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HOLLY HILLS OF GRAND BLANC NO. 1

DECLARATION OF COVENANTS. CONDITIONS AND RESTRICTIONS

This Declaration of Covenants, Conditions and Restrictions is made this ____ day of _____, 1998, by HOLLY HILLS OF GRAND BLANC, L.L.C., a Michigan limited liability company, whose address is 25625 Southfield Road, Suite 202. Southfield, Michigan 48075 (hereinafter sometimes referred to as "Developer").

RECITALS : .

A. Developer is the owner of certain real property located in the Township of Grand Blanc, County of Genesee, State of Michigan, which is described on Exhibit A attached hereto and made a part hereof.

B. Developer desires to develop said property as a single family residential subdivision in phases, pursuant to one or more subdivision plats recorded by Developer. The phases are intended to part of an overall subdivision known as Holly Hills of Grand, Blanc.,

C. Developer desires to: promote the proper use and appropriate development and improvement of the above-referenced property; protect the owners of the property against improper use of surrounding lots 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 said property; encourage the construction of attractive improvements thereon and establish appropriate locations thereof to secure and maintain proper setbacks from the streets and adequate free spaces between structures; promote high standards of maintenance and operation of community facilities, open areas 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 Exhibit A attached hereto is, and any parcels and/or lots into which said 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 said 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 c- interest in the property or any part thereof, or improvements thereon, as well as their heirs, successors and assigns.

ARTICLE 1
DEFINITIONS

Section 1.01 "Association" shall mean Holly Hills of Grand Blanc Homeowners Association, a Michigan non-profit corporation to be formed by Developer for the purposes described herein, and its successors and assigns.

Section 1.02 "Boulevard Islands" shall mean the boulevard and/or cu! de sac islands located within the roads within the Subdivision.

Section 1.03 "Common Areas" shall mean those portions of the Subdivision for the common use and enjoyment of the Owners, which are designated on the recorded plat(s) with respect to the Subdivision or as otherwise referenced in this Declaration, as Boulevard Islands, Parks. Entrance Way, Landscaping and Perimeter Improvements, Storm Drainage Facilities, and any improvements

constructed within the foregoing areas, including without limitation, any Irrigation Improvements.

Section 1.04 "Entrance Way, Landscaping and Perimeter Improvements" shall mean any entrance way monuments, landscaping and related improvements, and any perimeter landscaping or fencing installed by Developer within the Parks and/or Boulevard Islands.

Section 1.05 "Developer" shall mean Holly Hills of Grand Blanc, L.L.C., a Michigan limited liability company, its successors and assigns.

Section 1.06 "Irrigation Improvements" shall mean any irrigation systems and related facilities, including meters and back flow protectors, that may be installed by Developer in the Parks, Entrance Way, Landscaping and Perimeter Improvements, and/or Boulevard Islands.

Section 1.07 "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(s) with respect to the Subdivision.

Section 1.08 "Member" shall mean a member of the Holly Hills of Grand Blanc Homeowners Association.

Section 1.09 "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 "Parks" shall mean all private parks which are located within the Subdivision as shown on the recorded plat(s) with respect to the Subdivision.

Section 1.11 "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 1.12 "Storm Drainage Facilities" shall mean all storm drainage facilities located on the Property, including but not limited to the storm water detention basins, if any, located within the Parks and/or any Lot, and any storm sewer lines, manhole covers, and storm drainage grates.

Section 1.13 "Subdivision" shall mean the single family residential subdivision known as Holly Hills of Grand Blanc pursuant to the plat(s) recorded by Developer with respect to the Property.

Section 1.14 "Township" shall mean the Charter Township of Grand Blanc, a Michigan municipal corporation.

Section 1.15 "Wetlands" shall mean those portions of the Property, if any, which are designated as wetlands on the recorded plat(s) for the Subdivision and/or which are designated as such by any governmental unit or agency having jurisdiction over the Property.

