

BYLAWS
OF
BRISTOL CORNERS SUBDIVISION HOMEOWNER'S ASSOCIATION

ARTICLE I
NAME AND LOCATION

The name of this corporation is **BRISTOL CORNERS SUBDIVISION HOMEOWNER'S ASSOCIATION**, hereinafter referred to as the "Association". The principal office of the Association shall be located at 30701 West Ten Mile Road, Farmington Hills, Michigan 48336 or at such other office as determined by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1. "Association" shall mean and refer to the **BRISTOL CORNERS SUBDIVISION HOMEOWNERS ASSOCIATION**", a Michigan nonprofit corporation, its successors and assigns.

Section 2. "Common Area" shall mean those areas of land within the Subdivision or within any future subdivision if any, hereafter annexed (including improvements thereto) now or hereafter owned by the Association for the common use, benefit and enjoyment of the Owners. The Common Area to be owned by the Association is set forth and indicated as "park" therein.

Section 3. "Declarant" shall mean and refer to Novi Group L.L.C. and/or Novi Group No. 2 L.L.C., Michigan limited liability companies, and their successors and assigns.

Section 4. "Declaration" shall mean and refer to the Declaration of Restrictions for the Subdivisions known as Bristol Corners West No. 1 as recorded in Liber 255 Pages 21 through 26, Bristol Corners West No. 2 as recorded in Liber 268 Pages 21 through 26, Bristol Corners West No. 3 as recorded in Liber 277 Pages 22 through 25, Bristol Corners North as recorded in Liber 287 Pages 4 through 12 and Bristol Corners South as recorded in Liber 287 Pages 13 through 16 all of which are recorded Oakland County Records and any further amendments thereto.

Section 5. "Lot" shall mean and refer to any numbered lot shown on any recorded Plat of the Bristol Corners West No. 1, Bristol Corners West No. 2, Bristol Corners West No. 3, Bristol Corners North and Bristol Corners South (hereinafter known as the "Subdivision") and any further subdivisions hereafter annexed.

Section 6. "Member" shall mean and refer to those persons entitled to membership in the Association as provided in the Declaration and its amendments.

Section 7. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities of the fee simple title to any Lot which is either a part of the "Subdivision" or any future subdivisions hereafter annexed, or the land contract purchaser of any Lot or party granted an option to purchase any Lot. Notwithstanding the foregoing, optionees or land contract vendees of lots owned by the Declarant shall not be considered Owners of such lots for purposes determining voting rights hereunder, although such optionees and land contract vendees shall be fully responsible for all assessments, charges and performance obligations imposed against such lots. The term Owner shall not include those having any interest merely as security for the performance of an obligation. When more than one person or entity has an interest in the fee title of a Lot, the interest of all such persons collectively shall be that of a single Owner.

Section 8. "Subdivision" shall mean and refer to BRISTOL CORNERS WEST NO. 1, BRISTOL CORNERS WEST NO. 2, BRISTOL CORNERS WEST NO. 3, BRISTOL CORNERS NORTH also known as BRISTOL BLUFFS NORTH, and BRISTOL CORNERS SOUTH also known as BRISTOL BLUFFS SOUTH.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Section 1. **Membership.** Every person who or which is the Owner of a Lot shall be a Mandatory Member of the Association. Membership in the Association is, and shall be, appurtenant to, and may not be separated from, ownership of any Lot. Notwithstanding the foregoing, the termination of any person's ownership interest in any Lot, and the consequent termination of such person's membership in the Association, shall not relieve such person from any debt or obligation attributable to such Lot which accrued or arose during the period such person was an Owner of such Lot.

Section 2. **Voting Rights.** All members in good standing shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in a Lot all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves shall determine, but in no event shall more than one vote be cast with respect to any one Lot.

ARTICLE IV PROPERTY RIGHTS

Section 1. **Owner's Easements of Enjoyment.** The right and easement of enjoyment of each owner in and to the Common Area shall be subject to the following prior rights of the Association:

- a. The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common area.
- b. The right of the Association to suspend the voting rights and right to use the Common Area by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules, regulations and declarations.
- c. The right of the Association to levy assessments, as set forth in the Declarations.

