Lot, the minimum annual assessment shall be three hundred dollars (\$300.00) per Lot.

1. From and after January 1 of the year immediately following the first conveyance by Declarant of a Lot, the maximum annual assessment may be increased or decreased annually as may be determined by the Board of Directors of the Association (the "Board of Directors"). Notwithstanding the foregoing, in no event shall the annual assessment be increased during any calendar year by more than twenty-five percent (25%) of the annual assessment levied in the immediately preceding calendar year except with the written consent of the Declarant or, after conveyance of one hundred percent (100%) of the Lots in the Subdivision and the lots in any other actual or proposed subdivision which has or may in the future be subjected to this Declaration pursuant to Article II, with the consent of two-thirds (2/3) of the votes of the Members of the Association who are voting in person or by proxy, at a meeting duly called for this purpose.

2. In the event the Board of Directors does not or cannot agree on any change from and after January 1 of the year immediately following the first conveyance of a Lot, then and in such event the annual assessment shall continue at the rate of three hundred dollars (\$300.00) per Lot, or such other annual rate hereafter established by Declarant pursuant to paragraph D.1. of this Article V; provided, however, that in the event of any annual deficit, the Board of Directors of the Association shall assess each Lot pro rata annually to pay any such deficits.

E. Special Assessments. In addition to the annual assessments provided for herein, the Association may levy special assessments applicable to an assessment year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement to Areas of Responsibility, provided, however, that any such special assessment shall first be approved by two-thirds (2/3) of the votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose and who have the right to use the Areas of Responsibility as provided elsewhere herein.

F. Uniform Assessment Rate. All annual, special and deficiency assessments shall be fixed and established at the same rate for all Lots.

G. Charges for Compliance with Ordinances, Laws, Rules or Regulations and Street Cleaning. Each Lot, during and immediately after construction of any Structure on the Lot, is subject to such charges as are necessary to defray the cost of street cleaning and to pay any other costs imposed by the Township or any other governmental entity on the Declarant or the Subdivision that are directly or indirectly related to construction activities on Lots in the Subdivision. Any cost imposed by the Township or any other governmental entity on the Declarant or the Subdivision that directly or indirectly relates to the construction activities on one or more Lots shall be assessed against, and shall be payable by, the Lot Owners of the Lots to which the costs are attributable.

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H. **Notice and Quorum.** Written notice of any membership meeting called for any purpose hereunder shall be sent by first class mail to all Members at least twenty (20) days in advance of such meeting, and shall set forth the purposes thereof. At the first meeting of the Association, the presence of Members or of proxies entitled to cast thirty-five percent (35%) of all votes of the Members shall constitute a quorum. In the event the required quorum is not present at such meeting, another meeting may be called, upon notice as set forth herein, and the required quorum at such subsequent meeting shall be fifty percent (50%) of the required quorum at the preceding meeting.

I. **Commencement Date of Annual Assessments.** The first annual assessment shall commence and be due for each Lot from the Lot Owner on the date legal or equitable title is acquired from the Declarant. The amount of the annual assessment which shall be due for the first annual assessment shall be an amount which bears the same proportion to the annual assessment specified in paragraph D of this Article V as the remaining number of months in that year bears to twelve (12). The annual assessments for any year, after the first assessment year, shall become due and payable on the first day of January of each year; provided, however, that the Board of Directors, in its discretion may establish an installment program for payment of the annual, special or deficit assessments and may charge interest in connection therewith, but each such assessment shall be and become a lien on each Lot on January 1 of each year after the initial year.

J. **Board of Directors' Duties; Indemnity.** Subject to the foregoing provisions, the Board of Directors of the Association, which shall consist of at least three (3) and not more than five (5) persons, shall fix the amount of the assessments against each Lot for each assessment period at least thirty (30) days in advance of such date or period and shall prepare a roster of the Lots and the assessments applicable thereto to be maintained in the office of the Association and which shall be open to inspection by any Lot Owner at all reasonable times. Written notice of the assessment shall thereupon be sent to every Lot Owner subject thereto and the Association shall, upon demand and payment of a reasonable charge, furnish to any Lot Owner liable for such assessment a certificate in writing signed by an officer of the Association, which states whether such assessment has been paid and the amount of any due but unpaid assessments. To the fullest extent permitted by law and as more fully set forth in the by-laws of the Association, the Association shall defend, indemnify and hold harmless each member of the Board of Directors against all liability, costs and expenses (including attorneys' fees) incurred in the course of or as a result of their conduct in their capacity as members of the Board of Directors excepting only gross negligence or willful and wanton misconduct. The Association may maintain insurance for such purpose.

K. **Effect of Non-Payment of Assessments or Charges, Personal Obligation of the Lot Owner and Liens and Remedies of the Association.** In the event any assessment or charge is not paid on the due date then such assessment or charge shall become delinquent and a lien therefor shall thereupon arise and shall, together with interest thereon and costs of collection therefor (as hereinafter provided), be and become a continuing lien on such Lot until paid in full, and such lien shall be binding upon the Lot, the Lot Owner thereof and his or her heirs, personal

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representatives, successors and assigns. Such assessments and charges shall also be a personal obligation and debt of each Lot Owner and shall be binding upon each Lot Owner and remain the Lot Owner's obligation and debt for the statutory period. Any successor or assign in or to title may obtain from the Association a written statement as to any unpaid assessments and charges on such Lot and such statement shall be binding upon the Association. In the event the assessment is not paid in full within thirty (30) days after delinquency, the assessment shall bear interest from the date of delinquency at the rate of seven (7%) percent per annum and the Association may bring an action at law against the Lot Owner personally obligated to pay the same or foreclose the lien against the Lot, and the costs of preparing and filing the complaint in such action and/or in connection with foreclosure shall be added to the amount of such assessment(s) and interest, and, in the event a judgment is obtained, the judgment shall include interest on the assessment(s) as above provided and reasonable attorneys' fees together with all costs and expenses of the action.

L. Subordination of the Assessment Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage and any sale or transfer of any Lot shall not affect the assessment lien; provided, however, that the sale or transfer of any Lot in connection with a mortgage foreclosure preceding or any proceeding in lieu thereof shall extinguish the lien of the assessments, interest and charges due prior to such sale or transfer, but in no event shall the prior Lot Owner thereof be relieved of any liability whatsoever for such obligation and debt. No subsequent sale or transfer shall relieve such Lot from liability for any assessments, interest or charges, which thereafter become due or from any lien therefor.

M. Exemptions and Modification of Assessments. Declarant shall maintain the Lakes, if any located wholly within the boundaries of the Subdivision and other open areas shown on the Preliminary Plat at the Declarant's expense until such time as any such Lakes and open spaces are designated as "Areas of Responsibility" available for the use of the Lot Owners.