ARTICLE II 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 III HOMEOWNERS ASSOCIATION

Section 3.01 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, as amended, which shall be known as the Holly Hills of Grand Blanc 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, and 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 3.02 Membership. Developer and every Owner shall be a Member of the Association. Every Owner shall become a Member commencing on the date on which said Owner is conveyed fee simple title to a Lot or, if applicable, the date on which a land contract purchaser enters into a land contract to purchase a Lot. All membership rights and obligations shall be appurtenant to and may not be separated from the ownership of any Lot.

Section 3.03 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 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 person or entity, all such persons or entities shall be Members and jointly shall be entitled to only one vote per Lot. Where 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 said one 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 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) Developer shall be a 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 3.04 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 3.05 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 all phases of 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 IV COMMON AREAS

Section 4.01 Right of Members to Use Parks. Each Member of the Association shall have the right and non-exclusive easement to use the Parks for the purposes provided herein. Such right and easement shall be appurtenant to, and shall pass with the title to, every Lot. The Association shall be responsible for the maintenance, repair and upkeep of the Parks and any Irrigation Improvements located therein, subject to the ordinances, rules and regulations of the Township and the provisions of this Declaration. The Parks shall be retained as open space areas and shall be used solely for storm water detention and open space purposes, and no dwellings shall be erected thereon. There

shall be no activity within any Wetlands except as permitted by applicable statutes, ordinances, rules and regulations of those governmental units having jurisdiction. The Association shall have the right to establish rules and regulations as the Board of Directors may be deemed necessary or desirable for the safe, orderly and convenient operation and use of the Parks and any improvements, equipment or facilities located thereon.

Section 4.02 Storm Drainage Facilities. The Association shall be responsible for the maintenance and repair of the Storm Drainage Facilities, in accordance with the ordinances rules and regulations of any governmental entities having jurisdiction over the Storm Drainage Facilities, this Declaration and/or any maintenance agreements entered into between Developer and any governmental entity with respect to the maintenance, upkeep and repair of the Storm Drainage Facilities. The storm water detention basins, if any, located within the Parks and/or any Lot shall be used only for storm water detention and open space purposes. No improvements or structures shall be installed within any storm water detention basin, other than improvements and structures which are necessary for the proper functioning of the storm water detention basin. The Association shall have the right to establish additional rules and regulations with respect to the preservation and upkeep of the Storm Drainage Facilities as the Board of Directors may deem necessary or desirable to insure the continued proper operation of the Storm Drainage Facilities.

Section 4.03 Boulevard Islands. The Association shall be responsible for the maintenance, repair and replacement of the Boulevard Islands and any Irrigation Improvements located therein, in accordance with the ordinances, rules and regulations of any governmental agencies having jurisdiction over the streets and rights-of-ways within the Subdivision and subject to this Declaration and any maintenance agreements entered into by Developer and any governmental entity having jurisdiction. 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 the Boulevard Islands in order to insure an aesthetically pleasing appearance for the benefit of all Owners within the Subdivision.

Section 4.04 Entrance Way, Landscaping and Perimeter Improvements. 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 4.05 Title to Common Areas. At such time as the Association has been formed and organized. Developer may, in its discretion, convey to the Association title to the Common Areas. In any event, Developer shall convey to the Association title to the Common Areas at or before such time as Developer conveys to an Owner the last Lot within the last phase of the Subdivision in which Developer holds a fee title interest. The conveyance of the Common Areas shall be subject to any easements reserved, dedicated or granted by Developer (in accordance with Sections 4.06 or 6.27 below), this Declaration, and any open space maintenance agreements or other maintenance and/or easement agreements entered into with the Township or other governmental entity prior to the date of conveyance.

Section 4.06 Common Area Easements. Developer, the Association and the Township, 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 4.05 above, Developer shall, subject to all applicable municipal ordinances, 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. Developer reserves the right to assign any such easements to units of government or public utilities. 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 determine 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 any phase of the- Subdivision, and approved by the Township.