Section 2. **Delegation of Use.** Any Owner may delegate, in accordance with these By-laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or purchasers who reside on his Lot. Said easement of enjoyment shall not be personal, but shall be considered to be appurtenant to the Lot and shall pass with title to the Lot whether or not specifically set forth in the deed of conveyance of the Lot.

Section 3. **Agreement for Common Area Maintenance.** The rights and obligations of each Owner of a Lot shall in all cases be subject to an Agreement for Common Area Maintenance as set forth in the Declaration.

ARTICLE V **MEETINGS OF MEMBERS**

Section 1. **Annual Meetings.** The first Annual Meeting of the members entitled to vote shall be held no later than 90 days after the conveyance of the last lot in the Subdivision to an owner or at such other time as the Declarant deems appropriate. Each subsequent regular meeting of the members of the Association shall be held approximately the same day and the same month each year thereafter as is reasonably possible. Under no circumstances shall the Regular Annual Meeting be held more than two weeks before the anniversary date of the First Annual Meeting.

Section 2. **Special Meetings.** Special meeting of the Members may be called at any time the president or by vote of the Board, or upon written request of the Members who are entitled to vote one-half (1/2) of all of the votes of the Association.

Section 3. **Notice of Meetings.** Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice postage prepaid, at least ten (10) days before such meeting of each Member entitled to vote there at, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Each Member shall register his address with the secretary, and notices of meetings shall be mailed to him at such address. Such notice shall specify the place, date and hour of the meeting, and in the case of a special meeting, the purpose of the meeting. If the business of any meeting

shall involve any change in the basis or maximum amount of the annual assessment set for Article V of the Declarations, or any special assessments therein authorized, notice of such meeting shall be given or sent as therein provided.

Section 4. Quorum. The presence at the meeting of the Members entitled to cast or of proxies entitled to cast, twenty-five percent (25%) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote there at shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented. *

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon the conveyance by the Member of his Lot.

ARTICLE VI **BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE**

Section 1a. Qualifications and Eligibility. Other than non-members appointed by the Declarant to serve on the Board of Directors, all Members eligible to serve on the Board of Directors must be in good standing with the Association. Good standing shall mean all obligations to the Association must be paid in full and said member shall not be in violation of the Declarations, these By-laws or any Rule or Regulation of the Association.

Section 1b. Number. The business and affairs of this Association shall be managed by a Board of not less than three (3) nor more than five (5) directors who need not to be Members of the Association, provided that the Board may contain between one (1) and five (5) members at any time until all Members become eligible to vote. The Board of Directors of the Association may be appointed by the Declarant until the earlier of such time ("Transition Date") as (a) one hundred percent (100%) of the Lots have been sold to Owners, or (b) such earlier time as may be elected by Declarant, and thereafter shall be elected by the Owners. In the event that, as of the Transition Date, the Owners are unwilling or unable to elect a Board of Directors; the Declarant reserves the right to grant to the Management Agent of the Association or to such other designee chosen by Declarant the right to appoint a Board of Directors composed of either Owners or Non-Owners, or some combination thereof. The fee charged by the Management Agent or other designee and by the Directors shall be paid directly by the Association. The right of the Management Agent or other designee to appoint the Board of Directors shall continue until the first annual meeting at which the Owners are willing and able to elect a Board of Directors of Owners who desire to serve as Directors. When more than one person holds an interest in a Lot, all such persons shall be Members. The vote for such Lot shall be exercised as such persons among themselves shall determine, but in no event shall more than one vote be cast with respect

to any one Lot. Any transition of control of the Association under this Article shall not in any way affect the membership of the Architectural Control Committee or the power of Declarant to appoint Committee members. Declarant reserves the right at any time, but shall not be obligated, to assign to the Association the right to appoint one or more of the Committee members.

Section 2. **Transfer of Right to Appoint Board.** In the event that following the transfer of operating rights by the Declarant, the Owners are unwilling or unable to elect a Board who desire to serve as directors, the Declarant reserves the right to grant to a management agent of the Association or to such other designee chosen by Declarant the right to appoint a Board composed of either Owners or non-Owners, or some combination thereof. The fee charged by such management agent or other designee and by the directors shall be paid directly by the Association. The right of the management agent or other designee to appoint the Board shall continue until the next annual meeting of the members at which the owners are willing and able to elect a Board of owners who desire to serve as directors.

