

WINDING CREEK HOMEOWNERS ASSOCIATION

BYLAWS

ARTICLE I ADOPTION OF OTHER
DOCUMENTS

SECTION 1. DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS. The Declaration of Covenants, Conditions and Restrictions recorded in Liber 11672, Pages 170 through 198, inclusive, Macomb County Records, State of Michigan, and as may be amended from time to time as therein provided together referred to hereinafter as the "Declarations", are hereby incorporated by reference and adopted in their entirety as part of the Bylaws of Winding Creek Homeowners Association (hereinafter referred to as the "Association").

SECTION 2. ARTICLES OF INCORPORATION. The Articles of Incorporation of this Association filed with the Michigan Department of Consumer and Industry Services on October 29, 2001, are hereby incorporated by reference and adopted in their entirety as part of the Bylaws of this Association.

SECTION 3. DEFINITION OF TERMS. Capitalized terms used in these Bylaws and not otherwise defined herein, shall have the meanings ascribed to such terms in the Declarations.

SECTION 4. CONFLICT OF TERMS AND PROVISIONS. In the event there exists any conflict among the terms and provisions contained within the Declarations, the Articles of Incorporation or these Bylaws, the terms and provisions of the following documents, in their stated order of priority, shall control: (i) the Declarations; (ii) the Articles of Incorporation of this Association; and (iii) the Bylaws of this Association.

ARTICLE II
REGISTERED OFFICE

SECTION 1. REGISTERED OFFICE. The registered office of the Association shall be located at 26622 S. Woodward Avenue, Suite 110, in the City of Royal Oak, County of Oakland, State of Michigan 48067, or at such other registered office as the Board of Directors of the Association may determine from time to time.

ARTICLE III
MEMBERS

SECTION 1. MEMBERSHIP. There shall be two classes of members: Class A Member and Class B Members (collectively referred to as the "Members").

(a) Class A Members. Every Owner of a Lot of record other than Developer shall be a Class A Member of the Association.

(b) Class B Members. Developer shall be the Class B Member. Class B Membership shall terminate as to any Lots owned by Developer at any time such Lot is sold and conveyed to an owner other than Developer.

(c) Membership Rights and Obligations. All membership rights and obligations shall be appurtenant to and may not be separated from ownership of any Lot. Where the Owner of a Lot is more than one (1) person or entity, said multiple owners shall be collectively one (1) Member, even though all of said co-owners shall be jointly and severally liable for the assessments levied against the Lot collectively owned by said co-owners, pursuant to Article 5 of the Declarations.

SECTION 2. PLACE OF MEETING. Meetings of the Members of the Association shall be held at a suitable place convenient to the Members as maybe designated by the Board of Directors. Meetings of the Members of the Association shall be conducted in accordance with generally accepted rules of parliamentary procedure, when not otherwise in conflict with the Articles of Incorporation, these Bylaws or the laws of the State of Michigan.

SECTIONS. ANNUAL MEETING OF MEMBERS. The annual meeting of the Members, commencing with the year following the year in which the Class A Members of the Association elect the Directors of the Association in replacement of Developer, shall be held within thirty (30) days prior to one hundred twenty (120) days following the year end of the Association, on a day not a legal holiday, at 7:00 o'clock p.m., local Detroit time, or at such other time as shall be determined from time to time by the Board of Directors of the Association, unless the action to be taken at the annual meeting is taken by written consent, as provided in Section 8 below. At said meeting, the Members shall elect Directors and shall transact such other business as may be properly brought before the meeting. If the annual meeting is not held on the date designated therefor, the Board of Directors shall cause the meeting to be held as soon thereafter as convenient.

SECTION 4. NOTICE OF MEETING OF MEMBERS. Except as otherwise provided in the Nonprofit Corporation Act, Act 162 of the Public Acts of 1982, (hereinafter referred to as the "Act"), written notice of the time, place and purposes of a meeting of Members shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting, to each Member of record entitled to vote at the meeting. When a meeting is adjourned to another time or place, it is not necessary to give notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken and at the adjourned meeting only such business is transacted as might have been transacted at the original meeting. However, if after the adjournment, the Board of Directors fixes a new record date for the adjourned meeting, a notice of adjourned meeting shall be given to each Member. If a Member attends a meeting of the Members, that Member waives any objection to (a) lack of notice or defective notice of the meeting, unless the Member at the beginning of the meeting objects to the holding of the meeting or transacting business at the

meeting; and (b) consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the Member objects to considering the matter when presented.

SECTIONS. SPECIAL MEETING OF MEMBERS. The Board of Directors of the Association, or the Members representing a majority of the total number of outstanding votes of all Class A and Class B Members of the Association may call a special meeting of the Members of the Association. The method by which such meeting may be called is as follows: Upon receipt of a specification in writing setting forth the date and objects of such proposed special meeting, signed by the Board of Directors, or by a majority of the Class A and Class B Members of the Association, the Secretary of the Association shall prepare, sign and mail the notice requisite to such meeting.

SECTION 6. QUORUM OF MEMBERS.

(a) With respect to the meeting of Members held for the purpose of electing the Directors of the Association in replacement of Developer, the quorum for holding such meeting shall be the Members present in person or in proxy, and there shall be no requirement that a minimum number of Members be present.

(b) The presence, in person or by proxy, of Members representing sixty (60%) percent of the total number of outstanding votes of all Class A and Class B Members shall constitute a quorum for holding all other meetings of Members. The Members present in person or by proxy at such meeting may continue to do business until adjournment, regardless of whether or not there are enough Members present to constitute a quorum. Whether or not a quorum is present, the meeting may be adjourned by a vote of the Members present.

SECTION?. VOTE OF MEMBERS. Members of the Association shall have the following voting rights:

(a) CLASS A MEMBERS. Each Class A Member is entitled to one (1) vote on each matter submitted to a vote for each Lot owned by such Member, unless otherwise provided in the Articles of Incorporation. When more than one (1) person or entity holds an interest in any Lot or other portion of the Property (multiple ownership), all such persons shall constitute one (1) Class A Member, but in no event shall there be more than one (1) vote cast with respect to any such Lot. When more than one (1) person or entity holds an interest in such Lot, the vote for the Lot shall be exercised as the multiple Owners may, among themselves, agree, and they shall notify the Association in writing of the person entitled to exercise such vote. In the event any multiple Owners fail to provide such notice to the Association within thirty (30) days prior to the date set for a meeting, the Owner whose name first appears on record title shall be deemed to be the Member authorized to vote on behalf of all the multiple Owners and any vote cast in person or by proxy by said Owner, or the failure of said Owner to vote, shall be binding upon all such multiple Owners.

(b) CLASS B MEMBER. The Class B Member shall be entitled to three (3) votes for each Lot owned by Developer as shown on the final preliminary for the Subdivision. Class B membership shall terminate as to any Lots owned by Developer at the time such Lot is sold and conveyed to an Owner other than Developer, which Owner shall thereafter be a Class A Member.

(c) VOTING GENERALLY. A Member may cast a vote orally or in writing. When an action is to be taken by vote of the Members, the action shall be authorized by a majority of the votes cast, unless the Articles of Incorporation or the Act require a greater plurality. Any Member may authorize any individual to attend any meeting on his or her behalf and give such individual a written proxy to vote on any matter submitted to a vote.

(d) SEPARATE VOTE FOR MEMBERS OF THE ARCHITECTURAL CONTROL COMMITTEE. Notwithstanding anything herein to the contrary, there shall be a separate vote for each position to be filled for each of the members of the Architectural Control Committee.

SECTION 8. CONSENT OF MEMBERS IN LIEU OF MEETING. Any action required or permitted by the Act to be taken at an annual or special meeting of Members maybe taken without a meeting, without prior notice and without a vote, if all of the Members entitled to vote thereon consent thereto in writing. Any action required or permitted by the Act to be taken at any other meeting of Members may be taken without a meeting, without prior notice and without a vote, if consents in writing, setting forth the action so taken, are signed by the Members having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all Members entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to Members who have not consented in writing.

SECTION 9. EVIDENCE OF OWNERSHIP. No Owner may vote at any meeting of the Association until he or she has presented evidence of ownership to the Association.

SECTION 10. SPECIAL MEETING FOR PURPOSE OF ESTABLISHING SPECIAL ASSESSMENTS: QUORUM REQUIREMENTS. In accordance with Article 5 of the Declarations, special assessments shall not be levied unless first approved by sixty (60%) percent of the total combined Class A and Class B votes, cast in person or by proxy at a meeting of the Association Members duly called for such a purpose. Written notice of such meeting shall be sent by the Board of Directors to all Members at least thirty (30) days in advance of the meeting, which notice shall set forth the purpose of the meeting.

The quorum required for the first meeting called for the purpose of voting on a special assessment shall be at least ninety (90%) percent of all of the then authorized votes present, by person or by proxy. If the required quorum is not present at the first meeting called for the purpose of considering the special assessment, another meeting may be called for said

purpose, which notice thereof to be given as provided for in this Section 10, and the required quorum at any such subsequent meeting shall be reduced to sixty (60%) percent of all of the then authorized votes present, provided that such second meeting is held within sixty (60) days from the date of the first meeting.

ARTICLE IV COMMITTEES

SECTION 1. ARCHITECTURAL CONTROL COMMITTEE. The Declarations specify the power granted or delegated to the Architectural Control Committee. The Architectural Control Committee shall consist of no less than three (3) Members and no more than five (5) Members to be appointed by Developer. The members of the Board of Directors may also serve as the Architectural Control Committee. Developer shall appoint and remove members of the Architectural Control Committee at its sole discretion until such time as Developer transfers to the Association its right to appoint and remove members of the Architectural Control Committee. Each member shall be a Class A Member of the Association or a person designated by the Class B Member and shall serve a term of one year and until his or her successor has been elected and has accepted such election. In the event that a Class A Member shall die, resign from the Committee, or no longer be a Member of the Association, the Board of Directors shall fill the vacancy so created by majority vote. The Class B Member may terminate the appointment of any person designated by the Class B Member and may fill the vacancy so created by appointment. Members of the Committee shall serve without compensation. The Architectural Control Committee may adopt rules for the performance of its duties and the conduct of its meetings and may appoint one or more persons to act for it between meetings.

SECTION 2. FORMATION OF OTHER COMMITTEES. The Board of Directors of the Association may designate one (1) or more committees, in addition to the Architectural Control Committee, each committee to consist of one (1) or more individuals who are Directors of the Association. The Board of Directors of the Association may designate one (1) or more individuals as alternate members of any committee, who may replace an absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the members thereof present at any meeting and not disqualified from voting, whether or not they constitute a quorum, may unanimously appoint another Director of the Association to act at the meeting in the place of any such absent or disqualified individual. Any such committee shall exercise all the powers and authority of the Board of Directors of the Association in reference to the matter and in the manner set forth by the Board of Directors in the resolution creating such committee; provided, however, no such committee shall have the power or authority to (i) amend the Articles of Incorporation of the Association, (ii) recommend to the Members a dissolution of the Association, a revocation of a dissolution or a cessation of the Association, (iii) amend the Bylaws of the Association or (iv) fill vacancies in the Board of Directors. Any such committee, and each individual thereof, shall serve at the pleasure of the Board of Directors of the Association.