Section 4 07 Action by the Township. In the event the Association fails at any time to maintain the Common Areas in reasonable order and condition, the Township may serve written notice upon the Association setting forth the manner in which the Association has failed to maintain Te Common Areas in reasonable order and condition, and such notice shall include a demand that deficiencies of maintenance be cured within thirty (30) days of the notice. If the deficiencies set forth in the original notice, or any modification thereof, are not cured within such thirty (30) day period or any extension thereof, the Township in order to prevent the Common Areas from becoming a nuisance, may but is not obligated to, enter upon the Common Areas and perform the required maintenance o cure the deficiencies. The Township's cost to perform any such maintenance shall be assessed equally against each Lot and collected in the same manner as general property taxes, including the provisions under state and local law for payments of interest, penalty and foreclosure.

ARTICLE V COVENANTS FOR MAINTENANCE AND CAPITAL CHARGES

Section 5 01 Creation of the Lien and Personal Obligation for Assessments. Each Owner, other than Developer, by accepting title to such Lot, or, by entering into a land contract for the purchase of such 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 such 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 IV above and as may be necessary to maintain any easement referenced in Section 4.06, or 6.27 of this Declaration; and
- (b) special assessments for capital improvements, to be established and collected as set forth below; and
- (c) special assessments for the maintenance of Owners' premises, 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 such interest thereon and costs of collection thereof (including court costs and reasonable attorneys' fees) which are described below shall be borne on the Lot against which they are made and all improvements thereon. Each such assessment, together with interest thereon, and the costs of collection thereof, 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 02 Purpose of Annual Assessments. The Association shall use the annual assessments levied under this Article V 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 irrigation Improvements located therein; (iii) maintaining and repairing the Storm Drainage Facilities; (iv) providing services and facilities for the benefit of residents of the Subdivision, v) 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 improvements thereon.

Section 5 03 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, expense 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 One Hundred (\$100.00) Dollars per Lot. Within thirty (30) days following the beginning of each fiscal year of the Association thereafter, 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 an amount in excess of twenty-five 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 Association Members called for such purpose. The quorum requirements for such a meeting shall be the same as those specified in Section 5.04 below. Each Owner shall pay said assessment within thirty (30) days from the date said written statement is mailed. Assessments not paid within said thirty (30) day period shall be deemed 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 5.07 below, shall pay to the Association, on the date said 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 V.

(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 therewith.

Section 5.04 Special Assessments for Capital Improvements. In addition to the annual assessments authorized by Section 5.03 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 fixtures, equipment and other personal property relating thereto provided, however, that 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 Association 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. 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 5.04 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 5.05 Uniform Assessment Rate: Assessments Against Specific Properties.

(a) Subject to Section 5.05(b) 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 V, the

Association may levy a special assessment against one or more specific Lots, for the purpose of maintaining and caring for the surface thereof and any plantings, landscaping or other vegetation located thereon. A special assessment for such purposes shall not be levied except in compliance with the following procedures:

(i) The Association 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 VI here in below. Such determination shall be made by the Association's Board of Directors.

(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 said Owner receives the above referenced notice to commence the required work.

(iv) If the Owner has not commenced the required work within said 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 5.05(b) 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 5.06 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 such 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 assessment as between the Association and any bona fide purchaser of said Lot(s) described in the certificate and the lender who has taken a lien on said property as security for the repayment of a loan.

Section 5.07 Exemptions from Assessments.

(a) All Lots owned by Developer shall be exempt from all regular, special and deficiency assessments. Upon conveyance of any Lot by Developer to a Class A Member, the exemption for each such Lot shall thereupon cease and such 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 deficit assessments imposed by the terms of this Article V; provided, however, that any exemption established by this Section 5.07(b) shall cease and terminate as to any Lot contained in the Subdivision in the event construction is not commenced within two (2) years from the date the Lot is acquired by such builder, developer or real estate company.

Section 5.08 Subordination of Liens to Mortgages. The lien for assessments provided for in this Article V 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 shall be 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 thereof, shall extinguish the lien of the assessments, interest and charges, which became due prior to such sale or transfer, but in no such event shall the prior Owner of said 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 thereof, 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 therefore.