ARTICLE VI

ARCHITECTURAL CONTROL

A. Declarant intends and desires that all Structures within the Subdivision be architecturally harmonious and architecturally pleasing and that the design and location of such Structures take into account the preservation of trees and the natural environment of the Subdivision. In order to insure that such goals are accomplished, the Architectural Control Committee shall, in its sole discretion, have the right to approve or disapprove the appearance (including, but not limited to, the color of stain and brick), construction, materials, proposed location, design, specifications or any other attribute of any Structure.

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B. A Lot Owner may only construct, install or place upon a Lot those Structures and landscaping materials that have been approved in writing by the Architectural Control Committee in the manner set forth herein. Before construction of any Dwelling or making any exterior improvement, change, or elevation change upon any Lot, a Lot Owner shall receive the written approval of the Architectural Control Committee. No application for a building permit or application for any other governmental approval or construction shall be filed until written approval of the Committee is received. No Structure shall be erected by anyone other than a licensed residential builder. The Architectural Control Committee shall approve in advance the licensed residential builder engaged by the Lot Owner to construct a Dwelling and any other improvements on the Lot Owner's Lot. The Architectural Control Committee may require that such builder or Lot Owner furnish to the Association adequate security, in the Architectural Control Committee's sole and absolute discretion, to protect the Association against costs and expenses which it might incur in connection with the failure to complete construction in a timely and diligent manner in accordance with the approved plans and specifications for the Dwelling and other improvements.

C. No Structure may be commenced, erected, installed, placed, or maintained upon any Lot unless or until the Lot Owner of such Lot has submitted the following documentation to the Architectural Control Committee (which shall be initially controlled by Declarant as provided in Article VIII) and the Architectural Control Committee has approved all of such documentation in writing:

1. A topographic survey of the Lot prepared and certified by a licensed engineer or surveyor showing existing and proposed grades, the proposed location of each Structure located or to be located on the Lot, the location of all trees proposed for removal during construction, the plan for preserving trees to remain, and the soil erosion control plan for construction.

2. Construction and architectural plans prepared and certified by a licensed engineer or architect including dimensioned floor plans, typical sections and all elevations for the Structure to be constructed upon or in the Lot.

3. Specifications for each Structure prepared by a licensed architect or engineer setting forth the type and quality of all materials and workmanship and including a detailed finish schedule for all exterior materials, products and finishes, with actual samples of all exterior materials, including stain and brick color.

4. A construction schedule specifying the commencement and completion dates of construction of the Structures, as well as such other dates as the Architectural Control Committee may specify for completion of stages of the Structures.

5. A landscape plan, which shall be designed and implemented at the Lot Owner's sole cost and expense by a landscape architect appointed by the Declarant approved by the Architectural Control Committee in the exercise of its sole discretion.

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6. A driveway plan, which shall be reviewed to ensure the location of all driveways in the Subdivision comply with Declarant's master driveway location guide. Declarant has sole and absolute discretion to establish, maintain, and amend the master driveway location guide and to approve the driveway location on every Lot in the Subdivision.

D. A Lot Owner shall submit two copies of the aforescribed documents to the Architectural Control Committee, and the Architectural Control Committee shall retain one copy of each document for its records.

E. The following additional requirements, restrictions and regulations shall apply to all construction activities on Lots in the Subdivision unless waived in writing by the Architectural Control Committee:

1. The Architectural Control Committee shall have 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 Dwelling or other Structure) as the Architectural Control Committee determines to be appropriate in order to maintain the tranquility, appearance and desirability of the Subdivision.

2. All construction activities must be started within three (3) months of the time specified in the construction schedule submitted to and approved by the Architectural Control Committee. Prior to commencement of construction, the Lot Owner must obtain all permits or approvals required by the Township.

3. No approval by the Architectural Control Committee shall be valid if the Structure or improvement violates any of the restrictions or requirements set forth in this Declaration, except in cases where waivers or variances have been granted as provided for in this Declaration.

4. The Architectural Control Committee may disapprove plans because of noncompliance with any of the restrictions or requirements set forth in Articles VI and VII of this Declaration, or because of reasonable dissatisfaction with: (a) the value of the proposed landscaping improvements; (b) the grading and drainage plan; (c) the location of the Structure on the Lot; (d) the materials used; (e) the color scheme; (f) the finish, design, proportions, shape, height, style or appropriateness of the proposed improvement or alteration; or (g) because of any matter or thing which, in the reasonable judgment of the Committee, would render the proposed improvement or alteration inharmonious or out of keeping with the objectives of the Committee or with Structures erected on other Lots in the Subdivision.

F. The Architectural Control Committee shall have ten (10) business days after the receipt of all required plans and specifications to issue a written approval or denial. If the Architectural Control Committee fails to issue a written approval or denial of the plans and specifications within the ten (10) business day period, then written approval will not be required and the plans and specifications submitted shall be deemed to comply with this Article and Declaration.

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G. The Committee may charge a review fee, not to exceed Two Hundred Fifty Dollars (\$250), in connection with the review of plans and specifications for any Structure or combination of Structures on any Lot, or in regard to the substantial alteration of any Structure. The fee may not be utilized for the purpose of paying any salary to any member of the Committee, but shall be used exclusively for the purpose of reimbursing the actual expenses of the Committee, including, without limitation, the professional fees of independent consultants to the Committee.

ARTICLE VII

BUILDING, USE AND OTHER RESTRICTIONS AND EASEMENTS

A. **Residential Lots.** No Lot shall be used except for residential purposes. No Lot shall be used or shall have any improvement made to it or erected upon it in violation of the ordinances or requirements of Township or such other governmental entity as may have jurisdiction thereover. No Structure shall be erected, altered, placed or permitted to remain on any Lot other than one (1) detached Dwelling which shall include an attached private garage for not more than four (4) cars for the sole use of the Lot Owner or occupant of the Lot upon which such Dwelling and garage shall have been erected; provided, that each Dwelling constructed upon any Lot shall have at least a two (2) car garage attached thereto, constructed at the time of and in conjunction with construction of such Dwelling; and subject, further, to the additional provisions hereinafter set forth and imposed upon and against the Lots, or any portions thereof.

B. **Square Footage and Type of Construction.** The Declarant intends and desires that all Dwellings in the Subdivision be architecturally harmonious and architecturally pleasing and that the design and location of such Dwellings take into account the preservation of trees and the natural environment of the Subdivision. Architectural standards will be established with respect to elevations and materials, which, within limits established by Declarant, shall both preserve uniform architectural quality and permit reasonable diversity and uniqueness among the homes. No Dwelling shall be erected on any Lot which has a ground floor area of the Structure, exclusive of one-story open porches and garages, of less than that permitted by the pertinent ordinances of the Township. No Structures may be moved onto any Lot. All buildings shall be of brick veneer, frame, vinyl or other generally acceptable building materials or any combination thereof.