SECTION 3. REGULAR MEETINGS OF THE COMMITTEE. Regular meetings of any committee may be held without notice at such times and places as shall be determined from time to time by the members of said committee.

ARTICLE V
DIRECTORS

SECTION 1. BOARD OF DIRECTORS. The right to manage the affairs of the Association shall be exclusively vested in the Association's Board of Directors. The Developer shall have the sole authority to appoint the members of the Board of Directors until one hundred (100%) percent of the Lots within the Subdivision have been sold and conveyed by Developer, or until Developer relinquishes such right by written notice to the Association, whichever occurs first. At such time as Developer ceases to have the right to appoint the Board of Directors, the members of the Board of Directors shall be appointed at the annual meeting of the Members by majority vote of all Class A and Class B Members.

SECTION 2. NUMBER AND TERM OF DIRECTORS. Developer shall be the sole Director until such time as fee simple interest in one hundred (100%) percent of the Lots within the Subdivision have been sold and conveyed by Developer, or until such earlier time as Developer may elect, in its discretion. Thereafter, the *Board of Directors shall consist of at least five (5) Members*. At such time as Developer ceases to be the sole Director of the Association, the Members shall elect three (3) Directors to serve special terms of one (1) year each, and any additional Directors shall serve terms of two (2) years each. Thereafter, a Director shall hold office for two (2) years and until his or her successor is elected and qualified, or until his or her resignation or removal. All Directors must be Members or officers, partners, trustees or employees of Members that are entities.

SECTION 3. REMOVAL OF DIRECTORS. Each Director (other than Developer) shall serve on the Board of Directors until:

- (a) the expiration of such Director's term;
- (b) such Director tenders his or her resignation;
- (c) such Director is removed by the Members whose aggregate vote constitutes at least sixty-five (65%) percent of the total outstanding votes of all Members;
- (d) the death or mental incompetence of a Director; or
- (e) said Director (or his/her principal, if the Director is an agent of any Member) no longer holds an interest in any Lot.

Upon the occurrence of such resignation, removal, death, incompetence and/or withdrawal of a Director, a new Director shall be elected by the affirmative vote of the Members whose votes constitute a majority of all outstanding votes.

SECTION 4. POWERS AND DUTIES. The Board of Directors shall have all powers and duties necessary to administer the affairs of the Association in accordance with the Declarations, the Articles of Incorporation and these Bylaws.

SECTIONS. PLACE OF MEETINGS. All meetings of the Board of Directors shall be held at the registered office of the Association, or at such other place within the County of Oakland, State of Michigan, as may be determined from time to time by the Board of Directors.

SECTION 6. REGULAR MEETINGS OF THE BOARD OF DIRECTORS. Regular meetings of the Board of Directors may be held without notice at such times and places as shall be determined from time to time by the Board of Directors.

SECTION 7. SPECIAL MEETINGS OF THE BOARD OF DIRECTORS. Special meetings of the Board of Directors may be called at any time by a majority of the persons then comprising the Board of Directors by providing notice of the time and place thereof to each Director not less than ten (10) days before the date such special meeting is to be held.

SECTION 8. QUORUM AND REQUIRED VOTE OF BOARD OF DIRECTORS. At all meetings of the Board of Directors, a majority of the members of the Board of Directors then in office shall constitute a quorum. The vote of the majority of Directors present at a meeting at which a quorum is present constitutes the action of the Board of Directors, unless a vote of a larger number is required by the Act, the Articles of Incorporation, the Declarations, or these Bylaws. If a quorum shall not be present at any meeting of the Board of Directors, the Directors present at such meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

SECTION 9. CONSENT OF DIRECTORS IN LIEU OF MEETING. Action required or permitted to be taken pursuant to authorization voted at a meeting of the Board of Directors then in office may be taken without a meeting if, before or after the action, all members of the Board of Directors then in office consent thereto in writing. The written consents shall be filed with the minutes of the proceedings of the Board of Directors. The consent has the same effect as a vote of the Board of Directors for all purposes.

SECTION 10. PARTICIPATION IN MEETING BY TELEPHONE. A Director may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in a meeting pursuant to this Section 10 constitutes presence in person at the meeting.

SECTION 11. WAIVER OF NOTICE. If a Director attends or participates in a meeting, the Director waives notice of the meeting, unless the Director at the beginning of the meeting, or upon his arrival, objects to the meeting or the transaction of business at the meeting and does not thereafter vote for or assent to any action taken at the meeting.

ARTICLE VI NOTICES

SECTION 1. NOTICE. Any notice or communication to any Director or Member which is required under any provision of the Act, the Declarations, the Articles of Incorporation or these Bylaws, must be given in writing, either by mail or land/air express courier service, addressed to such Director or Member, at the address designated by him or her for that purpose or, if none is designated, at his or her last known address. The notice or communication is given when deposited, with postage prepaid, in a post office or official depository under the exclusive care and custody of the United States postal service or in an appropriate depository for such land/air express courier service. The mailing shall be by first class mail, except where otherwise provided in the Act. Notice may also be given orally in person or by telephone, telex, radiogram or cablegram, and such notice shall be deemed to be given when the recipient receives the notice personally, by telephone or when the notice, addressed as provided above, has been delivered to the company, or to the equipment transmitting such notice. The notice of meeting need not identify the business to be transacted at, nor the purpose of, a regular or special meeting of the Members except as provided by the Act, the Declarations, the Articles of Incorporation or these Bylaws.

SECTION 2. WAIVER OF NOTICE. When, under the Act or the Articles of Incorporation or these Bylaws, the Members of the Association or the Board of Directors may take action after notice to any person or after lapse of a prescribed period of time, the action may be taken without notice and without lapse of the applicable period of time, if at any time before or after the action is completed the person entitled to notice or to participate in the action to be taken or, in case of a Member, by his or her attorney-in-fact, submits a signed waiver of such requirements. The waiver of notice of the meeting need not identify the business to be transacted at, nor the purpose of, a regular or special meeting of the Board of Directors or Members, except as provided by the Act, the Declarations, the Articles of Incorporation or these Bylaws. Attendance of a person at a meeting constitutes a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE VII OFFICERS

SECTION 1. SELECTION. The Board of Directors, at a meeting called for such purpose, shall appoint a President, Secretary and a Treasurer. The Board of Directors may also elect or appoint one (1) or more Vice Presidents and such other officers, employees and/or

agents as they shall deem necessary, which officers, employees and agents shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors. Two (2) or more offices may be held by the same person, who may also be a Director.

SECTION 2. TERM, REMOVAL AND VACANCIES. Each officer of the Association shall hold office for the term for which he or she is appointed and until his or her successor is appointed, or until his or her resignation or removal. The Board of Directors may remove any officer appointed by the Board of Directors with or without cause at any time. Any officer may resign by written notice to the Board of Directors. The Board of Directors may fill any vacancy occurring in any office.

SECTIONS. PRESIDENT. The President shall be the Chief Executive Officer of the Association and must also be a Director. The President shall preside over all meetings of the Board of Directors and of the Members of the Association. The President shall, in general, perform all duties incident to the office of President as may be prescribed by the Board of Directors.

SECTION 4. VICE PRESIDENTS. The Board of Directors may appoint one (1) or more Vice Presidents. A Vice President shall perform the duties and exercise the powers of the President during the absence or disability of the President. The Vice President shall perform such other duties as may be prescribed by the Board of Directors.

SECTION 5. SECRETARY. The Secretary shall attend all meetings of the Members and Board of Directors, and shall preserve in the books of the Association true minutes of the proceedings of all such meetings. The Secretary shall have charge of the Association's seal and shall have authority to affix the same to all instruments where its use is required or permitted. The Secretary shall give all notices required by the Act, these Bylaws or resolution and shall perform such other duties as may be prescribed by the Board of Directors.

SECTION 6. TREASURER. The Treasurer shall have custody of all Association funds and securities and shall keep in the Association's books full and accurate accounts of all receipts and disbursements. The Treasurer shall deposit all monies, securities and other valuable effects in the name of the Association in such depositories as may be designated for that purpose by the Board of Directors. The Treasurer shall disburse the funds of the Association as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors, whenever requested, an account of all transactions and of the financial condition of the Association. The Treasurer shall also perform such other duties as may be prescribed by the Board of Directors.

ARTICLE VIII INDEMNIFICATION

SECTION 1. NON-DERIVATIVE ACTIONS. Subject to all of the other provisions of this Article VIII, the Association shall indemnify any person who was or is a party

defendant (including counter defendants, third party defendants and cross defendants), or is threatened to be made a party defendant (including counter defendants, third party defendants and cross defendants), to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, formal or informal (other than an action by or in the right of the Association), by reason of the fact that the person is or was a Director or officer of the Association, or, while serving as a Director or officer of the Association, is or was serving at the request of the Association as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not, against expenses (including actual and reasonable attorney fees), judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with defending such action, suit, or proceeding, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Association or its Members, and with respect to any criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner that the person reasonably believed to be in or not opposed to the best interests of the Association or its Members, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

SECTION 2. DERIVATIVE ACTIONS. Subject to all of the other provisions of this Article VIII, the Association shall indemnify any person who was or is a party defendant (including counter defendants, third party defendants and cross defendants), to or is threatened to be made a party defendant (including counter defendants, third party defendants and cross defendants), to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that the person is or was a Director or officer of the Association, or, while serving as a Director or officer of the Association, is or was serving at the request of the Association as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not, against expenses (including actual and reasonable attorney fees) and amounts paid in settlement actually and reasonably incurred by the person in connection with defending the action or suit, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Association or its Members. However, indemnification shall not be made for any claim, issue, or matter in which the person has been found liable to the Association unless and only to the extent that the court in which the action or suit was brought has determined on application that, despite the adjudication of liability but in view of all the circumstances of the case (and regardless of whether such officer or director has met the standards of conduct described above, i.e. "good faith," "best interests of the Association" or "no reasonable cause to believe his or her conduct was unlawful"), the person is fairly and reasonably entitled to indemnification for the reasonable expenses incurred.

SECTIONS. EXPENSES OF SUCCESSFUL DEFENSE. Without limiting the foregoing indemnities in any way, to the extent that a person has been successful on the merits

or otherwise in defense of any action, suit, or proceeding referred to in Sections 1 and 2 of this Article VIII, or in defense of any claim, issue, or matter in the action, suit, or proceeding (and regardless of whether such officer or director has met the standards of conduct described above, i.e. "good faith," "best interests of the Association" or "no reasonable cause to believe his conduct was unlawful"), the person shall be indemnified against actual and reasonable expenses (including attorney fees) incurred by the person in connection with the action, suit, or proceeding and an action, suit, or proceeding brought to enforce the mandatory indemnification provided in this Section 3.

SECTION 4. DEFINITION. For the purposes of Sections 1 and 2, "other enterprises" shall include employee benefit plans; "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and "serving at the request of the Association" shall include any service as a Director, officer, employee, or agent of the Association that imposes duties on, or involves services by, the Director or officer with respect to an employee benefit plan, its participants, or its beneficiaries; and a person who acted in good faith and in a manner the person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be considered to have acted in a manner "not opposed to the best interests of the Association or its Members" as referred to in Sections 1 and 2.