Section 3. **Term of Office.** At the first annual meeting, and at each annual meeting thereafter the Members of the Association entitled to vote shall elect at least three (3) directors for a term of one (1) year. A Director shall hold office for the term for which he is elected and until his successor is elected and qualified or until his resignation or removal.

Section 4. **Removal.** Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association entitled to vote.

Section 5. **Vacancies.** Vacancies in the Board caused by death, resignation, or removal of a director shall be filled by appointment by and upon the vote of a majority of the remaining directors, and such director or directors, so appointed, shall serve for the unexpired term of this predecessor.

Section 6. **Compensation.** No director other than as set forth in Section 2 shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of these duties.

ARTICLE VII
MEETINGS OF BOARD

Section 1. **Place of Meeting.** The Board may hold their meetings in such place or places within or without this state as a majority of the Board may, from time to time, determine.

Section 2. **Meetings.** Meetings of the Board may be called at any time by the president or the secretary or by a majority of the Board. The directors shall be notified in writing of the time, place and purpose of all meetings of the board at least three (3) days prior to the date scheduled for said meeting with the exception of the annual meeting of the Board, for which not notice shall be provided, and which shall be held immediately after the annual meeting of the

Members. Attendance of a director at a meeting constitutes a waiver of notice of said meeting, except where the director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 3. **Quorum.** A majority of the members of the Board then in office constitutes a quorum for the transaction of business. The vote of the majority of members present at a meeting at which a quorum is present constitutes the action of the Board; provided that amendment of these By Laws by the Board requires the vote of no less than a majority of the members of the Board then in office.

Section 4. **Action Without a Meeting.** Any action which might be taken at a meeting of the Board may be taken without a meeting if before or after the said action all members of the Board consent thereto in writing. The written consents shall be filed with the minutes of the proceedings of the Board. The consent has the same effect as a vote of the Board for all purposes.

ARTICLE VIII **POWERS AND DUTIES OF THE BOARD**

Section 1. **Powers.** The Board shall have power to, in addition to any and all powers conferred by statute, to:

- (a) Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) Suspend the voting rights and right to use of the recreational facilities of a member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of the published rules and regulations;
- (c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By Laws, the Articles of Incorporation and the Declarations.
- (d) Declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive scheduled meetings of the Board;
- (e) Employ a manager, an independent contractor, professional maintenance contractors or such other employees as they deem necessary, and to prescribe their duties; and
- (f) To delegate to the appropriate officers the carrying out of its policies and directives.

Section 2. **Duties.** The Board shall:

- (a) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
- (b) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;
- (c) Initiate collection of delinquent assessments including, in their discretion, the foreclosure of the lien against any property for which assessments are not paid after due or to bring an action at law against the Owner personally obligated to pay the same;
- (d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.
- (e) Procure and maintain adequate liability and hazard insurance on property owned by the Association;
- (f) Cause the Common Area, if any, to be maintained and preserved, as is more fully defined in the Declaration; and
- (g) To exercise for the Association all powers, duties and authority vested in or delegated to the Association.

Section 3. **Remedies for Default.** Any default by an owner shall entitle the Association or another Owner(s) to the following relief:

- (a) **Legal Action.** Failure to comply with any of the terms or provisions of the Declarations shall be grounds for relief, which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment or assessment) or any combination thereof, and such relief may be sought by the Association or, if appropriate, by an aggrieved Owner or Owners.
- (b) **Recovery of Costs.** In any proceeding arising because of an alleged default by any Owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees (not limited to statutory fees) as may be determined by the court, but in no event shall any owner be entitled to recover such attorney's fees.