C. **Lot Size.** No Lot shall be divided and/or reduced in size by the conveyance of a part thereof, or by the use and/or addition of a part thereof in conjunction with or as part of any adjacent Lot to constitute a building site other than precisely as indicated within the recorded Plat of the Subdivision; provided, however, that if any of the Lots shall be altered and reduced in total area by the taking, use or purchase of a portion thereof for a public purpose by a public agency, this provision shall not apply to prohibit the construction of a Dwelling upon such Lot as reduced in size.

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D. **Building Lines.** No Structure shall be placed, erected, installed or located on any Lot nearer to the front, side or rear lot line as permitted by the ordinances of the Township in effect at the time of installation of such Structure. If permitted by Township ordinance and approved by the Architectural Control Committee, setbacks of less than those established in the preceding sentence will be permitted if the grade, soil or other physical conditions pertaining to a Lot justify such a variance.

E. **Trees.** All Lot Owners shall comply with the Township's woodlands ordinance then in effect, if any, in connection with any proposed tree removal.

F. **Nuisances.** No noxious or offensive activity shall be performed upon any Lot, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the occupants or Lot Owners of other Lots. There shall not be maintained any animal or device or thing of any sort whose normal 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 Lots or Areas of Responsibility. The Board of Directors shall be the final arbiter of whether a particular animal, device or thing is in violation of the foregoing restrictions.

G. **Motor Vehicles.**

(i) No trailers, boats, aircraft, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, snowmobile trailers, jet skis, jet ski trailers or other recreational vehicles, or any other vehicles, other than passenger cars, passenger vans, pick-up trucks and sports utility vehicles shall be parked or maintained on any Lot unless in a suitable private garage built in accordance with the restrictions set forth in this Declaration. Notwithstanding the foregoing, the Lot Owners of a Lot may park a boat or snowmobile trailer, camper, camping trailer or recreational vehicle ("RV") in the driveway installed on their Lot for occasional periods of no longer than forty-eight (48) hours to permit the cleaning or pre- or post-use maintenance of such vehicles; provided that the Board of Directors shall have the right to adopt further rules regulating this matter to the extent deemed necessary by the Board.

(ii) No vehicle that is used to promote a commercial enterprise, or is used in connection with such an enterprise, shall be parked in the Subdivision, or on any Lot, unless parked in a garage as provided above, except while making deliveries or pickups in the normal course of business. The use of motorized vehicles of any kind in the open areas constituting Areas of Responsibility is expressly prohibited.

H. **Watercraft and Docks.** Use of motorized boats will be prohibited on the Lakes, if any.

I. **Structures.** No wall, building or structure may be constructed nor any development or improvement done in the Areas of Responsibility without the prior written consent and approval of the Architectural Control Committee and all government agencies having jurisdiction.

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J. **Refuse and Storage.** The Areas of Responsibility shall not be used as dumping ground for storage or disposal of rubbish, trash, garbage or other materials.

K. **Passive Use of the Areas of Responsibility; Alterations and Modifications.** The Areas of Responsibility shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and absolutely intended. No Lot Owner may leave personal property of any description (including by way of example and not limitation: bicycles, vehicles, chairs and benches) unattended in or about the Areas of Responsibility. Use of all Areas of Responsibility may be limited to such times and in such manner as the Board of Directors shall determine by duly adopted regulations. The Areas of Responsibility may only be used only for passive recreation and for no other purposes. Golfing and all other active sports are prohibited. Activities in the Areas of Responsibility shall be carried on in such a manner as to avoid disturbing or otherwise offending other Lot Owners. No Lot Owner shall make changes in any of the Areas of Responsibility without the express written approval of the Board of Directors.

L. **Fertilizer and Pesticide Use.** No Lot Owner shall apply fertilizer or pesticides to such Lot Owner's lawn except in strict compliance with guidelines established by the Board of Directors in consultation with the Township's consulting landscape architect. No Lot Owner shall cause any pollutants or debris to be released in any wetlands or Lakes, which may lead to sedimentation or nitrification. A 25 foot vegetative buffer will be encouraged to reduce pollutants.

M. **Wild Life.** No Lot Owner shall permit or suffer the molestation or destruction of wild ducks, geese, birds or other wild life in the Areas of Responsibility. Further, the feeding of waterfowl shall not be allowed.

N. **Liability Insurance.** The Association shall maintain liability insurance in sufficient amounts for the purpose of protecting itself as well as the Lot Owners and the Declarant from the burden of liability resulting from accidents which may cause death or injury to anyone while in the Areas of Responsibility or on property under the jurisdiction or control of the Association. No Lot Owner shall do or permit anything to be done or keep or permit to be kept on the Lot Owner's Lot or in the Areas of Responsibility anything that will increase the cost of insurance maintained by the Association without the written approval of the Association, and each Lot Owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition even if approved, which increased cost may be assessed to and collected from the Lot Owner in the manner provided in Article V hereof.

O. **Reservation of Rights.** Declarant reserves for itself and for the Association and their respective agents the right to enter upon any Lot for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds or other unsightly growth, that in the opinion of Declarant or the Association detracts from the overall beauty, setting and safety of the Subdivision. Such entrance for the purpose of mowing, cutting, clearing or pruning shall not be

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deemed a trespass. Declarant and the Association and their respective agents may likewise enter upon any Lot to remove any trash which has collected on the Lot without such entrance and removal being deemed a trespass. The provisions of this paragraph shall not be construed as an obligation on the part of Declarant or the Association to mow, clear, cut, or prune any Lot nor to provide garbage or trash removal services.

P. **Street Cleaning.** The Declarant shall have the right from time to time to cause the streets in the Subdivision to be cleaned and to assess all Lot Owners engaged in construction (including installation of landscaping) on or within thirty (30) days prior to the cleaning for a pro rata share of the last of the street cleaning. In the event the Township or any other governmental authority issues the warning or ticket for a violation of ordinance or law on any Lot, Declarant shall have the right to remediate the item for which a warning or ticket is issued and assess the Owner of the Lot on which the work was done for the cost of the same. Any such cost assessed shall be a lien on the Lot assessed as provided in Article V of this Declaration.