SECTION 5. CONTRACT RIGHT; LIMITATION ON INDEMNITY. The right to indemnification conferred in this Article VIII shall be a contract right, and shall apply to services of a Director or officer as an employee or agent of the Association as well as in the person's capacity as a Director or officer. Except as provided in Section 3 of this Article VII, the Association shall have no obligations under this Article VII to indemnify any person in connection with any proceeding, or part thereof, initiated by the person without authorization by the Board of Directors.

SECTION 6. DETERMINATION THAT INDEMNIFICATION IS PROPER. An indemnification under Sections 1 or 2 of this Article VII (unless ordered by a court) shall be made by the Association only as authorized in the specific case (a) when it is determined that indemnification of the person is proper in the circumstances because the person has met the applicable standard of conduct set forth in Sections 1 or 2, whichever is applicable, and (b) upon an evaluation of the reasonableness of expenses and amounts paid in settlement. The determination and evaluation shall be made in any of the following ways:

- (i) By a majority vote of a quorum of the Board of Directors consisting of Directors who are not parties or threatened to be made parties to the action, suit, or proceeding.
- (ii) If the quorum described in (i) above is not obtainable, then by majority vote of a committee consisting solely of two (2) or more Directors, duly designated by the Board of Directors, who are not at the time parties or threatened to be made parties to the action, suit, or proceeding.

(iii) By independent legal counsel in a written opinion, which counsel shall be selected in one of the following ways: (A) by the Board of Directors or its committee in the manner prescribed in (i) or (ii) above; or (B) if a quorum of the Board of Directors cannot be obtained under (i) above and a committee cannot be designated under (ii) above, by the Board of Directors.

(iv) By a majority of the Members.

SECTION 7. PROPORTIONATE INDEMNITY. If a person is entitled to indemnification under Sections 1 or 2 of this Article VIII for a portion of expenses, including attorney fees, judgments, penalties, fines, and amounts paid in settlement; but not for the total amount, the Association shall indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.

SECTIONS. EXPENSE ADVANCE. The Association may pay or reimburse the reasonable expenses incurred by a person referred to in Sections 1 and 2 of this Article VII who is a party or threatened to be made a party to an action, suit, or proceeding in advance of final disposition of the proceeding if all of the following apply: (a) the person furnishes the Association a written affirmation of his or her good faith belief that he or she has met the applicable standard of conduct set forth in Sections 1 or 2; (b) the person furnishes the Association a written undertaking, executed personally or on his or her behalf, to repay the advance if it is ultimately determined that he or she did not meet the standard of conduct; and (c) a determination is made that the facts then known to those making the determination would not preclude indemnification under Sections 1 or 2. The Association shall authorize any payment in the manner specified in Section 6. The undertaking shall be an unlimited general obligation of the person on whose behalf advances are made, but it need not be secured.

SECTION 9. NON-EXCLUSIVITY OF RIGHTS. The indemnification or advancement of expenses provided under this Article VIII is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement with the Association. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.

SECTION 10. INDEMNIFICATION OF EMPLOYEES AND AGENTS OF THE ASSOCIATION. The Association may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Association to the fullest extent of the provisions of this Article VII with respect to the indemnification and advancement of expenses of Directors and officers of the Association.

SECTION 11. FORMER DIRECTORS AND OFFICERS. The indemnification provided in this Article VIII continues for a person who has ceased to be a Director or officer with respect to acts or omissions taken by them during their tenure as a Director or officer and

after the date this Article VIII was adopted by the Association and shall inure to the benefit of the heirs, executors, and administrators of the person.

SECTION 12. INSURANCE. The Association may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee, or agent of the Association, or is or was serving at the request of the Association as a director, officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Association would have power to indemnify the person against the liability under these Bylaws or the laws of the State of Michigan.

SECTION 13. CHANGES IN MICHIGAN LAW. If there is any change in Michigan law applicable to the Association relating to the subject matter of this Article VIII, then the indemnification to which any person shall be entitled under this Article VIII shall be determined by the changed provisions, but only to the extent that the change permits the Association to provide broader indemnification rights than the provisions permitted the Association to provide before the change. Subject to Section 14, the Board of Directors may amend these Bylaws to conform to any such changed statutory provisions.

SECTION 14. AMENDMENT OR REPEAL OF THIS ARTICLE Vm. No amendment or repeal of this Article VFII shall apply to or have any effect on any Director or officer of the Association for or with respect to any acts or omissions of the Director or officer occurring before the amendment or repeal.

ARTICLE IX GENERAL PROVISIONS

SECTION 1. BANK ACCOUNTS. The funds of the Association shall be deposited in such bank or banks as may be designated by the Board of Directors. All checks, drafts and orders of the payment of money shall be signed in the name of the Association in such manner and by such person or persons as the Board of Directors shall from time to time designate for that purpose. The Association shall keep detailed books of accounts pertaining to the administration of the Association in accordance with generally accepted accounting principles. Such account shall be open for inspection by the Members upon written request and during reasonable business hours.

SECTION 2. CONTRACTS. CONVEYANCES, ETC. When the execution of any contract, conveyance or other instrument has been authorized without specification of the executing officers, the President may execute the same in the name and on behalf of the Association and may affix the Association's seal thereto. The Board of Directors shall have power to designate the officers and agents who shall have authority to execute any instrument on behalf of the Association.

SECTIONS. BOOKS AND RECORDS. The Association shall keep books and records of account and minutes of the proceedings of its Members and Board of Directors. The Association shall keep at its registered office records containing the names and addresses of all its Members. Any of such books, records or minutes may be in written form or in any other form capable of being converted into written form. The Association shall convert into written form without charge any such record not in such form, upon written request of a person entitled to inspect them.

SECTION 4. YEAR-END. The year-end of the Association shall be an annual period commencing on the date initially determined by the Board of Directors. The Association's year-end may be changed by the Board of Directors in its discretion.

ARTICLE X AMENDMENTS

SECTION 1. AMENDMENTS. These Bylaws may be altered, amended or repealed or new Bylaws may be adopted, by Developer, without the consent of any Member, at any time prior to the date on which Developer withdraws as the sole Director of the Association. The power to alter, amend or repeal these Bylaws, and to adopt new Bylaws, shall be exclusively vested in Developer until such time as Developer withdraws as the sole Director of the Association. Thereafter, these Bylaws may be adopted by the Members of the Association, at a special meeting called for such purpose at which a quorum is present or represented, by the affirmative vote of the Members whose votes constitute sixty-five (65%) percent of the total votes of all the Members entitled to vote.

Dated: _____, 2003

2109687

LIBER 11672 PAGE 170
04/26/2002 11:41:52 A.M.
MACOMB COUNTY, MI SEAL
CARMELLA SABAUGH, REGISTER OF DEEDS

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

WINDING CREEK

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (the "Declaration") is made this 4TH day of APRIL, 2002, by **PULTE LAND COMPANY, LLC**, a Michigan limited liability company, the address of which is 26622 S. Woodward Ave., Suite 110, Royal Oak, Michigan 48067 (hereinafter sometimes referred to as "Developer").

R E C I T A L S:

A. Developer is developing certain real property ("Property") located in Macomb Township, Macomb County, Michigan, which is described on attached Exhibit "A".

B. Developer desires to develop the Property as a single family residential subdivision, in phases, pursuant to one or more subdivision plats recorded by Developer ("Subdivision"). The phases are intended to be part of an overall development known as Winding Creek.

C. Developer desires to: promote the proper use and appropriate development and improvement of the Property; protect the owners of the Property against improper use of surrounding lots and/or parcels as may depreciate the value of the Property; guard against the construction of buildings with improper or unsuitable materials; promote adequate and reasonable development of the Property; encourage the construction of attractive improvements on the Property and establish appropriate locations of such improvements to secure and maintain proper setbacks from the streets and adequate free spaces between structures; promote high standards of maintenance and operation of open areas, facilities and services for the benefit and convenience of all owners of the property and all residents; and, in general, provide for a residential subdivision of the highest quality and character.

NOW, THEREFORE, Developer hereby declares that the real property described on attached Exhibit "A" is, and any parcels and/or lots into which the Property may be divided is, and shall be, held, transferred, sold, conveyed and occupied subject to the conditions, covenants, restrictions, reservations and grants hereinafter set forth, together with such other conditions, covenants, restrictions, reservations and grants which are hereafter recorded with respect to the Property; all of which conditions, covenants, restrictions, reservations and grants are for the benefit of and shall run with and bind the Property and all parties having any right, title or interest in the Property or any part thereof, or improvements thereon, as well as their heirs, successors and assigns.

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ARTICLE 1
DEFINITIONS

Section 1.1 "**Association**" shall mean Winding Creek Homeowners Association, a Michigan non-profit corporation to be formed by Developer for the purposes described herein, and its successors and assigns.

Section 1.2 "**Township**" shall mean the Township of Macomb, a Michigan municipal corporation.

Section 1.3 "**Common Areas**" shall mean those portions of the Subdivision which are for the common use and enjoyment of the Owners including those designated on the recorded plat with respect to the Subdivision or as otherwise referenced in this Declaration, together with any improvements constructed within the foregoing areas, including without limitation, the Entrance Way, Landscaping and Perimeter Improvements, Irrigation Improvements and Storm Water Drainage Facilities.

Section 1.4 "**Developer**" shall mean Pulte Land Company, LLC, a Michigan limited liability company, its successors and assigns.

Section 1.5 "**Entrance Way, Landscaping and Perimeter Improvements**" shall mean any entrance way monuments, signs, landscaping and related improvements, and any perimeter landscaping, sidewalks, or fencing installed by Developer within the Common Areas.

Section 1.6 "**Irrigation Improvements**" shall mean any irrigation systems and related facilities, including meters and back flow protectors, that may be installed by Developer in the Common Areas.

Section 1.7 "**Lot**" shall mean each unit of land designated for residential use and the construction thereon of a single family dwelling unit, as identified on the recorded plat with respect to the Subdivision.

Section 1.8 "**Member**" shall mean a member of the Winding Creek Homeowners Association.

Section 1.9 "**Owner**" shall mean the holder or holders of the record fee simple title to, and/or the land contract purchaser of, a Lot, whether one or more persons or entities. The term "Owner" shall not include any mortgagee or any other person or entity having an interest in a Lot merely as security for the performance of an obligation, unless and until such mortgagee or other person or entity shall have acquired fee simple title to such Lot by foreclosure or other proceeding or conveyance in lieu of foreclosure. If more than one person or entity owns fee simple title to a Lot, or in the event any Lot is subject to a land contract, then the interests of all such persons or entities, and the interest of the land contract seller and purchaser, collectively shall be that of one Owner.

Section 1.10 "Property" shall mean that certain real property described on Exhibit "A" attached hereto and previously made a part hereof, as the same may be amended.

Section 1.11 "Storm Water Drainage Facilities" shall mean all storm water drainage facilities located on or adjacent to the Property, into which the Property has the right to drain storm water, including but not limited to the storm water detention basins, storm sewer lines, manhole covers, and storm water drainage grates. The storm water detention basin, which is intended to service the Property is to be located entirely upon real property adjacent to the Property. The Subdivision has the right to utilize such storm water detention basin, as well as the obligation to maintain it, or contribute to the maintenance of it, pursuant to the terms and conditions of the Storm Water Drainage System Easement Agreement, a copy of which is attached hereto as Exhibit "B" ("Storm Water Agreement").