Section 5.09 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 said 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 VI GENERAL RESTRICTIONS

Section 6.01 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 thereon, except one (1) single family private dwelling or mode! home and an attached private garage containing no less than two (2) nor more than four (4) parking spaces for the sole use of the Owner or occupants of the dwelling. All private garages shall be side entry or court-yard facing, and shall not face the street on which the dwelling faces. 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.

Section 6.02 Dwelling Quality and Size. It is the intention and purpose of this Declaration to insure that all dwellings in the Subdivision shall be of 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, breezeways and similar facilities, shall be:(i) for one-story dwellings, not less than one thousand five hundred (1,500) square feet; and (ii) for two-story dwellings (including, but not limited to, bi-levels and tri-levels), not less than one thousand eight hundred (1,800) square feet. Notwithstanding the foregoing, Developer or the Architectural Control Committee referred to in Section 7.03 below, as the case may be, shall be entitled to grant exceptions to the above-referenced minimum square footage restrictions to the Owner of a Lot who applies for such exception; provided said 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 Lot Owner.

Section 6.03 Building Location. All buildings and structures shall be located on each Lot in accordance with the Township's requirements set forth in its zoning ordinance.

Section 6.04 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 6.05 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 6.26 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 such manner as to cause damage to other

property.

Section 6.06 Building Materials. Exterior building materials may be stone, brick, wood, siding or any other material blending with the architecture and natural landscape which is approved by Developer.

Section 6.07 Home Occupations. Nuisances and Livestock. No home occupation, profession or commercial activity that requires members of the public to visit 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 who 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 shall anything be done thereon 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 or harbored 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 whatsoever. 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 6.08 Plant Diseases or Noxious Insects. No plants, seeds or other things or conditions harboring or breeding infectious plant diseases or noxious insects shall be introduced or maintained upon any part of a Lot.

Section 6.09 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 whatsoever shall be moved or reconstructed on any Lot. Any building damaged or destroyed by any cause, 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 and all property within any public or private road or right-of-way which is disturbed by reason of any work performed by an Owner, or said Owner's agents, servants, employees or independent contractors, in erecting any building or structure on said Owner's Lot shall be restored by said Owner, at his sole expense, to its condition immediately prior to the commencement of such work. Said restoration shall be performed immediately following the completion of said work or, if such work is not completed, within a reasonable time following the date the work stopped.

Section 6.10 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 6.11 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 6.12 Maintenance of Side Strips. Owners of Lots shall be responsible for the maintenance of parkways or public rights-of-way located between their lot lines and edges of street pavements on which said Lots abut.

Section 6.13 Tree Removal. Clear-cutting or removal of trees greater than six (6") inch caliper at breast height by any person other than Developer, or any builder who owns Lots for resale in the ordinary course of business, shall 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. It shall be the responsibility of each Lot Owner to maintain and preserve all large trees on his Lot, which responsibility includes welling trees, if necessary.

Section 6.14 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 6.15 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 6.16 Garbage and Refuse. Trash, garbage or other waste shall be kept only in closed, sanitary containers and shall be promptly disposed of so that it will not be objectionable to neighboring property owners. No outside storage for refuse or garbage shall be maintained or used unless the same shall be properly concealed. The burning or incineration of rubbish, trash, construction materials or other waste outside of any residential dwelling is strictly prohibited.

Section 6.17 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 within the front yard area formed by the front Lot line, the side Lot lines and a connecting line which shall be the rearmost exterior wall of the residential dwelling. No other 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 6.20. In addition, no fence, wall, structure, planting or obstruction shall be erected, established or maintained on any corner within a triangular area formed by the street lines and a connecting line which is at a point twenty-five (25') feet from the intersection of such street lines, which shall have a height that is more than two (2') feet; provided, however, shade trees with wide branches which are at least eight (8') feet above ground shall be permitted within such area. In no event shall chain link fences be permitted on any Lot.