Q. **Unightly Conditions.** All rubbish, trash, garage and other waste shall be regularly removed from each Lot and shall not be allowed to accumulate therein. Trash receptacles shall at all times be maintained inside each individual garage and shall not be permitted to remain elsewhere except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. It shall be the responsibility of each Lot Owner to prevent the development of any unclean, unsightly or unkempt condition of buildings or grounds on the Lot Owner's Lot. No lawn ornaments, sculptures or statues shall be placed or permitted to remain on any Lot without the prior written permission of the Board of Directors. No unsightly condition shall be maintained upon any courtyard, deck, patio or porch and only furniture and equipment consistent with ordinary courtyard, deck, patio or porch use shall be permitted to remain there during seasons when the same are reasonably in use and no furniture or equipment of any kind shall be stored on decks, patios or porches during seasons when the same are not reasonably in use. Neither any Lot nor the Areas of Responsibility shall be used in any way for the drying, shaking, or airing of clothing or other fabrics. Except by the Declarant so long as Declarant owns and offers for sale at least one (1) Lot, no building materials, landscaping materials or firewood shall be stockpiled on any Lot or Area of Responsibility. In general, no activity shall be carried on nor condition maintained by a Lot Owner, either within a Lot or in an Area of Responsibility, which is detrimental to the appearance of the Subdivision.

R. **Driveways and Garages.** The location of all driveways shall be approved by the Architectural Control Committee prior to construction. All driveways shall be paved with hard surface materials. There shall be no gravel or other crushed stone driveways. All driveways shall be completed prior to occupancy of the Dwelling to be served by such driveway, except to the extent delayed or prohibited by strikes or adverse weather conditions, in which event such paving shall be completed within sixty (60) days after the termination of such strike or adverse weather conditions. The Architectural Control Committee shall have sole and absolute discretion to determine whether a proposed garage is front or side entry.

S. **Temporary Structures.** Trailers, tents, shacks, tool sheds, barns or any temporary buildings of any design whatsoever are expressly prohibited within this Subdivision

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and no temporary Dwelling shall be permitted in an unfinished residential building. This shall not prevent the erection of a temporary storage building for materials and supplies to be used in the construction of a Dwelling, and which shall be removed from the premises on completion of the Structure, and shall not prevent use by any builder or contractor of trailers for material storage or model offices during the period of construction in the Subdivision, provided the same shall be removed at the completion of such construction.

T. **Signs.** No commercial signs, except "for sale" signs of a normal and usual size, shape and material installed within a Lot, shall be erected or maintained on any Lot or Area of Responsibility except with the written permission of the Board of Directors or except as may be required by legal proceedings. If such permission is granted, the Board of Directors shall have the right to restrict size, color and content of such signs. All mailboxes, delivery receptacles and the like shall be of a standard color, size and style determined by the Board of Directors and shall be erected only in areas designated by the Board of Directors.

U. **Animals, Livestock and Fowl.** No animals, livestock or fowl (except household pets) shall be kept or maintained on any Lot at any time. No animals may be bred or maintained for any commercial purpose. Any pets kept in the Subdivision shall have such care and restraint as not to be obnoxious on account of noise, odor or unsanitary conditions. No animal may be permitted to run loose upon the Areas of Responsibility, and any animal shall at all times be attended by a responsible person while in an Area of Responsibility. Each Lot Owner shall be responsible for collection and disposition of all fecal matter deposited by any pet maintained by such Lot Owner or any occupant of such Lot Owner's Lot. Any person who causes or permits an animal to be brought or kept on Subdivision property shall indemnify the Association and hold it harmless for any loss, damage or liability which the Association may sustain as a result of the presence of such animal within the Subdivision.

V. **Refuse and Stored Materials.** No Lot shall be used or maintained as a dumping ground or for outside storage for rubbish, trash, garbage or other materials. Other waste shall be kept in a sanitary container, properly concealed from public view. The Board of Directors may designate a day of the week on which all trash pick-up in the Subdivision shall occur. No trash shall be put out earlier than the morning of the day designated for pick-up and all containers shall be removed by the end of such day. By a 2/3 vote of the Members, the Board of Directors may cause the Association to contract with a selected trash removal service or services to service all the homes in the Subdivision and the cost thereof shall be added to the annual assessment. For this purpose, the annual assessment may be made due and payable in monthly or quarterly installments as the Board of Directors shall determine.

W. **Street Trees and Landscaping.** Each Lot Owner shall plant two (2) street trees on such Lot Owner's Lot. All such street trees shall be Hardwood Maples, varieties of Ash or other deciduous tree approved in advance by Declarant, and shall be of the greater of a three (3) inch caliper or the minimum size necessary to meet the Township's street tree requirement for the Lot. All street trees shall be placed in locations approved by Declarant in its sole discretion. When planted, each street tree shall be equidistant from the other street trees on the Lot and the street trees located (or to be located) on the Lot(s) adjacent to the Lot on which the trees are

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planted, with the result being that the trees will be roughly 25-30 feet apart. Landscaping in accordance with the approved landscaping plan, including finish grading and sodding and shoreline to improvements, must be completed within ninety (90) days after the closing of the sale of a newly-constructed Dwelling, or occupancy, whichever is sooner. If, however, such closing or occupancy occurs after September 1 of any year, then the Lot shall be sodded and appropriately landscaped in accordance with the approved landscaping plan by June 1 of the following year. In fulfilling the landscape and sodding requirement seed and hydro-seed are expressly prohibited. At the time of closing of the sale of a newly-constructed Dwelling, the Lot Owner shall deposit with the Declarant the sum of one thousand (\$1,000.00) dollars (the "Tree Deposit") to secure the Lot Owner's obligation to plant street trees as provided above. The Tree Deposit shall be returned to the Lot Owner within fourteen (14) days of Declarant's receipt of satisfactory evidence that such planting obligation has been satisfied. In the event the Lot Owner fails to accomplish the required planting within the time frame allowed under this paragraph, Declarant shall have the right to utilize the Tree Deposit to plant the two street trees required under this paragraph. Each Lot Owner shall be responsible to maintain and replace the approved landscaping on the Lot and the two (2) street trees planted in the street right of way adjacent to the Lot Owner's Lot as provided in this paragraph W. In the event any street tree dies, the Lot Owner of the Lot immediately adjacent to the right-of-way in which the street tree is planted shall replace the dead tree with a Hardwood Maple, variety of Ash or other deciduous tree approved in advance by Declarant, which shall have the greater of a three (3) inch caliper or the minimum size required by the Township, at the Lot Owner's sole cost and expense. If the Lot Owner fails to make such a replacement within thirty (30) days after written request to do so from the Association, the Association may replace the tree and assess the Lot Owner with the cost of replacing the dead tree. If the Lot owner fails to maintain landscaping, including shoreline improvements within thirty (30) days after written request to do so from the Association, the Association may perform the maintenance and assess the Lot Owner with the cost. Any such special assessment shall be a lien on the Owner's Lot as provided in Article V of this Declaration. The Association shall not be obligated to replace dead trees or maintain landscaping pursuant to this paragraph W; any rights exercised hereunder being entirely at the discretion of the Association.