Section 1.12 "Subdivision" shall mean the single family residential subdivision known as Winding Creek pursuant to the plat recorded by Developer with respect to the Property in Liber ___, page ___, Macomb County Records.

ARTICLE 2

PROPERTY SUBJECT TO THIS DECLARATION

The Property which is subject to and which shall be held, transferred, sold, conveyed and occupied pursuant to this Declaration is more particularly described on Exhibit "A" attached hereto as the same may be amended.

ARTICLE 3

HOMEOWNERS ASSOCIATION

Section 3.1 "Creation And Purposes. Developer shall form a non-profit corporation in accordance with the Michigan Non-Profit Corporation Act, Act No. 162 of the Public Acts of 1982, which shall be known as the Winding Creek Homeowners Association or such other name as may be designated by Developer. The Association and its Members shall have those rights and obligations which are set forth in this Declaration and in the Articles of Incorporation and By-Laws of the Association. The purposes of the Association shall be to maintain the Common Areas for the common use of all residents and Owners, to arrange for the provision of services and facilities of common benefit, and, in general, to maintain and promote the desired character of the Subdivision.

Section 3.2 "Membership. Developer and every Owner shall be a Member of the Association. Every Owner shall become a Member commencing upon the date on which the Owner acquired fee simple title to a Lot or, if applicable, the date upon which the Owner acquires a land contract purchaser's interest in a Lot. All membership rights and obligations of a Member of the Association shall be appurtenant to and may not be separated from the ownership of any Lot.

Section 3.3 "Voting Rights. The Association shall have two (2) classes of voting Members, which are as follows:

A. Class A Members shall consist of all Owners other than Developer. Each Class A Member shall be entitled to one (1) vote on each matter submitted to a vote of Members for each Lot owned by the Class A Member. Where title to a Lot is held by more than one (1) person or entity, all such persons or entities shall be Members and jointly shall be entitled to only one (1) vote per Lot. If a Lot has been sold pursuant to a land contract, the purchaser under said land contract shall be entitled to the vote for said Lot. Multiple Owners (including co-purchasers under a land contract) may exercise one (1) vote per Lot as they may mutually agree, and such co-owners or co-purchasers shall notify the Association in writing of the person entitled to exercise such vote. In the event any multiple Owners fail to provide such notice to the Association within thirty (30) days prior to the date set for a meeting, the Owner whose name first appears on record title to the Lot shall be deemed to be the Member authorized to vote on behalf of all of the multiple Owners of the Lot, and any vote cast in person or by proxy by said authorized Owner, or the failure of said authorized Owner to vote, shall be binding upon all such multiple Owners.

B. Developer shall be the Class B Member. In order to assure the orderly development and maintenance of the Property and the Common Areas, the Class B Member shall be entitled to three (3) votes for each Lot owned by Developer as shown on the final preliminary plat for the Subdivision as approved by the Township Board. Class B membership shall terminate as to any Lots owned by Developer at the time any such Lot is sold and conveyed to an Owner other than Developer, which Owner shall thereafter be a Class A Member.

Section 3.4 Articles And By-Laws. The Association shall be organized, governed and operated in accordance with its Articles of Incorporation and By-Laws, which shall be consistent with the provisions and purposes of this Declaration. In the event there exists any conflict between the provisions contained within the Association's Articles of Incorporation and By-Laws and the provisions contained within this Declaration, the provisions of this Declaration shall control.

Section 3.5 Directors. The right to manage the affairs of the Association shall be exclusively vested in the Association's Board of Directors. The Developer or its designated representative shall be the sole Director of the Association until such time as one hundred (100%) percent of the Lots within the Subdivision have been sold and conveyed by Developer, or until such earlier time as Developer may elect, in its discretion. Thereafter, the Board of Directors shall be elected by the Members of the Association in accordance with the provisions of the Articles of Incorporation and By-Laws of the Association.

ARTICLE 4 COMMON AREAS

Section 4.1 Right Of Members To Use Common Areas. Each Member of the Association shall have the right and non-exclusive easement to use the Common Areas for the purposes provided herein. Such right and easement shall be appurtenant to, and shall pass with the title to, every Lot, regardless of whether any such easement is specifically referenced in the deed conveying such Lot.

Section 4.2 Common Areas. The Association shall be responsible for the maintenance and preservation of the Common Areas, subject to the ordinances, rules and regulations of governmental entities

having jurisdiction over the Common Areas, and the provisions of this Declaration, and any maintenance and/or easement agreements entered into between Developer and/or the Association and any governmental entity with respect to any portion of the Common Areas. No internal combustion engine-operated vehicle or machines of any kind, including without limitation, snowmobiles, motorcycles or all-terrain vehicles shall be allowed on or within the Common Areas, except maintenance vehicles or machinery necessary to maintain and preserve the Common Areas. The Association shall have the right to establish additional rules and regulations with respect to the Common Areas as the Board of Directors may deem necessary or desirable to insure the proper preservation and functioning of the Common Areas.

Section 4.3 Storm Water Drainage Facilities. The Association and/or the Owners, collectively, shall be responsible for the maintenance, operation, inspection and repair of the Storm Water Drainage Facilities, in accordance with the ordinances, rules and regulations of any governmental entities having jurisdiction over the Storm Water Drainage Facilities, and any maintenance agreement entered into between Developer and any governmental entity with respect to the maintenance, upkeep and repair of the Storm Water Drainage Facilities. The storm water detention/retention basins located within the Subdivision shall only be used for storm water and open space purposes. No improvements or structures shall be installed within those basins, other than those necessary for the proper functioning of the Storm Water Drainage Facilities. The Association shall have the right to establish additional rules and regulations with respect to the preservation and upkeep of the Storm Water Drainage Facilities as the Board of Directors may deem necessary or desirable to insure the continued proper operation of the Storm Water Drainage Facilities. The rights and obligations of the Association with respect to that portion of the Storm Water Drainage Facilities located on adjacent property not part of the Subdivision are set forth in the Storm Water Agreement attached hereto as Exhibit "B", including the obligation to contribute to the cost and expense of its maintenance and repair, on a pro rata basis.

Section 4.4 Landscape Easement. With the consent and approval of any governmental agencies having jurisdiction over the streets and rights-of-way within the Subdivision, and subject to the interest of the public in such streets and rights-of-way within the Subdivision, the Association shall be responsible for the maintenance, repair and upkeep of all Entrance Way, Landscaping and Perimeter Improvements installed by Developer within the Subdivision and all Irrigation Improvements located therein. The Association shall have the right to establish rules and regulations as the Board of Directors may deem necessary or desirable for the maintenance, upkeep and beautification of all such improvements in order to insure an aesthetically pleasing appearance for the benefit of all Owners within the Subdivision.

Section 4.5 Title To Common Areas. At such time as the Association has been formed and organized, Developer may, in its discretion, convey title to the Common Areas to the Association. In any event, Developer shall convey title to the Common Areas to the Association not later than the date on which Developer conveys to an Owner the last Lot or Condominium Unit in the Project in which Developer holds a fee title interest. The Association shall thereafter hold title to the Common Areas for the benefit of the Owners. The foregoing conveyance shall be subject to the Owners' easement of enjoyment and any easements reserved, dedicated or granted by Developer and any maintenance and/or easement agreements entered into with any governmental entity prior to the date of conveyance.

Section 4.6 Common Area Easements. Developer and the Association, and their agents and representatives, shall have a perpetual easement for reasonable access to the Common Areas, at all reasonable times for purposes of maintenance, repair, operation and improvement thereof. Prior to the conveyance by Developer to the Association of the Common Areas in accordance with Section 4.5 above, Developer, subject to all applicable municipal ordinances and the State of Michigan Land Division Act, shall have the exclusive right to reserve, dedicate and/or grant public or private easements within the Common Areas for the construction, installation, repair, maintenance and replacement of rights-of-way, walkways, bicycle paths, water mains, sewers, drains, detention basins, electric lines, telephone lines, gas mains, cable television and other telecommunication lines and other public and private utilities, including all equipment, facilities and appurtenances relating thereto and/or for the preservation of any portion of the Common Areas in their natural state; provided such right is exercised in accordance with all applicable laws, rules and regulation, including the commencement of legal proceedings, if necessary. Developer may determine the location and configuration of such easements at its discretion. Following the conveyance by Developer to the Association of title to the Common Areas, the Association shall have the right to reserve, dedicate or grant public or private easements for such purposes and subject to such conditions as may be agreed upon by the Members; provided, however, that any dedication, transfer or determination as to the conditions thereof shall be effective only upon execution of an instrument signed by the holders of two-thirds (2/3) of all outstanding Class A votes and by Developer if Developer continues to own any Lots within the Subdivision, and approved by the Township; provided such right is exercised in accordance with all applicable laws, rules and regulation, including the commencement of legal proceedings, if necessary.

Section 4.7 Action By The Township. Pursuant to the Michigan Land Division Act, the Township has established or shall establish a special assessment district for the maintenance of the sediment basin that constitutes a part of the Storm Drainage Facilities. The Association and/or the Owners collectively, have the primary obligation of maintaining the Storm Drainage facilities, including the retention/detention basin. However, in the event that the Association and/or the Owners do not maintain the retention/detention basin, the Township will institute proceedings pursuant to the special assessment district for the maintenance of the Storm Drainage Facilities, and shall prorate the same over each Lot in the Subdivision, in accordance therewith.

In the event the Association shall, at any time, fail to maintain the Landscape Easement, in accordance with the approved landscape plan, then the Township is authorized to enter the Landscape Easement to maintain the same. The Township shall serve notice by first-class mail to the Owner(s), appearing on the Township tax rolls, of each Lot in the Subdivision. The notice shall include a demand that deficiencies in the maintenance be cured within thirty (30) days thereof and notify the Owners of the date, time, and place of a public hearing before the Township Board of Trustees or such other boards or body of officials to whom the Township may delegate such responsibility. The hearing shall be held within fifteen (15) days of the notice. At the hearing the Township may modify the terms of the original notice of deficiencies in maintenance and may grant an extension of time within which the deficiencies shall be cured. If the deficiencies, set forth in the original notice or in the modification thereof, are not cured within thirty (30) days or any extensions of time granted at the hearing, the Township, in order to eliminate and cure the deficiencies in the operation and maintenance of the Landscape Easement, may enter upon the property and maintain the Landscape Easement for a period of up to one (1) year. Maintenance of the Landscape Easement

by the Township shall not constitute a taking of the Landscape Easement nor vest in the public any additional right to use the same.

Within sixty (60) days prior to the expiration of the aforesaid one (1) year period that the Landscape Easement is under the control and jurisdiction of the Township, a majority of the Owners or the Association may request another public hearing be held or the Township may call another public hearing upon notice in the same manner as set forth above. At the hearing the Association or Lot Owners shall show cause why maintenance by the Township shall not continue for a succeeding one (1) year period. If the Township shall reasonably determine that the Association and/or Owners are ready, willing and able to maintain the Landscape Easement, the Township shall cease to operate and maintain the Landscape Easement at the end of said year. If the Township shall reasonably determine that the Association or Owners are not ready, willing, and able to maintain the Landscape Easement during the next succeeding year, then subject to a similar public hearing and determination in each successive year thereafter, the Township may continue to enter upon and maintain said Landscape Easement.