- (c) **Removal and Abatement.** The violation of any of the provisions of the Declarations shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the Common Area where reasonably necessary, and summarily remove and abate, at the expense of the Owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Declarations. The Association shall have no liability to any Owner arising out of the exercise of its removal and abatement power authorized herein.
- (d) **Assessment of Fines.** The violation of any of the provisions of the Declarations by any Owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations in accordance with Article ~~XX~~ of these Bylaws.
- (e) **Non-waiver of Fines.** The failure of the Association or of any Owner to enforce any right, provision, covenant or condition which may be granted by the Declarations shall not constitute a waiver of the right of the Association or of any such Owner to enforce such right, provision, covenant or condition in the future.
- (f) **Cumulative Rights, Remedies and Privileges.** All rights, remedies and privileges granted to the Association or any Owner or Owners pursuant to any terms, provisions, covenants or conditions of the aforesaid Declarations shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.
- (g) **Enforcement of Provisions of Declarations.** An Owner may maintain an action against the Association and its officers and Directors to compel such persons to enforce the terms and provision of the Declarations. An Owner may maintain an action against any other Owner for injunctive relief or for damages or any combination thereof for noncompliance with the terms and provisions of the Declarations.

ARTICLE IX
ASSESSMENT OF FINES

Section 1. **General.** The violation by any owner, occupant or guest of any of the provisions of the Declarations including any duly adopted rules and regulations shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, or monetary fines against the involved Owner. Such Owner shall be deemed responsible for such violations whether they occur as a result of his personal actions or the actions of his family, guests, tenants or any other person admitted through such Owner to the Subdivision.

Section 2. Procedures. Upon any such violation being alleged by the Board, the following procedures will be followed:

- (a) **Notice.** Notice of the violation, including the bylaw or rules and regulation provision violated, together with a description of the factual nature of the alleged offense set forth with such reasonable specificity as will place the Owner on notice as to the violation, shall be sent by first class mail, postage prepaid, or personally delivered to the representative of said Owner at the address as shown in the notice required to be filed with the Association pursuant to these Bylaws.
- (b) **Opportunity to Defend.** The offending Owner shall have an opportunity to appear before the Board and offer evidence in defense of the alleged violation. The appearance before the Board shall be at its next scheduled meeting, but in no event shall the Owner be required to appear less than 10 days from the date of the notice.
- (c) **Default.** Failure to respond to the notice of violation constitutes a default.
- (d) **Hearing and Decision.** Upon appearance by the Owner before the Board and presentation of evidence of defense, or, in the event of the Owner's default, the Board shall, by majority vote of a quorum of the Board, decide whether violation has occurred. The Board's decision is final.

Section 3. Amounts. Upon violation of any of the provisions of the Declarations and after default of the offending Owner or upon the decision of the Board as recited above, the following fines shall be levied:

- (a) **First Violation.** No fine shall be levied.
- (b) **Second Violation.** Twenty-Five Dollar (\$25.00) fine.
- (c) **Third Violation.** Fifty Dollar (\$50.00) fine.
- (d) **Fourth Violation and Subsequent Violations.** One Hundred Dollar (\$100.00) fine.

Section 4. Collection. The fines levied pursuant to Section 3 above shall be assessed against the Owner and shall be due and payable on the first of the next following month. Failure to pay the fine will subject the Owner to all liabilities set forth in the Declarations including, without limitations, those described in the Bylaws.

ARTICLE X
RIGHTS RESERVED TO DECLARANT

Any and all of the rights and powers granted or reserved to the Declarant in the Declarations or bylaws, including the right and power to approve or disapprove any act, use, or proposed action or any other matter or thing, may be assigned by it to any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its acceptance of such powers and rights and such assignee or transferee shall thereupon have the same rights and powers as herein given and reserved to the Declarant. Any rights and power reserved or granted to the Declarant or its successors shall terminate, if not sooner assigned to the Association, at transfer date. The immediately preceding sentence dealing with the termination of certain rights and powers granted or reserved to the Declarant is intended to apply, insofar as the Declarant is concerned, only to the Declarant's rights to approve and control the administration of the Subdivision and shall not, under any circumstances, be construed to apply to or cause the termination of any real property rights granted or reserved to the Declarant or its successors and assigns in the Declarations or elsewhere (including, but not limited to these bylaws, rules and regulations or Articles of Incorporations.