X. Clothes Lines. No clotheslines or outside drying of laundry shall be permitted.

Y. Solar Panels. No solar panel, solar collector or similar device shall be placed, constructed, altered, or maintained on any Lot or placed, constructed, altered, or maintained on any Dwelling or Structure.

Z. Television Antenna and Similar Devices. Lot Owners shall have the right to install (i) not more than one antenna designed to receive television broadcast signals and (ii) not more than one antenna measuring one meter (39 inches) or less in diameter or diagonally and designed to receive direct broadcast satellite services or video programming from multichannel multipoint distribution (wireless cable) providers within their Lots; provided that any such antenna shall be installed behind the Dwelling constructed within the Lot in a location that is, to the maximum extent possible, shielded from view from the road while still permitting reception of an acceptable quality signal. The Association shall have the right to impose rules requiring

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that any installed antenna be painted in a specified color so that the antenna blends into its surroundings. This provision applicable to antennas is intended to comply with applicable rules and regulations promulgated by the Federal Communications Commission (the "FCC" Rules") and shall be automatically amended and revised to the extent required to remain in compliance with future modifications to the FCC Rules. Lot Owners are urged to restrict the antenna installed upon their Lot to a dish design measuring not more than 18 inches in diameter. In no event shall an antenna permitted by this provision be installed in front of a Dwelling unless the Lot can demonstrate that an acceptable quality signal cannot be obtained from a location to the rear of the Dwelling.

AA. Swimming Pools. In ground swimming pools shall be permitted, subject to the prior review and written approval of the Architectural Control Committee. Swimming pools, which rise more than one (1) foot above ground level shall not be permitted. All swimming pool areas shall be landscaped to minimize the visual impact upon adjacent residences and shall not be visible from the road. All swimming pool mechanical equipment will be located in the rear yard of the Dwelling, will not extend past the side of the Dwelling, and will be fully concealed.

BB. Air Conditioning Units. No external air conditioning unit shall be placed in or attached to a window or wall of any Dwelling or Structure. No compressor or other component of a central air conditioning system (or similar system, such as a heat pump) shall be so located on any Lot so as to be visible from the public street on which the Lot fronts, and, to the extent reasonably possible, all such external equipment shall be so located on any Lot so as to minimize the negative impact thereof on any adjoining Lot, in the terms of noise and appearance. In general, such equipment shall be located only in the rear yard (not in any side yard area), within five (5') feet of the rear wall of the Dwelling and shall be completely screened by an evergreen landscape screening.

CC. Basketball Hoops and Play Areas. Basketball hoops and play areas are permitted subject to strict compliance with the following restrictions:

(i) All basketball hoops shall be on ground mounted posts located at least thirty (30) feet from the curb of the road(s) adjacent to the Lot.

(ii) The ground mounted post for the basketball hoop shall be located at least five (5) feet from the side line of the Lot.

(iii) No florescent or bright colors shall be permitted for either the post or the backboard. The ground mounted post shall be painted black and the backboard of the basketball hoop shall be clear or smoked.

(iv) Any lighting of basketball hoops and play areas shall be designed to shield direct light away from homes on other Lots.

DD. Fences and Walls; Dog Runs. Except as expressly provided in this paragraph, no fences or walls shall be permitted. Wrought iron and other decorative fencing (but not

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fencing of the wire type commonly known as "Cyclone Fencing") may be used on any Lot for the purpose of enclosing a permitted swimming pool, in locations approved by the Architectural Control Committee. Any such approved and permitted fencing shall have a vertical balustrade pattern and no additional ornamentation. All fences are subject to approval by and permitting requirements of the Township and shall not exceed the minimum height permitted by the Township. No dog kennels or runs or other enclosed shelters for animals shall be constructed or maintained upon a Lot without the written approval of the Board of Directors.

EE. Weapons. No Lot Owner shall use, or permit the use by any occupant, agent, employee, invitee, guest or member of his or her family of, any firearms, air rifles, pellet guns, B-B guns, bows and arrows, slings shots, or other similar weapons, projectiles or devises anywhere on or about the Subdivision.

EF. Sight Distance at Intersection. No fence, wall, hedge, or shrub planting greater than three (3) feet in height above the roadways shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and a line connecting them at points thirty (30) feet from the intersection of the street lines, or in the case of a rounded property corner from the intersection of a street property line extended. The same sight line limitations shall apply on any Lot within ten (10) feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at least ten (10) feet above the ground, or such greater height as is necessary to prevent obstructions of such sight lines.

GG. Utility Easements. Easements for the construction, installation and maintenance of public utilities, and for drainage facilities, are reserved as shown on the recorded Plat. Within all of the foregoing easements, unless the necessary approvals are obtained from the Township and any other appropriate municipal authority, no Structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of such service facilities and utilities, including underground electrical and telephone local distribution systems, or which may change, obstruct or retard the flow or direction of water in and through drainage in the easements, nor shall any change which may obstruct or retard the flow of surface water or be detrimental to the property of others be made by the occupant in the finished grade of any Lot once established by the builder upon completion of construction of the Dwelling thereon. The easement area of each Lot and all improvements in the easement area shall be maintained (in a presentable condition continuously) by the Lot Owner, except for those improvements for which a public authority or utility company is responsible, and the Lot Owner shall be liable for damage to service facilities and utilities thereon, including damage to electric, gas, and telephone distribution lines and facilities therein. Except as may be otherwise provided herein, each Lot Owner shall maintain the surface area of easements within his Lot, to keep weeds out, to keep the area free of trash and debris, and to take such action as may be necessary to eliminate or minimize surface erosion.

HH. Public Utilities. All public utilities such as water mains, sanitary sewers, storm sewers, gas mains, electric and telephone local subdivision distribution lines, and all connections

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to same, either private or otherwise, shall be installed underground; provided, however, that the above ground transformers, pedestals, cable and/or other feeder pole lines, and other above ground electric and telephone utility equipment associated with or deemed necessary by the various utility suppliers, or the Declarant, for underground utility installations and distribution systems, and surface and offsite open drainage channels and facilities, as well as street lighting stanchions, shall be permitted. In addition, the Subdivision and each Lot therein is subject to the terms of each and every agreement between the Declarant and any utility supplier, which instruments may now be or will hereafter be recorded in the Oakland County Records, and in each case relating to the installation and maintenance of underground electric and communication service and facilities, and which instruments are, by this reference, incorporated herein. Notwithstanding the foregoing, the provisions and requirements of this paragraph II of Article VII shall not apply to utility poles and lines existing as of the date hereof.

II. Subdivision Grading Plan and Surface Water Drainage. The grade of any Lot may not be changed from the grading plan established for the Subdivision by the Declarant and approved by the Township of Oxford without the prior written consent of the Board of Directors and any governmental authority having jurisdiction.