Should deficiencies in the maintenance of the Landscape Easement be determined by the Township to constitute an impending danger to health, safety, and welfare of the public or a public or private nuisance, the Township shall have the right to take immediate correction and summarily abate such danger or nuisance.

The Association and/or Owners shall hold harmless, defend, and indemnify the Township from any and all claims, demands, costs, expenses, including attorney fees, and judgments, whatsoever, which may arise from the Township's maintenance of the Landscape Easement.

The actual costs and expenditures, including administration expenses and attorney fees, incurred by the Township as a result of its maintenance of the Landscape Easement or the immediate abatement of an impending danger or nuisance in relation thereto, shall be at the expense of the Association or the Owners and such costs and expenditures shall be assessed against the Lots in the Subdivision and become due, collected, and returned for non-payment in the same manner and at the same time as ad valorem property tax levies of the Township.

The Township, at its option, shall be subrogated to any rights the Association may have in this Declaration for the imposition of assessments and the collection thereof in relation to the Landscape Easement.

The maintenance provisions contained in this Article, or section, shall not be amended in any way without the prior written consent of the Macomb Township Board of Trustees.

ARTICLE 5
COVENANTS FOR MAINTENANCE AND CAPITAL CHARGES

Section 5.1 Creation Of The Lien And Personal Obligation For Assessments. Each Owner, other than Developer, by accepting title to such Owner's Lot, or, by entering into a land contract for the purchase of a Lot, shall be deemed to covenant and agree to pay to the Association, when due, the

assessments described below, regardless of whether or not such covenant shall be expressed in the Owner's instrument of conveyance or land contract:

- A. annual assessments to meet regular Association expenses, which shall include such assessments necessary for the Association to perform its maintenance obligations under Article 4 above and as may be necessary to maintain any easements referred to in Sections 4.6 or 6.27 of this Declaration;
- B. special assessments for capital improvements, to be established and collected as set forth below;
- C. special assessments against specific Lots and Owners for maintenance, to be established and collected as set forth below; and
- D. all other assessments for taxes, levies, assessments or other charges lawfully imposed or charged to the Association with respect to the Common Areas.

The foregoing assessments, together with interest and costs of collection (including court costs and reasonable attorneys' fees) which are described below, shall be a lien on the Lot against which they are made and all improvements. Each such assessment, together with interest, and the costs of collection, in addition to constituting a lien on such Lot and improvements, shall also constitute a joint and several personal obligation of the person or persons who was/were the Owner(s) of the Lot on the date the assessment was established.

Section 5.2 Purpose Of Annual Assessments. The Association shall use the annual assessments levied under this Article 5 for the purpose of: (i) promoting the recreation, health, welfare and safety of the residents of the Subdivision; (ii) improving, landscaping and maintaining the Common Areas and any improvements located thereon; (iii) maintaining, operating and repairing the Storm Water Drainage Facilities; (iv) providing services and facilities for the benefit of residents of the Subdivision; (v) maintaining, beautifying and improving the streets, walkways, rights-of-way, entrance ways and other common improvements within the Subdivision; and (vi) discharging any taxes, insurance premiums and mortgage installments relating to the Common Areas and any improvements thereon.

Section 5.3 Annual Assessments. Commencing in the year the Association is formed, and for each fiscal year of the Association thereafter, annual assessments shall be levied and paid in the following manner:

- A. The Board of Directors of the Association shall levy against each Lot an assessment, based upon the projected costs, expenses and obligations of the Association for the ensuing fiscal year, which assessment shall be a specified amount per Lot. In the event the actual costs, expenses and obligations of the Association exceed the amount projected, the Board of Directors of the Association shall have the right to levy against each Lot such additional assessments as may be necessary to defray such costs, expenses and obligations.

B. For the first year in which the Association is formed, the annual assessment shall be Two Hundred (\$200) Dollars per Lot. After the first year, the Board may, at its discretion, raise the annual assessment to Three Hundred (\$300) Dollars per Lot. After the first year, within thirty (30) days following the beginning of each fiscal year of the Association, the Board of Directors shall send a written notice of assessment to each Owner stating the amount of the assessment established by the Board of Directors for the ensuing year. Any annual assessment may not be increased by more than twenty-five (25%) percent of the annual assessment for the preceding year without the affirmative vote of sixty (60%) percent of the total combined Class A and Class B votes, cast in person or by proxy at a meeting of the Members called for such purpose. The quorum requirements for such meeting shall be the same as those specified in Section 5.4 below. Each Owner shall pay assessments within thirty (30) days from the date the written statement is mailed. Assessments not paid within the thirty (30) day period shall be delinquent and interest shall accrue on delinquent assessments at the interest rate established by resolution of the Association's Board of Directors, which interest rate shall not exceed the highest rate allowed by law.

C. Any Owner who acquires a Lot from Developer or from a person or entity exempt from the payment of assessments under Section 5.7 below, shall pay to the Association, on the date the Lot is conveyed to the Owner, an amount equal to the prorated balance of any annual assessment and special assessment, if any, established for the then current assessment period, based upon the number of days remaining in the then current assessment period from the date of conveyance. For each fiscal year thereafter, such Owner shall be liable for any and all assessments levied in accordance with this Article 5.

D. The fiscal year of the Association shall be established in the manner set forth in the Association's By-Laws.

E. The Board of Directors, in its discretion, may establish an installment program for the payment of any regular, special or deficit assessment and may charge interest in connection with the installment program.

Section 5.4 Special Assessments For Capital Improvements. In addition to the annual assessments authorized by Section 5.3 above, the Association may levy a special assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any improvements on the Common Areas, including any related fixtures, equipment and other personal property. Provided, however, no such special assessment shall be levied unless first approved by sixty (60%) percent of the total combined Class A and Class B votes, cast in person or by proxy at a meeting of the Members duly called for such purpose. Written notice of such meeting shall be sent to all Members at least thirty (30) days in advance of the meeting, which notice shall set forth the purpose of the meeting. Any such special assessments shall be due and payable according to the terms and conditions and in the manner specified in the resolution of the Association establishing the special assessment. Any special assessment not paid when due shall be deemed delinquent and interest shall accrue on such delinquent assessment at the interest rate established by resolution of the Association's Board of Directors, which interest rate shall not exceed the highest rate allowed by law. The quorum required for the first meeting called for the purpose of

voting on a special assessment shall be at least ninety (90%) percent of all the then authorized votes present, either in person or by proxy. If the required quorum is not present at the first meeting called for the purpose of considering the special assessment, another meeting may be called for said purpose, with notice thereof to be given as provided for in this Section 5.4 and the required quorum at any such subsequent meeting shall be reduced to sixty (60%) percent of all then authorized votes present, provided that such second meeting is held within sixty (60) days from the date of the first meeting.

Section 5.5 Uniform Assessment Rate; Assessments Against Specific Properties.

A. Subject to Section 5.5B below, all annual and special assessments shall be fixed and established at the same rate for all Lots within the Subdivision.

B. In addition to the assessments otherwise authorized in this Article 5, the Association may levy a special assessment against one or more specific Lots, for the purpose of maintaining and caring for the surface of the Lot and any plants, landscaping or other vegetation on the Lot. A special assessment for such purposes shall not be levied except in compliance with the following procedures:

(i) The Association's Board of Directors shall determine that the appearance of a Lot, or a portion thereof, significantly detracts from the appearance and attractiveness of the remainder of the Subdivision or otherwise constitutes a violation of the restrictions set forth in Article 6 herein below.

(ii) Written notice of such determination which specifies the nature of the unsatisfactory condition and the actions required to remedy the unsatisfactory condition shall be delivered to the Owner of the offending Lot.

(iii) The Owner shall have a period of not less than thirty (30) days from the date the Owner receives the above referenced notice to commence the required work.

(iv) If the Owner has not commenced the required work within the thirty (30) day period or, if having commenced such work, it is not completed within a reasonable time after commencement, the Association shall have the right to enter upon the Owner's property, complete the required work and assess the cost against such Lot; provided, however, such cost shall not exceed the reasonable cost for performing such work.

(v) Any assessment levied under this Section 5.5B shall be due and payable thirty (30) days from the date the Owner receives a statement. Any such assessment not paid when due shall be deemed delinquent and interest shall accrue on such delinquent assessment at the interest rate established by resolution of the Association's Board of Directors, which interest rate shall not exceed the highest rate allowed by law.

Section 5.6 Certificate With Respect To Assessments. Upon the written request of any Owner, the Association shall furnish, within a reasonable time, a written certificate regarding the status of any assessments levied against the Owner's Lot(s). Any such certificate, when properly issued by the Association, shall be conclusive and binding with regard to the status of the assessments as between the

Association and any bona fide purchaser of the Lot(s) described in the certificate and the lender who has taken a lien on the Lot(s) as security for the repayment of a loan.

Section 5.7 Exemptions From Assessments.

A. All Lots owned by Developer shall be exempt from all regular, special and deficiency assessments. Upon conveyance of any Owner of the Lot by Developer to a Class A Member, the exemption for each such Lot shall end and the Lot shall then be liable for the prorated balance of that year's established annual assessment and special assessment, if any. However, any Lots owned by Developer shall not be exempt from assessments by the Township for real property taxes and other charges.

B. Builders, developers and real estate companies who own or hold any Lot(s) for resale to customers in the ordinary course of business shall not be liable for the payment of any regular, special or deficiency assessments imposed by the terms of this Article 5. Provided, however, any exemption established by this Section 5.7B shall end as to a Lot in the event construction is not commenced within two (2) years from the date the Lot is acquired by a builder, developer or real estate company.

Section 5.8 Subordination Of Liens To Mortgages. The lien for assessments provided for in this Article 5 shall be subordinate to the lien of any mortgage or mortgages held by any bank, savings and loan association, insurance company, mortgage company or other similar institution existing of record at the time the lien for assessments is imposed. Sale or transfer of a Lot, or any portion thereof, shall not affect the assessment lien. However, the sale or transfer of any Lot in connection with a mortgage foreclosure proceeding, or any proceeding in lieu of foreclosure, shall extinguish the lien of the assessment, interest and charges which became due prior to such sale or transfer, but in no such event shall the prior Owner of the Lot be relieved of any liability for such obligations and debts. No sale or transfer pursuant to any foreclosure proceeding, or any proceeding in lieu of foreclosure shall relieve any Lot from any assessments thereafter levied or from the lien accruing from such assessments, and no subsequent sale or transfer shall release such Lot from liability for any assessment, interest or charges which thereafter become due or from any lien therefor.

Section 5.9 Collection Of Assessment And Creation Of Lien. If any assessment is not paid within thirty (30) days from the date payment is due, the Association may sue the Owner and obtain a personal judgment against the Owner and/or may enforce the lien in the same manner as, and by following similar procedures which are required for, the foreclosure of mortgages, whether by advertisement or judicial action, including the allowance of such costs and reasonable attorneys' fees as would be taxable in the foreclosure of a mortgage.