Section 6.18 Landscaping and Grass Cutting. Upon completion of a residential dwelling on any Lot, the Owner thereof shall cause such Lot to be finish graded, seeded or sodded and suitably landscaped as soon after such completion 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 of said Lot shall mow or cut said weeds and grass over the entire Lot except in wooded areas, and Wetlands. If said Owner fails to mow or cut weeds or grass within ten (10) days after being notified in writing, the Developer or the Association may perform such work and the cost thereof shall become a lien upon the Lot(s) involved until paid. All Lots owned by Developer or a builder who owns Lots for resale in the ordinary course of business shall be exempt from the foregoing restrictions contained in this Section 6.18. Upon conveyance of any Lot by Developer or a builder to an Owner other than Developer or a builder, the exemption for said Lot shall thereupon cease and such Lot shall be subject to all of-the restrictions contained in this Section 6.18.

Section 6.19 Motorized Vehicles. No trail bikes, motorcycles, snowmobiles or other motorized recreational vehicles shall be operated on any Lot or in any drain easement, side strip, or Common Areas within the Subdivision.

Section 6.20 Swimming Pools, Tennis Courts and Other Structures. No swimming pools, tennis courts, or other similar recreational structures shall be constructed on any Lot until such time 'as the 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 recreational 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 shall be permitted. Swimming pools, tennis courts, whirlpools, hot tubs and other similar recreational structures, if permitted in writing by the Association, 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 6.21 Lawn Fertilization. The Township may regulate the type of fertilizers that may be used on any Lot.

Section 6.22 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 premises 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 premises, which garage sale and sign placement shall

not exceed three (3) days. The foregoing restrictions contained in this Section 6.22 shall not apply to such signs as may be 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.

Section 6.23 Objectionable Sights. Exterior fuel tanks, above ground, shall not be permitted. The stockpiling and storage of building and landscape materials and/or equipment shall not be 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) shall be constructed or erected upon the exterior of any dwelling on any Lot, without the prior written approval of Developer.

Section 6.24 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 6.25 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 said builder may determine and/or a model home or homes for such purposes; Developer and any such designated builder may continue such activity until such time as all of the Lots in which Developer and such builder have an interest are sold.

Section 6.26 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 6.27 Reservation of Easements. Subject to all applicable municipal ordinances, easements for the construction, installation, maintenance and replacement of public utilities, storm 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 the Common Areas, any Lots that contain Storm Drainage Facilities, including, without limitation, storm water detention basins, and as may be otherwise indicated on the recorded plat(s) 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, may

be assigned by Developer at any time to any person, firm, corporation, governmental agency or municipal authority or department furnishing one or more of the foregoing services and/or facilities and any such easements 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 agreements), 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 may otherwise be 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 his 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, his agents, contractors, invitees and/or licensees.

Section 6.28 Reciprocal Negative Easements. Unless otherwise expressly provided for 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 VII ARCHITECTURAL CONTROLS

Section 7.01 Architectural Controls. It is understood and agreed that 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 7.02 below, (i) no building, fence, wall or other structure shall be commenced, erected or maintained, and (ii) no addition, change or alteration therein shall be made, except for interior alterations.

Section 7.02 Submission of Plans and Plan Approval.

(a) All plans, specifications and other related materials shall be filed in the office of Developer, or with any agent specified by Developer, for approval or disapproval. Said construction plans and specifications shall show the nature, kind, shape, height, materials (including samples of exterior building materials upon request), approximate cost of such building or other structure, proposed drainage of surface water, location and grade of all buildings, structures and improvements, as well as utilities and parking areas for the subject Lot Developer shall have sole authority to review, approve or disapprove the plans or specifications and or any part thereof. Developer shall have the right to refuse to approve any plans or specifications or grading plans, or portions thereof which are not suitable or desirable in the sole discretion of Developer, for aesthetic or other reasons : (^considering such plans and specifications. Developer shall have the right to take into consideration -compatibility of the proposed building or other structures with the surroundings and the effect of the building or other structure on the view from adjacent or neighboring properties. It is desired that the natural landscape and trees be left in their natural state as much as possible or practical.