(i) Surface Drainage Grades. It shall be the responsibility of each Lot Owner to maintain the surface drainage grades of the Lot Owner's Lot as established by the Declarant. Each Lot Owner covenants not to change the surface grade of the Lot Owner's Lot in a manner which will materially increase or decrease the storm water flowing onto or off of the Lot Owner's Lot. Each Lot Owner further covenants not to block, pond or obstruct surface water. The Board of Directors of the Association shall enforce these covenants and may enter upon any Lot in the Subdivision to correct any violation of these covenants. The Board shall charge the cost of the correction to the Lot Owner and such costs shall be a lien upon the Lot Owner's Lot.

(ii) Footing Drains. It shall be the responsibility of each Lot Owner to assure that the footing drains on the Lot Owner's Lot, if any, are clear of obstruction and are installed in accordance with the drainage system established for the Subdivision. It shall be the responsibility of each Lot Owner to maintain the footing drains within the Lot Owner's Lot. If any Lot Owner shall fail to maintain the footing drains or shall fail to have such drains properly installed as part of the storm water drainage system, the Association may enter upon such Lot Owner's Lot and perform all necessary connections, repairs and maintenance of the footing drains. The costs for such connections, repairs and maintenance shall be charged to the Lot Owner and shall be a lien upon the Lot Owner's Lot.

III. Leasing and Rental. Lot Owners, including the Declarant, may rent any number of Lots at any time for any term of occupancy of not less than six (6) months and covering not less than the entire Lot, subject to the following:

(i) Disclosure of Lease Terms to Association. A Lot Owner, including the Declarant, desiring to rent or lease a Lot shall disclose that fact in writing to the

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Association at least ten (10) days before presenting a lease form to a potential lessee and, at the same time, shall supply the Association with a copy of the exact lease form for its review for compliance with the Declaration.

(ii) Compliance with Declaration. Tenants and non-owner occupants shall comply with all of the conditions of the Declaration and all leases and rental agreements shall so state.

(iii) Procedures in the Event of Noncompliance with Declaration. If the Association determines that the tenant or non-owner occupant has failed to comply with the conditions of the Declaration, the Association shall take the following actions:

(a) The Association shall notify the Lot Owner by certified mail advising of the alleged violation by the Tenant.

(b) The Lot Owner shall have thirty (30) days (or such additional time as may be granted by the Association if the Lot Owner is diligently proceeding to cure) after receipt of such notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.

(c) If after 30 days the Association believes that the alleged breach is not cured or may be repeated, it may institute an action for eviction against the tenant or non-owner occupant and, in the same action sue the Lot Owner and tenant or non-owner occupant for money damages for breach of the conditions of the Declaration. The relief provided for in this subparagraph may be by summary proceeding. The Association may hold both the tenant and the Lot Owner liable for any damages to the Areas of Responsibility caused by the Lot Owner or tenant in connection with the Lot or Subdivision. If the Association is under the control of the Declarant, individual Lot Owners may pursue the judicial relief provided in this subparagraph (iii)(c) derivatively on behalf of the Association.

(iv) Notice to Lot Owner's Tenant Permitted When Lot Owner is in Arrears to the Association for Assessments. When a Lot Owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying the Residence within the Lot Owner's Lot under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from rental payments due the Lot Owner the arrearage and further assessments as they fall due and pay them to the Association. The deductions shall not constitute a breach of the rental agreement or lease by the tenant. If the tenant, after being notified, fails or refuses to remit rent otherwise due the Lot Owner to the Association, then the Association may take the following actions:

(a) The Association may issue a statutory notice to quit for non-payment of rent to the tenant and shall have the right to enforce that notice by summary proceeding.

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(b) The Association may initiate proceedings for eviction and money damages as described in subparagraph (iii)(c) above following the tenant's failure to remit rent otherwise due within fifteen (15) days after issuance of notice by the Association to the tenant by certified mail.

The leasing provisions contained in this Paragraph JJ may not be revised without the Declarant's prior written consent prior to the earlier to occur of (a) such time as title to not less than one hundred percent (100%) of the Lots in the Subdivision and the lots in any other subdivision combined with or annexed to the Subdivision pursuant to Article II have been conveyed by Declarant's delivery of deeds thereto; and (b) such time as Declarant shall execute and deliver to the Association a written instrument executed by Declarant specifically relinquishing Declarant's exclusive voting rights pursuant to Article III, paragraph B of this Declaration.

KK. Declarant's Rights in Furtherance of Development and Sales. None of the restrictions contained in this Article VII shall apply to the commercial activities or signs or billboards of the Declarant with respect to unsold Lots owned by Declarant. Anything herein contained to the contrary notwithstanding, the Declarant, its successors and assigns, its or their agents, employees and sales representatives may use and occupy any Lot or Dwelling built in the Subdivision as a sales office for the handling of sales of Lots and/or Dwellings in said Subdivision or other lands in the Overall Development owned by the Declarant, until all of the Lots and/or Dwellings to be built on said lands shall have been conveyed, and further, may construct fences otherwise in violation of paragraph DD of Article VII, above in front of, or along side of, model or display houses during such sales period; provided, however, that at such time as such model or display house is sold, any such fence or portion thereof otherwise in violation of paragraph DD of Article VII, above shall be removed by the builder of such model or display house. Declarant further reserves the right, until Declarant has conveyed legal and equitable title to one hundred percent (100%) of the total Lots in the Subdivision and the lots in any other actual or proposed subdivisions which might at any time hereafter be subjected to this Declaration pursuant to Article II, to install signage promoting Declarant's unsold Lots and homes.

LL. Enforcement of Declaration. The Subdivision shall at all times be maintained in a manner consistent with the highest standards of a beautiful, serene, private residential community for the benefit of the Lot Owners and all persons having an interest in the Subdivision. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace or landscape in a manner consistent with the maintenance of such high standards, then the Declarant, or any entity to which it may assign this right, at its option, may elect to maintain, repair and or replace any Area of Responsibility and/or do any landscaping required by the Declaration and charge the cost hereof to the Association as an expense of administration. The Declarant shall have the right to enforce this Declaration, which right of enforcement shall include without limitation an action to restrain the Association or any Lot Owner from any activity prohibited by this Declaration.

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ARTICLE VIIIARCHITECTURAL CONTROL COMMITTEE

Except as otherwise expressly provided herein, the Architectural Control Committee shall have exclusive jurisdiction over the rights of approval and enforcement set forth in this Declaration. The Declarant shall have the exclusive right to appoint and remove all Members of the Architectural Control Committee in its sole discretion until such time as certificates of occupancy have been issued for Dwellings on one hundred percent (100%) of the Lots in the Subdivision and the lots in any other actual or proposed subdivisions which might hereafter be subjected to this Declaration pursuant to Article II. There shall be no earlier surrender of this right except in a written instrument in recordable form executed by Declarant and specifically assigning to the Association the power to appoint and remove the Members of the Architectural Control Committee. From and after the date of such assignment or later expiration of Declarant's exclusive power of appointment and removal, the Architectural Control Committee shall be appointed by the Board of Directors of the Association, and Declarant shall have no further responsibilities with respect to any matters of approval or enforcement set forth herein. The Architectural Control Committee shall consist of at least one but no more than three persons. Neither Declarant nor any Member of the Architectural Control Committee shall be compensated from assessments collected from the Members of the Association for the time expended in architectural control activities.