**ARTICLE 6
GENERAL RESTRICTIONS**

Section 6.1 Land And Building Use Restrictions. All Lots shall be used for private residential purposes only and no building, except an existing building or as specifically authorized elsewhere

in this Declaration, shall be erected, re-erected, placed or maintained or permitted to remain on any Lot, except one (1) single family private dwelling not to exceed two (2) stories in height and an attached private garage containing no less than two (2) nor more than three (3) parking spaces for the sole use of the Owner or occupants of the dwelling. No other accessory building or structure including, but not limited to carports, may be erected in the Subdivision without the prior written consent of Developer. Notwithstanding the foregoing, Developer or a builder designated by Developer may erect and maintain model homes on any Lots owned by Developer or a builder designated by Developer until such time as all Lots owned by Developer or its designated builder are sold.

Section 6.2 Dwelling Quality And Size. It is the intention and purpose of this Declaration to insure that all dwellings in the Subdivision are of a quality, design, workmanship and materials approved by Developer. All dwellings shall be constructed in accordance with the applicable governmental building codes, ordinances and/or regulations and with such further standards as may be required by this Declaration or by Developer, its successors and/or assigns. The minimum square footage of floor area of a dwelling, exclusive of basements, unfinished attics, attached garages, steps, opened and/or closed porches, breeze ways and similar facilities, shall be not less than one thousand two hundred (1,200) square feet. Notwithstanding the foregoing, Developer or the Architectural Control Committee, referred to in Section 7.3 below, as the case may be, shall be entitled to grant exceptions to these minimum square footage restrictions to the Owner of a Lot who applies for such exception; provided the Owner demonstrates to the satisfaction of Developer or the Architectural Control Committee, as the case may be, that a reduction in the square footage requirement as to said Owner will not adversely affect the quality of the Subdivision or lessen the value of the homes surrounding the home to be constructed by the Owner on such Lot. Any such exception granted to an Owner shall be evidenced by a written agreement and no such exception shall constitute a waiver of any minimum square footage requirement as to any other Lot or Owner.

Section 6.3 Building Location. All buildings and structures shall be located on each Lot in accordance with Township requirements set forth in its zoning ordinance.

Section 6.4 Lot Size. The minimum size of each Lot shall be the Lot size established for said Lot in the recorded plats of the Project. In the event more than one (1) Lot, or part of a Lot, are developed as a single unit (and except as to the obligation of each Owner for any assessments made against each separate Lot), all restrictions set forth in this Declaration shall apply to such resulting unit in the same manner as to any single Lot.

Section 6.5 Driveways. Access driveways and other paved areas for vehicular use on a Lot shall have a base of compacted sand, gravel, crushed stone or other approved base material and shall have a wearing surface of concrete or the equivalent thereof. Plans for driveways, pavement edging or markers must be approved by Developer in writing prior to commencing any construction in accordance with such plans.

Section 6.6 Natural Drainage Ways. Where there exists on any Lot(s) a condition of accumulation of storm water remaining over an extended period of time, the Owner may, with the written approval of Developer and the Township, take such steps as shall be necessary to remedy such condition, subject to the provisions of Section 6.27 below and provided that no obstructions or diversions of existing

storm drain swales and channels, over and through which storm water naturally flows upon or across any Lot, shall be made by an Owner in a manner as to cause damage to other property.

Section 6.7 Building Materials. Exterior building materials may be stone, brick, wood, aluminum, vinyl siding or any other material blending with the architecture and natural landscape and approved by Developer.

Section 6.8 Home Occupations, Nuisances And Livestock. No home occupation or profession or commercial activity that requires members of the public to visit an Owner's home or requires commercial vehicles to travel to and from the Owner's home shall be conducted in any dwelling located in the Subdivision with the exception of model homes owned by, and the sales activities of, the Developer or builders, developers and real estate companies which own or hold any Lots for resale to customers in the ordinary course of business. No noxious or offensive activities shall be carried on in or upon any Lots or the Property nor any activity which may be, or may become, an annoyance or nuisance to the neighborhood, other than normal construction activity. No chickens or other fowl or livestock shall be kept on any Lot. No animals or birds shall be maintained on any Lot except customary house pets for domestic purposes only. All animal life maintained on any Lot shall have such provisions and care so as not to become offensive to neighbors or to the community on account of noise, odor or unsightliness, and no household pets shall be bred, kept or maintained for any commercial purposes. No animal may be permitted to run loose at any time within the Subdivision and any animal shall at all times be leashed and accompanied by a responsible person while in the Subdivision. No burning of refuse shall be permitted outside the dwelling, except that the burning of leaves shall be permitted if allowed by ordinance of the Township, provided that it does not become offensive or a nuisance. No occupied or unoccupied Lot shall be used or maintained as a dumping ground for rubbish or trash.

Section 6.9 Plant Diseases Or Noxious Insects. No plants, seeds or other material harboring or breeding infectious plant diseases or noxious insects shall be introduced or maintained upon any part of a Lot.

Section 6.10 Temporary Buildings, Damaged Dwellings And Reconstruction. No trailer, mobile home, van, tent, shack, garage, barn, out-building or structure of a temporary character shall be used at any time as a temporary or permanent residence; provided however, that the foregoing restriction shall not apply to any activities by Developer or any builder, developer or real estate company during any sales and/or construction periods. All permanent dwellings shall be completed within two (2) years from the commencement of construction. No old or used buildings of any kind shall be moved or reconstructed on any Lot. Any damaged or destroyed building for which repair or reconstruction has not commenced within six (6) months from the date of damage or destruction, shall be removed so that there are no ruins or debris remaining within six (6) months from the date of damage or destruction. Any building which is not completed within two (2) years from commencement of construction or any damage or destruction not promptly remedied shall be deemed a nuisance and may be abated as provided by law. Any portion of the Property within any public or private road or right-of-way which is disturbed by reason of any work or activity performed by an Owner, or an Owner's agents, employees, contractors shall be restored by the Owner, at the Owner's sole expense, to its condition immediately prior to the commencement of such work or activity. Such restoration shall be

performed within a reasonable time, and in no event later than the date of completion of any work or activity on the Owner's Lot.

Section 6.11 Soil Removal. Soil removal from Lots shall not be permitted, except as required for construction purposes and as permitted by Developer. In addition, all construction shall be subject to the requirements of the Michigan Soil Erosion and Sedimentation Control Act, as amended, and all other applicable statutes, ordinances, rules and regulations of all governmental agencies having jurisdiction over such activities.

Section 6.12 Underground Wiring. No permanent lines or wires for communication or other transmission of electrical or power (except transmission lines located on existing or proposed easements) shall be constructed, placed or permitted to be placed anywhere above ground on a Lot other than within buildings or structures.

Section 6.13 Maintenance Of Side Strips. Owners of Lots shall be responsible for the maintenance of parkways or public rights-of-way located between the Owner's Lot line and the edge of adjacent street pavement.

Section 6.14 Tree Removal. Clear-cutting or removal of trees greater than six (6") inch caliper at breast height by any person other than Developer is not be permitted unless such clear-cutting or tree removal is in compliance with all applicable municipal ordinances, and approved by Developer. Prior to commencement of construction, each Lot Owner shall submit to Developer for its approval, a plan for the preservation of trees in connection with the construction process. Each Lot Owner is responsible for maintaining and preserving all large trees on the Owner's Lot, including welling trees, if necessary.

Section 6.15 Performance Of Construction. No building shall be erected on any Lot except by a contractor licensed by the State of Michigan for such purpose.

Section 6.16 Vehicular Parking And Storage. No trailer, mobile home, bus, boat trailer, boat, camping vehicle, motorcycle, recreational vehicle, commercial or inoperative vehicle of any description shall at any time be parked, stored or maintained on any Lot, unless stored fully enclosed within an attached garage or similar structure; provided, however, that builders' sales and construction trailers, trucks and equipment may be parked and used on any Lot during construction operations. No commercial vehicle lawfully upon any Lot for business shall remain on such Lot except in the ordinary course of business and in conformity with all applicable laws and/or ordinances.

Section 6.17 Garbage And Refuse. Trash, garbage or other waste shall be kept only in closed, sanitary containers and shall be promptly disposed of so as not to be objectionable to neighboring property owners. No outside storage for refuse or garbage shall be maintained or used. The burning or incineration of rubbish, trash, construction materials or other waste outside of any residential dwelling is prohibited.

Section 6.18 Fences And Obstructions. With the exception of any fencing improvements installed by Developer, no perimeter fences, walls or similar structures shall be erected on any

Lot without the prior written approval of Developer. Such approval shall be granted for enclosing swimming pools permitted under Section 6.21. Notwithstanding anything to the contrary, no fence in excess of twenty-four (24) inches in height shall be permitted within setback areas along any public road.

Section 6.19 Landscaping And Grass Cutting. Upon completion of construction of a residential dwelling on any Lot, the Owner shall cause the Lot to be finish graded, seeded or sodded and suitably landscaped as soon after such completion of construction as weather permits, and in any event within six (6) months from the date of completion. When weeds or grass located on any Lot exceed six (6") inches in height, the Owner shall mow or cut the weeds and grass over the entire Lot except in wooded areas, and Wetlands, if any. If an Owner fails to mow or cut weeds or grass on the Owner's Lot within ten (10) days after written notice, the Developer or the Association may perform such work and the cost shall become a lien upon the Lot. All Lots owned by Developer or a builder who owns Lots for resale in the ordinary course of business shall be exempt from the restrictions contained in this Section 6.19. Upon conveyance of any Lot by Developer or a builder to an Owner other than Developer or a builder, the Lot shall be subject to all of the restrictions contained in this Section 6.19.

Section 6.20 Motorized Vehicles. No trail bikes, motorcycles, snowmobiles or other motorized recreational vehicles shall be operated on any Lot or in any easement, side strip, or Common Areas within the Subdivision.

Section 6.21 Swimming Pools, Tennis Courts And Other Structures. No swimming pools, tennis courts, or other similar permanent structures shall be constructed on any Lot until Developer or its designated representative has resigned as the sole director of the Association and the Members of the Association have elected successor directors. Thereafter, no swimming pool or other permanent structure shall be constructed on any Lot unless approved by the Association. Any swimming pool or similar structure which has been approved in writing by the Association shall be constructed in accordance with this Declaration and with all applicable local ordinances and/or state laws. No above ground swimming pools are permitted. Swimming pools, tennis courts, whirlpools, hot tubs and other similar recreational structures shall be screened from any street lying entirely within the Subdivision, by wall, solid fence, evergreen hedge or other visual barrier as approved in writing by the Association and in compliance with all laws and governmental regulations and ordinances pertaining thereto.

Section 6.22 Lawn Fertilization. The Township may regulate the type of fertilizers that may be used on any Lot.

Section 6.23 Signs; Illumination. No signs of any kind shall be placed upon any Lot or on any building or structure located on a Lot, or any portion thereof, unless the plans and specifications showing the design, size, materials, message and proposed location(s) have been submitted to, and approved in writing by, Developer, with the exception of: (i) non-illuminated signs which are not more than four (4) square feet in area pertaining only to the sale of the Lot upon which it is maintained; and (ii) non-illuminated signs which are not more than four (4) square feet in area pertaining only to a garage sale conducted on the Lot, which garage sale and sign placement shall not exceed three (3) days. The foregoing restrictions contained in this Section 6.23 shall not apply to signs installed or erected on any Lot by Developer or any builder who owns Lots for resale in the ordinary course of business, during any construction period or during

such periods as any residence may be used as a model or for display purposes. No exterior illumination of any kind shall be placed or allowed on any portion of a Lot other than on a residential dwelling, unless first approved by Developer. Developer shall approve such illumination only if the type, intensity and style thereof are compatible with the style and character of the development of the Lot. All signs shall be in compliance with applicable ordinances.