(b) A report in writing setting forth the decision of Developer, and the reasons therefore, shall be furnished to the applicant by Developer within thirty (30) days from the date of filing of complete plans, specifications and other materials by the applicant. Developer will aid and cooperate with prospective builders and Owners and make suggestions based upon its review of preliminary sketches. Prospective builders and Owners are encouraged to submit preliminary sketches for informal comment prior to the submission of architectural drawings and specifications. If Developer fails to give written notice of approval of any final architectural plans and/or specifications submitted to Developer under this Article VII, within thirty (30) days from the date submitted, such architectural plans and/or specifications 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 said applicant's plans, specifications and related materials.

(c) Neither Developer nor any person(s) or entity(ies) to which it delegates any of its rights, duties or obligations hereunder, including, without limitation, the Association and Architectural Control Committee referenced in Section 7.03 below, shall incur any liability whatsoever for approving or failing or refusing to approve all or any part of any submitted plans and/or specifications. Developer hereby reserves the right to enter into agreements with the grantee (or vendee) of any Lot(s) (without the consent of grantees or vendees of other Lots or adjoining or adjacent property) to deviate from any or ail of the restrictions set forth in this Declaration, provided that said grantee or vendee demonstrates that the application of the particular restrictions) in question would create practical difficulties or hardships for said grantee or vendee. 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 7.03 Architectural Control Committee. At such time as the fee simple interest in one hundred (100) percent of the Lots in all phases of the Subdivision have been conveyed by Developer, or, at such earlier time as Developer may elect, Developer shall delegate and assign all of its rights, duties and obligations as set forth in Articles VI and VII, to an Architectural Control Committee representing the Owners or to the Association, provided that such assignment shall be accomplished by a written instrument wherein the assignee expressly accepts such powers and rights. Such instrument, when executed by the assignee shall, without further act, release Developer from the obligations and duties in connection therewith. If such assignment or delegation is made, the acts and decisions of the assignee or delegatee as to any matters herein set forth shall be binding upon all interested parties. If Developer assigns its rights and obligations under Articles VI and VII to an Architectural Control Committee, said 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 transfer his right to appoint members of the Architectural Control Committee to the Association. Until such time, however, Developer reserves the right to appoint and remove members of the Architectural Control Committee in its sole discretion.

ARTICLE VIII GENERAL PROVISIONS

Section 8.01 Amendment.

(a) Developer may amend the covenants, conditions, restrictions and agreements of this Declaration after one or more final plat(s) for the Subdivision has/have 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 others), 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 the Declaration to add additional land to the Property at any time, 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 others), 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 others), may amend this Declaration as may be 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 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 8.02 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 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. Notwithstanding anything to the contrary contained in this Declaration, the provisions of Sections 4.07 and 6.26 of this Declaration, shall run forever, without right of termination or amendment unless modified or deleted pursuant to an amendment authorized by Section 8.01.

Section 8.03 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 8.04 Insurance Proceeds. All proceeds of any insurance maintained with respect to any assets of the Association, and the Common Areas (if said 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 said 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 8.05 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 8.06 Notices. Each Owner shall file the correct mailing address of such Owner with Developer and shall promptly notify Developer in writing of any subsequent change of address. Developer shall maintain a file of such addresses and make the same available to the Association. A written or printed notice, deposited in the United States Mail, postage prepaid and addressed to any Owner at his last known address shall be sufficient and proper notice to such Owner, wherever notices are required in this Declaration.

Section 8.07 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 8.08 Execution of Additional Documents. Each of the Owners, at no expense to itself, hereby agrees, at the request of Developer or the Association, 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 8.09 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 Genesee County Register of Deeds.

IN WITNESS WHEREOF, the undersigned has hereunto set its hands on the day and year first set forth above.

WITNESSES: HOLLY HILLS OF GRAND BLANC, L.L.C.,
a Michigan limited liability company

_____ By:_____.

Its:_____

STATE OF MICHIGAN)

) SS

COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me this _____ day of _____, 1998' by _____ its _____ on behalf of Holly Hills of Grand Blanc, L.L.C., a Michigan limited liability company.

_____, Notary Public
Oakland County, Michigan
My Commission Expires: _____

DRAFTED BY AND WHEN RECORDED RETURN TO:
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Seyburn, Kahn, Ginn, Bess.
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