ARTICLE IXEXCULPATION FROM LIABILITY

In no event shall any party have the right to impose liability on the Declarant or the Association, or otherwise contest judicially any decision of the Declarant or the Association (or alleged failure of the Declarant or the Association to make a decision), relative to the approval or disapproval of a Structure, or any aspect or other matter as to which Declarant reserves the right to approve or waive under this Declaration. The approval of the Declarant of a Structure or other matter shall not be construed as a representation or warranty that the Structure or matter 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 nonconformities, or to advise the Lot Owner or any other person of the same (even if known), is hereby disclaimed.

ARTICLE XGENERAL PROVISIONS

A. Duration. This Declaration and the terms and provisions hereof shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Lot Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and

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assigns, the Association and the Declarant for a term of thirty (30) years from the date this Declaration is recorded, after which time this Declaration shall be automatically extended for successive periods of ten (10) years unless, subject to paragraph B of Article X below, an instrument signed and agreed to by the then Lot Owners of two-thirds (2/3) of the Lots has been recorded, changing this Declaration in whole or in part; provided, however, that no such agreement and instrument of change shall be effective unless made and recorded at least six (6) months in advance of the effective date of such change, and unless written notice of proposed agreement and instrument of change is sent to every Lot Owner at least ninety (90) days in advance of any action taken.

B. **Amendment by Declarant.** As provided in Article III, paragraph B, Declarant has reserved the right in the exercise of its sole and absolute discretion to amend this Declaration at any time and from time to time until the earlier to occur of (a) such time as legal and equitable title to not less than one-hundred percent (100%) of the Lots in the Subdivision and the lots in any other subdivision subjected to this Declaration pursuant to Article II have been conveyed by Declarant's delivery of deeds thereto; and (b) such time as Declarant shall execute and deliver to the Association a written instrument executed by Declarant specifically relinquishing Declarant's exclusive voting rights pursuant to Article III, paragraph B of this Declaration.

C. **Notices.** Any notice required to be sent to any Lot Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of the person who appears as Lot Owner on the records of the Oakland County, Michigan Register of Deeds Office at the time of such mailing.

D. **Enforcement.** Enforcement of these covenants and restrictions shall be by a proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by this Declaration; and failure by the Association or any Lot Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

E. **Severability.** Invalidity of any one or more of the provisions of this Declaration by judgment or court order shall in no wise affect any other provisions, which shall remain in full force and effect.

F. **Headings.** Captions and caption headings contained in this Declaration are for convenience and shall not be considered for any purpose in construing this Declaration.

G. **Master Declaration.** The terms and provisions of this Declaration shall be subject and subordinate in all respects to the terms and conditions of the Master Declaration. In the event of any conflict or inconsistency in the terms of the Master Declaration and this Declaration, the terms of the Master Declaration shall govern and control.

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ARTICLE XIGOVERNMENTAL AGREEMENTS

The Subdivision and/or the Overall Development of which the Subdivision is a part may be subject to various agreements, covenants and restrictions imposed by agreements with the Michigan Department of Environmental Quality, the Charter Township of Oxford or other governmental agencies, to wit:

A. Street Light Maintenance. A street lighting system is being installed by Declarant in the public road rights of way in the Subdivision pursuant to an agreement with the Board of County Road Commissioners. The Declarant's agreement with the Board of County Road Commissioners regarding the street lighting system runs with the land and is binding on all persons acquiring an interest in the Subdivision, and requires that, after initial installation by Declarant, each Lot Owner shall pay a proportionate share of the cost of maintaining, repairing and replacing the street lighting system. All persons acquiring any interest in the Subdivision, including without limitation, all Lot Owners and mortgagees, shall be deemed irrevocably to have appointed Declarant and its successors as agent and attorney in fact to act in behalf of all Owners and their mortgagees in any statutory or special assessment proceedings with respect to the street lighting system serving the Subdivision.

B. Open Space Maintenance Agreement. Pursuant to Township ordinances, Declarant has entered into the Open Space Maintenance Agreement which designates certain areas of the Subdivision as "open space areas." The Open Space Maintenance Agreement provides that the open space areas shall be developed and improved as set forth in accordance with the provisions of the Township's CAD District Regulations and as in the approved plans for the Subdivision. The improvements constructed shall include a system of paved pathways to the open space areas, pedestrian amenities, as required under the ordinance, including but not limited to benches, gazebos, picnic tables, playgrounds and/or tot-lots, all as shown on the approved landscape plans for the Subdivision. The Open Space Maintenance Agreement further provides that the Association shall be responsible for the maintenance of the open space areas and reserves the right of the Township to assess the Lot Owners, as provided for under Article V herein, for the expense of maintenance in the event the Association fails to do so.

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EXHIBIT LIST:

A. Subdivision Legal Description

[Signatures Contained on the Following Page]

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IN WITNESS WHEREOF, the undersigned Declarant has executed and delivered this Declaration as of the day and year first above written.

SELECTIVE-DELAWARE, L.L.C.
a Delaware limited liability company

By: **CENTEX HOMES**, a Nevada general
partnership, its sole Member

By: **CENTEX REAL ESTATE
CORPORATION**, a Nevada
corporation, its Managing Partner

By: J T / F
William T. Stapleton,
Division President

STATE OF MICHIGAN)

COUNTY OF Oakland) SS

The foregoing instrument was acknowledged before me this 9th day of February, 2003 by William T. Stapleton, Division President of Centex Real Estate Corporation, a Nevada corporation, the Managing Partner of Centex Homes, a Nevada general partnership, the sole Member of Selective - Delaware, L.L.C., a Delaware limited liability company, on behalf of the company.