Section 6.24 Objectionable Sights. Above-ground exterior fuel tanks are not permitted. The stockpiling and storage of building and landscape materials and/or equipment are not permitted on any Lot, except such materials and/or equipment as may be used within a reasonable length of time. In no event shall the storage of landscape materials extend for a period of more than thirty (30) days. No laundry drying equipment shall be erected or used outdoors and no laundry shall be hung for drying outside of the dwelling. No television or radio antennae or satellite dishes (except those which are less than twenty-four (24") inches in diameter and are located on the side or rear roof or side or rear exterior of a dwelling) shall be constructed or erected upon the exterior of any dwelling on any Lot, without the prior written approval of Developer.

Section 6.25 Maintenance. The Owner of each Lot and the occupants of any portion of the Property shall keep all buildings and grounds in good condition and repair.

Section 6.26 Real Estate Sales Office. Notwithstanding anything to the contrary contained in this Declaration, Developer, and/or any builder which Developer may designate, may construct and maintain on any Lot(s) a real estate sales office, with such promotional signs as Developer or builder may determine and/or a model home or homes for such purposes. Developer and any designated builder may continue such activity until such time as all of the Lots in which Developer or builder have an interest are sold.

Section 6.27 Wetlands. No Wetlands shall be modified in any manner by any person or entity other than Developer or its authorized representatives unless a permit for such modification has been issued by all governmental units or agencies having jurisdiction over such Wetlands within the Property.

Section 6.28 Reservation Of Easements. Subject to all applicable municipal ordinances, and further subject to the State of Michigan Land Division Act, if applicable, easements for the construction, installation, maintenance and replacement of public utilities, surface drainage facilities, sanitary sewer, storm sewer, water supply facilities, public walkways, bicycle paths and ingress and egress are hereby reserved to Developer, its successors and assigns, over, under and across Common Areas and as may be indicated on the recorded plat for the Subdivision and/or as may otherwise appear of record or as such easements may hereafter be required in the sole discretion of Developer. The use of such easements, or any portion thereof, hereby reserved may be relinquished and waived, in whole or in part, by Developer, by the filing of record of an appropriate instrument of relinquishment. Developer shall have the right and authority at any time to enter into such maintenance or other agreements with any municipal authority or other governmental authority as Developer may determine to be necessary or appropriate for the purpose of providing for the maintenance, repair or replacement of any such easements or facilities located upon, over, under or through such easement and for the further purpose of providing for assessments for such purpose against any or all of the Lots within the Subdivision. To the extent provided for in any such agreement(s),

such assessments shall be levied as provided for therein and shall constitute a lien upon the Lot(s) upon which it is levied. No structure, landscaping or other materials shall be placed or permitted to remain within any of the foregoing easements which may damage or interfere with the installation or maintenance of the aforesaid utilities or which may change, obstruct or retard the flow or direction of water in, on or through any drainage channels, if any, in such easements, nor shall any change be made by any Owner in the finished grade of any Lot once established by the builder of any residential dwelling thereon, without the prior written consent of Developer. Developer and its successors and assigns shall have access over each Lot for the maintenance of all improvements in, on, over and/or under any easement which burdens such Lot, without charge or liability for damages. Except as otherwise provided in this Declaration, or in any maintenance agreement made between Developer and any municipal or governmental authority, the Owner of each Lot shall maintain the service area of all easements within the Owner's Lot, keep grass and weeds cut, keep the area free of trash and debris and take such actions as may be necessary to eliminate or minimize surface erosion. The Owner of each Lot shall be liable for any damage to any improvements which are located in, on, over and/or under the subject easement, including, but not limited to, damage to electric, gas, telephone and other utility and communication distribution lines and facilities, which damage arises as a consequence of any act or omission of the Owner, or the Owner's agents, contractors, invitees and/or licensees.

Section 6.29 Reciprocal Negative Easements. Unless otherwise expressly provided in this Declaration, no mutual or reciprocal negative easements shall be deemed to arise or be created hereunder with respect to any land situated outside the boundaries of the Subdivision.

ARTICLE 7

ARCHITECTURAL CONTROLS

Section 7.1 Architectural Controls. The purpose of architectural controls is to promote an attractive, harmonious residential development having continuing appeal. Accordingly, unless and until the construction plans and specification are submitted to, and approved in writing by, Developer in accordance with the provisions of Section 7.2 below, (i) no building, fence, wall or other structure shall be constructed, erected or maintained, and (ii) no addition, change or alteration shall be made to any existing building, fence, wall or other structure except interior alterations.

Section 7.2 Submission Of Plans And Plan Approval.

A. All construction plans, specifications and related materials pertaining to construction or alteration of a building, fence, wall or other structures shall be filed by the applicant for approval in the office of Developer, or with any agent specified by Developer. The construction plans, specifications and related materials shall show the nature, kind, shape, height, materials (including samples of exterior building materials upon request), approximate cost of the building, fence, wall or other structure, proposed drainage of surface water, and the location and grade of all buildings, structures, improvements, utilities and parking areas. Developer shall have sole authority to review, approve or disapprove the plans, specifications and related materials or any part thereof. Developer shall have the right to refuse to approve the proposed plans, specifications and related materials, or grading plans, or portions thereof, which are not suitable or desirable in the sole discretion of Developer, for aesthetic or other reasons. In

its review of the plans, specifications, and related materials, Developer may consider compatibility of the proposed building, fence, wall or other structures with the surroundings area and the view from adjacent or neighboring properties. Natural landscaping and trees shall be left in their natural state to the extent practical.

B. A report in writing setting forth the decision of Developer, and the reasons therefor, shall be furnished to the applicant by Developer within thirty (30) days from the date of filing of complete plans, specifications and related materials by the applicant. Developer will aid and cooperate with prospective builders and Owners and make suggestions based upon Developer's review of preliminary sketches. Prospective builders and Owners are encouraged to submit preliminary sketches for informal comment prior to submission of final plans and specifications. If Developer fails to give written notice of approval of any final plans, specifications and related materials submitted to Developer under this Article 7 within thirty (30) days from the date of submission of complete plans, specifications and related materials, then the submitted plans, specifications and related materials shall be deemed disapproved by Developer. Developer shall be entitled to charge each applicant a review fee in an amount not to exceed Two Hundred Fifty and 00/100 (\$250.00) Dollars, to reimburse Developer for any actual costs incurred in connection with the review of the applicant's plans, specifications and related materials.

C. Neither Developer nor any person(s) or entity(ies) to which Developer delegates any of its rights, duties or obligations hereunder, including, without limitation, the Association and Architectural Control Committee referred to in Section 7.3 below, shall incur any liability whatsoever for approving or failing or refusing to approve all or any part of any submitted plans, specifications and related materials. Developer reserves the right to enter into agreements with the Owner of any Lot(s) (without the consent of Owners of other Lots or adjoining or adjacent property) to deviate from any or all of the restrictions set forth in this Declaration, provided that the Owner demonstrates that the application of the particular restriction(s) in question would create practical difficulties or hardships. Any such deviation shall be evidenced by a written agreement and no such deviation or agreement shall constitute a waiver of any such restriction as to any other Lot or Owner.

Section 7.3 Architectural Control Committee. At such time as the fee simple interest in one hundred (100%) percent of the Lots in the Subdivision have been conveyed by Developer, or, at such earlier time as Developer may elect, Developer shall assign all of its rights, duties and obligations as set forth in Article 6 and Article 7 of this Declaration to a committee representing the Owners ("Architectural Control Committee") or to the Association. The assignment shall be by a written instrument in which the assignee expressly accepts such rights, duties and obligations. Such instrument when executed by the assignee shall, without further act, release Developer from all such obligations and duties. If such assignment is made, the acts and decisions of the assignee as to any matters assigned shall be binding upon all Lot Owners and other interested parties. If Developer assigns its rights, duties and obligations under Article 6 and Article 7 of this Declaration to an Architectural Control Committee, the Architectural Control Committee shall consist of no less than three (3) Members and no more than five (5) Members, to be appointed by Developer. Developer may assign its right to appoint members of the Architectural Control Committee to the Association. Until

such time, however, Developer reserves the right to appoint Members to and remove Members from the Architectural Control Committee in its sole discretion.

ARTICLE 8
GENERAL PROVISIONS

Section 8.1 Amendment.

A. Developer may amend the covenants, conditions, restrictions and agreements of this Declaration after a final plat for the Subdivision has been recorded, without the consent of any other Owner or any other person or entity whatsoever (whether or not any such person or entity shall now or hereafter have any interest in any Lot or portion of the Property, including mortgagees and lienholders), at any time prior to the sale of the first Lot in the Subdivision, subject to the approval of the Township if such approval is required.

B. Developer may unilaterally amend this Declaration to add additional land to the Property at any time, in which event, the covenants, conditions, restrictions and agreements of this Declaration shall apply to such additional land and lots therein, except as may be otherwise specified in the Amendment recorded by Developer. In addition, provided that Developer has an ownership interest in all, or any part, of the Property, Developer, without the consent of any other Owner or any other person or entity whatsoever (whether or not any such person or entity shall now or hereafter have an interest in any Lot or portion of the Property, including mortgagees and lienholders), may amend this Declaration as necessary or required to comply with the requirements of any federal, state, county or local statute, ordinance, rule, regulation or formal requirement relating to all or any part of the Property.

C. In addition to the foregoing, the covenants, conditions, restrictions and agreements of this Declaration may be amended at any time following the date on which a Lot has been sold and conveyed by Developer, by a written instrument signed by: (i) the Owners (including Developer) of not less than seventy-five (75%) percent of the total Lots within the Subdivision; and (ii) Developer, in the event Developer then continues to own any Lots or any portion of the Property. Notwithstanding the foregoing, any and all such amendments shall be subject to the approval of the Township if such approval is required.

Section 8.2 Term. The covenants, conditions, restrictions and agreements of this Declaration shall continue in full force and effect and shall run with and bind the land for a period of thirty (30) years from the date this Declaration is recorded and shall thereafter automatically be extended for successive periods of ten (10) years each, unless terminated by written instrument executed by: (i) the Owners (including Developer) of not less than seventy-five (75%) percent of the total Lots in the Subdivision and (ii) Developer, in the event Developer then continues to own any Lots or any portion of the Property.

Section 8.3 Enforcement. Developer, the Association and any Owner shall have the right to enforce, by proceedings at law or in equity, all covenants, conditions, restrictions, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by Developer, the Association or any Owner to enforce any covenants or restrictions herein contained shall in no event be deemed a waiver thereof or a waiver of any right to enforce the same at any time thereafter.

Section 8.4 Insurance Proceeds. All proceeds of any insurance maintained with respect to any assets of the Association, and the Common Areas (if the Common Areas have been conveyed to the Association), and all proceeds of any condemnation proceedings or sales in lieu of condemnation relating to the assets of the Association or the Common Areas (if the Common Areas have been conveyed to the Association) shall be paid to the Association and shall be the property of the Association and not of its Members or any other persons or entities.

Section 8.5 Severability. The invalidation of any one or more of the covenants, conditions, restrictions and agreements of this Declaration by judgment or court order, shall in no way affect the validity of any of the other provisions of this Declaration, and the same shall remain in full force and effect.

Section 8.6 Notices. Each Owner shall file with the Developer the Owner's correct mailing address, and shall promptly notify Developer in writing of any subsequent change of address. Developer shall maintain a file of such addresses and make the file available to the Association. A written or printed notice, deposited in the United States Mail, postage prepaid and addressed to any Owner at the Owner's last known address shall be sufficient and proper notice to such Owner, wherever notice is required in this Declaration.

Section 8.7 Number And Gender. As used in this Declaration, any gender shall include any other gender, the plural shall include the singular and the singular shall include the plural, whenever appropriate.

Section 8.8 Execution Of Additional Documents. Each Owners agrees, at the request of Developer or the Association, and at no expense to the Owner, to perform such further acts and execute all such further documents as may be required or desirable in the sole discretion of Developer or the Association, to carry out the purposes of this Declaration.

Section 8.9 Assignment Of Developer's Rights. Developer shall have the right to assign all of its rights and obligations under this Declaration, including the power to approve or disapprove any act, use or proposed action, to any other person or entity or to the Association. Any such assignment shall be made by appropriate instrument in writing duly recorded in the office of the Macomb County Register of Deeds.

Signed on the date first set forth above.

WITNESSES:

PULTE LAND COMPANY, LLC

Patricia A. Bryan

PATRICIA A. BRYAN
Matthew Theut

Matthew Theut

By: *Howard A. Fingeroot*

Howard A. Fingeroot

Its: President and authorized agent

STATE OF MICHIGAN)
)ss.
COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me this 4th day of April, 2002, by **Howard Fingeroot**, the President and authorized agent of **Pulte Land Company, LLC**, a Michigan limited liability company, on behalf of the company.

Jennifer Craig
Notary Public, Oakland County, MI
My Commission Expires: 4-4-02

PREPARED BY AND WHEN
RECORDED RETURN TO:

Clark G. Doughty
Bodman, Longley & Dahling LLP
100 Renaissance Center
34th Floor
Detroit, MI 48243
(313) 259-7777

JENNIFER CRAIG
NOTARY PUBLIC OAKLAND CO., MI
COMMISSION EXPIRES JUL 7, 2006

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

Commencing at the Northeast corner of Section 5, T.3N., R.13E., Macomb Township, Macomb County, Michigan; thence N89°41'27"W 1334.39 feet along the North line of said Section 5 and the centerline of 26 Mile Road (variable width) for a **POINT OF BEGINNING**; thence S00°08'22"E 2050.26 feet; thence 7.43 feet along the arc of a 457.00 foot radius non-tangential circular curve to the left, with a chord bearing of S89°09'27"W 7.43 feet; thence S00°08'22"E 131.74 feet; thence S87°57'45"W 60.78 feet; thence S76°39'07"W 62.87 feet; thence S62°53'44"W 62.34 feet; thence S54°37'32"W 40.00 feet; thence S35°32'14"E 70.00 feet; thence S11°58'09"E 76.37 feet; thence S35°32'14"E 165.95 feet; thence S01°15'39"E 241.12 feet; thence S88°44'21"W 1266.42 feet; thence N00°17'45"W 2529.21 feet along the North-South 1/4 line of said Section 5 and the Easterly line of Country Club Village of the North, as recorded in Liber 143, Page 29, Macomb County Records, Macomb County, Michigan; thence S89°41'27"E 165.00 feet; thence N00°17'45"W 264.00 feet; thence S89°41'27"E 1169.39 feet along the North line of said Section 5 and the centerline of said 26 Mile Road to the Point of Beginning, being part of the Northeast ¼ of said Section 5, containing 82.25 acres of land, more or less.

EXHIBIT "B"

STORM WATER AGREEMENT

EASEMENT FOR MUNICIPAL UTILITIES

PROJECT # LV01783

NAME OF PROJECT: WINDING CREEK

SECTION 5, MACOMB TOWNSHIP

KNOWN ALL MEN BY THESE PRESENCE, THAT:

Pulte Land Company, L.L.C., a Michigan Limited Liability Company,

whose address is 26622 Woodward Avenue, Suite 110, Royal Oak, Michigan 48067

(the "Grantor") for the sum of \$1.00 paid by the Township of Macomb, a Michigan municipal corporation, whose address is 19925 - 23 Mile Road, Macomb, Michigan 48042, (the "Grantee") receipt and sufficiency of which are hereby acknowledged, does grant, convey, and release to the Grantee a permanent easement for the construction, installation, repair, maintenance and replacement of Township-owned public utilities, over, under and across the following described parcel of land:

DESCRIPTION OF PARCEL

Commencing at the Northeast corner of Section 5, T.3N., R.13E., Macomb Township, Macomb County, Michigan; thence N89°41'27"W 1334.39 feet along the North line of said Section 5 and the centerline of 26 Mile Road (variable width) for a **POINT OF BEGINNING**; thence S00°08'22"E 2756.79 feet; thence S88°44'21"W 1326.99 feet; thence N00°17'45"W 1417.77 feet along the North-South 1/4 line of said Section 5 and the Easterly line of Country Club Village of the North, as recorded in Liber 143, Page 29, Macomb County Records, Macomb County, Michigan; thence N89°42'15"E 360.00 feet; thence N00°17'45"W 101.45 feet; thence N89°42'15"E 300.00 feet; thence S00°17'45"E 30.00 feet; thence N89°42'15"E 360.80 feet; thence N00°08'22"W 120.00 feet; thence N04°37'23"E 60.22 feet; thence N00°08'22"W 580.34 feet; thence N10°29'34"W 112.77 feet; thence N00°18'33"E 120.00 feet; thence N08°31'20"E 60.62 feet; thence N00°18'33"E 242.00 feet; thence N89°41'27"E 313.30 feet along the North line of said Section 5 and the centerline of said 26 Mile Road to the Point of Beginning, being part of the Northeast 1/4 of said Section 5.

The easement shall be a permanent easement as described as:

DESCRIPTION OF A STORM WATER DETENTION BASIN EASEMENT

Commencing at the Northeast corner of Section 5, T3N, R13E, Macomb Township, Macomb County, Michigan; thence N89°41'27"W 1334.39 feet along the North line of said Section 5 and the centerline of 26 Mile Road (variable width); thence S00°08'22"E 22181.82 feet for a **PLACE OF BEGINNING**; thence continuing S00°08'22"E 574.96 feet; thence S88°44'21"W 60.58 feet; thence N01°15'39"W 241.12 feet; thence N35°32'14"W 165.95 feet; thence N11°58'09"W 76.37 feet; thence N35°32'14"W 70.00 feet; thence N54°37'32"E 40.00 feet; thence N62°53'44"E 62.34 feet; thence N76°39'07"E 62.87 feet; thence N87°57'45"E 68.21 feet to the Place of Beginning, being part of the Northeast 1/4 of said Section 5.

"COUNTRY CLUB VILLAGE OF THE NORTH"
 LIBER 143, PAGE 29
 NORTH-SOUTH 1/4 LINE OF SECTION 5

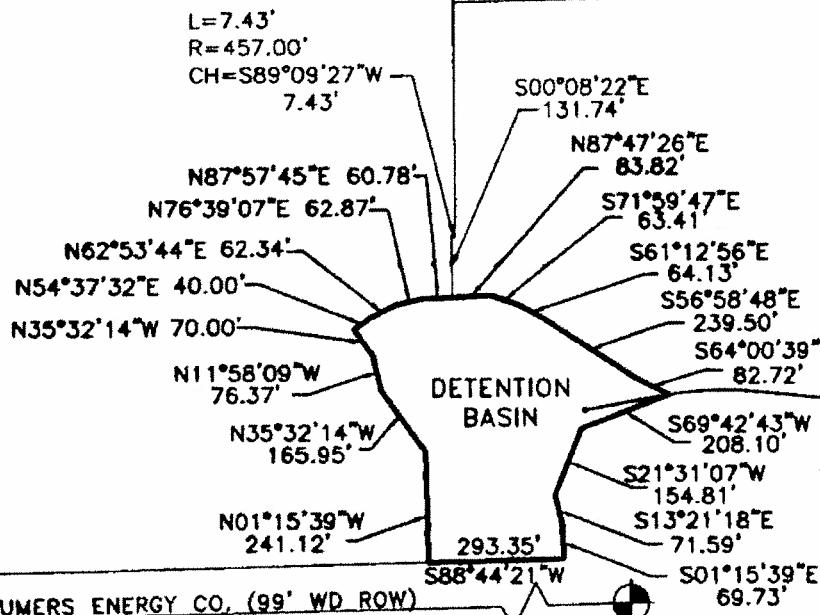
"PROPOSED WINDING CREEK SUBDIVISION"

1334.39 V

NE CORNER
 SECTION 5
 T3N, R13E



S00°08'22"E 2050.26'



CONSUMERS ENERGY CO. (99' WD ROW)

CENTER
 SECTION 5
 T3N, R13E

E 1/4 CORNER
 SECTION 5
 T3N, R13E

"PROPOSED EMERALD GREEN SUBDIVISION"

DESCRIPTION OF A DETENTION BASIN

Commencing at the Northeast corner of Section 5, T3N, R13E, Macomb Township, Macomb County, Michigan; thence N89°41'27"W 1334.39 feet along the North line of said Section 5 and the centerline of 26 Mile Road (variable width); thence S00°08'22"E 2050.26 feet; thence 7.43 feet along the arc of a 457.00 foot radius non-tangential circular curve to the left, with a chord bearing of S89°09'27"W 7.43 feet; thence S00°08'22"E 131.74 feet for a **PLACE OF BEGINNING**; thence N87°47'26"E 83.82 feet; thence S71°59'47"E 63.41 feet; thence S61°12'56"E 64.13 feet; thence S56°58'48"E 239.50 feet; thence S64°00'39"E 82.72 feet; thence S69°42'43"W 208.10 feet; thence S21°31'07"W 154.81 feet; thence S13°21'18"E 71.59 feet; thence S01°15'39"E 69.73 feet; thence S88°44'21"W 293.35 feet; thence N01°15'39"W 241.12 feet; thence N35°32'14"W 165.95 feet; thence N11°58'09"W 76.37 feet; thence N35°32'14"W 70.00 feet; thence N54°37'32"E 40.00 feet; thence N62°53'44"E 62.34 feet; thence N76°39'07"E 62.87 feet; thence N87°57'45"E 60.78 feet to the Place of Beginning, being part of the Northeast 1/4 of said Section 5, containing 5.05 acres of land, more or less.

CLIENT
 PULTE LAND DEVELOPMENT COMPANY

ATWELL-HICKS, INC.

Civil Engineering • Surveying
 Planning • Environmental Services
 Ann Arbor, MI Brighton, MI Washington Twp., MI
 734 994 4000 810 225 6000 810 786 9800

SKETCH OF
 DETENTION AREA

DATE: 5-15-01