D. Maceachern
Oakland County,
My commission expires: 11-22-05

Drafted by and when recorded return to:
Amanda L. Allen, Esq.
Clark Hill PLC
500 Woodward Ave., Suite 3500
Detroit, MI 48226-3435

D. MACEACHERN
Notary Public, Oakland County, MI
Commission Expires Nov. 22, 2005

LIBER 28938 PAGE 295
EXHIBIT A
LEGAL DESCRIPTION

File No.: O-521105

Policy No.: 7410622 3644

Land in the Township of Oxford, Oakland County, Michigan, described as follows:

PROPOSED GOLF HIGHLANDS SUBDIVISION NO. 1:

Part of the Southwest $\frac{1}{4}$ of Section 16 and the Northwest $\frac{1}{4}$ of Section 21, Town 5 North, Range 10 East, Oxford Township, Oakland County, Michigan described as:

Commencing at the Southwest corner of Section 16, town 5 North, Range 10 East, Oxford Township, Oakland County, Michigan, said point also being the Northwest corner of Section 21, Town 5 North Range 10 East, Oxford Township, Oakland County, Michigan which is North 01 degrees 49 minutes 06 seconds West 3106.40 feet along the West line of said Section 21 from the West $\frac{1}{4}$ corner of said Section 21; thence North 84 degrees 30 minutes 32 seconds East 315.94 feet measured (North 84 degrees 29 minutes 40 seconds East 315.62 feet recorded) along the South line of said Section 16 to the point of beginning; thence Westerly 272.70 feet along the arc of a curve to the left, radius 1443.00 feet; central angle 10 degrees 49 minutes 42 seconds, long chord North 87 degrees 02 minutes 32 seconds West 272.31 feet along the Northerly line of Westlake of Waterstone as recorded in Liber 282 of Plats, pages 27 through 41, Oakland County Records; thence North 00 degrees 35 minutes 07 seconds West 380.69 feet along the Easterly right of way line of Dunlap Road (86 feet wide) as recorded in Liber 4247, page 150, Oakland County Records; thence North 89 degrees 24 minutes 53 seconds East 92.01 feet; thence North 69 degrees 15 minutes 52 seconds East 222.96 feet; thence Northerly 88.65 feet in the arc of a circular curve to the right, radius 461.96 feet, central angle 10 degrees 59 minutes 42 seconds, long chord North 15 degrees 14 minutes 17 seconds West 88.51 feet; thence North 54 degrees 11 minutes 37 seconds East 68.03 feet; thence North 77 degrees 50 minutes 47 seconds East 100.13 feet; thence South 44 degrees 26 minutes 17 seconds East 306.76 feet; thence South 69 degrees 09 minutes 24 seconds East 231.03 feet; thence South 62 degrees 03 minutes 33 seconds East 191.89 feet; thence South 56 degrees 40 minutes 26 seconds East 414.98 feet; thence South 69 degrees 00 minutes 37 seconds East 197.30 feet; thence South 14 degrees 35 minutes 23 seconds West 125.00 feet; thence Easterly 193.23 feet in the arc of a curve to the left, radius 1010.00 feet, central angle 10 degrees 57 minutes 42 seconds, long chord South 80 degrees 53 minutes 28 seconds East 192.94 feet; thence South 86 degrees 22 minutes 19 seconds East 65.68 feet; thence South 03 degrees 37 minutes 41 seconds West 347.00 feet along the Westerly line of Bay Village of Waterstone, Oakland County Condominium Subdivision Plan No. 1392, as recorded in Liber 24024, page 396, Oakland County Records; thence along the Northerly line of Market Street as recorded in Liber 281 of Plats, pages 1 and 2, Oakland County Records; in the following two (2) courses. North 86 degrees 22 minutes 19 seconds West 65.68 feet; Westerly 259.10 feet in the arc of a curve to the right, radius 1357.00 feet, central angle 10 degrees 56 minutes 24 seconds, long chord North 80 degrees 54 minutes 07 seconds West 258.71 feet; thence along the Northerly line of said Westlake of Waterstone, the following (3) courses. Northwesterly 480.60 feet along the arc of a circular curve to the right, radius 1357.00 feet, central angle 20 degrees 17 minutes 31 seconds long chord North 65 degrees 17 minutes 10 seconds West 478.09 feet North 55 degrees 08 minutes 24 seconds West 144.13 feet Northwesterly 667.11 feet along the arc of a circular curve to the left, radius 1443.00 feet, central angle 26 degrees 29 minutes 17 seconds, long chord North 68 degrees 23 minutes 03 seconds West 661.18 feet to the point of beginning.

PT. 04-16 300-002

GOLF HIGHLANDS OF WATERSTONE RULE AND REGULATION

VIOLATIONS OF ARTICLE VII, G OF THE DECLARATION

Pursuant to the authority granted to the Board of Directors under Article VII, G of the Declaration of Covenants, Conditions And Restrictions, the Board of Directors adopts the following Rule and Regulation imposing fines for violations of Article VII, G.

The process for notification of violations and the fining of these violations is as follows:

NOTICE-Notice of the violation must be delivered personally to the Homeowners or mailed via First Class and/or Certified Mail. The notice shall contain the provision violated, together with a factual description of the alleged offense.

NOTICES SENT WITHIN A 6 MONTH PERIOD FOR THE SAME OFFENSE WILL CONSTITUTE A SECOND, THIRD OR FOURTH NOTICE OF THE PREVIOUS FIRST NOTICE REGARDLESS OF THE YEAR THAT THE NOTICES FALL INTO. SECOND, THIRD AND FOURTH NOTICES INCLUDE VIOLATION CHARGES.

VIOLATIONS THAT CONTINUE OR OCCUR DURING SUCCESSIVE WEEKS SHALL BE DEEMED ONGOING VIOLATIONS FOR WHICH A FINE MAY BE IMPOSED FOR EACH WEEK IN WHICH A VIOLATION OCCURS.

OPPORTUNITY TO DEFEND-The offending Homeowner shall have an opportunity to appear before the Board or submit a written response to the Notice of Violation and offer evidence in defense of the alleged violation. The appearance before the Board shall be at its next scheduled meeting, or at a special meeting called for such purpose, but in no event shall the Homeowner be required to appear less than 10 days from the date of the notice.

DEFAULT-Failure to respond to the Notice of Violation shall constitute a default.

HEARING AND DECISION-Upon appearance by the Homeowner before the Board and presentation of evidence of defense, or in the event of the Homeowner's default, the Board shall, by majority vote of a quorum of the Board, decide whether a violation has occurred. The Board's decision is final.

AMOUNTS-After default of the Homeowner, or upon above procedure, the following fines shall be levied:

FIRST VIOLATION NOTICE-No fine shall be levied.

SECOND VIOLATION NOTICE - Twenty-Five (\$25.00) Dollar Fine.

THIRD VIOLATION NOTICE - Fifty (\$50.00) Dollar Fine.

FOURTH VIOLATION --One Hundred (\$100.00) Dollar Fine.

FIFTH VIOLATION AND SUBSEQUENT VIOLATIONS – Two Hundred Fifty (\$250.00) Dollar Fine.

COLLECTION-The fines levied shall be assessed against the Homeowner and shall be due and payable together within 30 days after the Board's decision. Fines may be collected in accordance with Article X, D of the Declaration.