ARTICLE XI
OFFICERS

Section 1. At the annual meeting of the Board, the Board shall elect a president, a secretary and a treasurer and may select one or more vice presidents, assistant secretaries and assistant treasurers who shall serve for a period of one (1) year or until their successors shall be chosen. Two or more offices may be held by the same person but an officer shall not execute, acknowledge or verify an instrument in more than one capacity.

Section 2. The Board may also appoint such other officers and agents as they may deem necessary for the transaction of the business of the Association, including a managing agent. All officers and agents shall respectively have such authority and perform such duties in the management of the property and affairs of the Association as may be designated by the Board. The Board may remove any officer or agent whenever, in their judgment, the interests of the Association will be served thereby.

Section 3. The Board may secure the fidelity of any or all of such offices by bond or otherwise.

ARTICLE XII
DUTIES OF OFFICERS

Section 1. **President.** The President shall be the chief executive officer of the Association, and in the recess of the Board shall have the general control and management of its business and affairs, subject, however, to the right of the Board to delegate any specific power

except such as may be by statute exclusively conferred upon the president, to any other officer or officers of the Association. He shall preside at all meetings of Board and all meetings of the Members.

Section 2. **Vice-President.** In case the office of the president shall become vacant by death, resignation, or otherwise, or in case of the absence of the president, or his disability to discharge the duties of his office, such duties shall, for the time being, devolve upon the vice-president who shall do and perform such other acts as the Board may, from time to time, authorize him to do.

Section 3. **Treasurer.** The Treasurer shall have custody and keep account of all money, funds and property of the Association, unless otherwise determined by the Board, and he shall render such accounts and present such statement to the directors and president as may be required of him. He shall deposit all funds of the Association which may come into his hands in such bank or banks as the Board may designate. He shall keep his bank accounts in the name of the Association, and shall exhibit his books and accounts, at all times, to any Director of the Association upon application at the office of the Association during business hours. He shall pay out money as the affairs of the Association require upon the order of the properly constituted officer or officers of the Association, taking proper vouchers therefore; provided, however, the Board shall have power by resolution to delegate any of the duties of the Treasurer to other officers, and to provide by what officers, if any, all bills, notes, checks, vouchers, orders or other instruments shall be countersigned. He shall perform, in addition, such other duties as may be delegated by the Board.

Section 4. **Secretary.** The Secretary of the Association shall keep the minutes of all the meetings of the members and Board in books provided for that purpose; he shall attend to the giving and receiving of all notices of the Association to the members, he shall have charge of the books and papers as the Board may direct; all of which shall, at all reasonable times, be open to the examination of any Director upon application at the office of Secretary, and in addition such other duties as may be delegated to him by the Board; and shall keep appropriate records of the names and addresses of the members.

Section 5. **Contracts Signed by Officers.** Any of the following officers, President, Vice President, Secretary or Treasurer may sign any contracts of the Association unless otherwise provided by the Board.

ARTICLE XIII **COMMITTEES**

The Board may appoint such committees as deemed appropriate in carrying out its purposes.

ARTICLE XIV
PROXIES

Section 1. At all meetings of Members, each Member entitled to vote may vote in person or by proxy.

Section 2. All proxies shall be in writing and filed with the secretary. No proxy shall extend beyond a period of eleven (11) months, and every proxy shall automatically cease upon sale by the member of his Lot.

ARTICLE XV
CORPORATE SEAL

No seal shall be required to be adopted as the corporate seal of this Association for the regular conduct of its business. In the event a seal should be required for any transaction, then any blank corporate seal may be utilized as the seal for this Association.

ARTICLE XVI
AMENDMENTS

X **Section 1.** These By Laws may be amended, at a regular or special meeting of the Members, by a vote of two-thirds (2/3) of the Members present, either in person or by proxy, and entitled to vote provided that any matter stated herein to be or which is in fact governed by the Declaration or the Open Space Agreement applicable to the Subdivision, and recorded, may not be amended except as provided in such Declaration or Open Space Agreement.

Section 2. In case of any conflict between the Articles of Incorporation and these By Laws, the Articles shall control.

ARTICLE XVII
GENERAL PROVISIONS

Section 1. **Fiscal Year.** The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except the first fiscal year shall begin on the date of incorporation.

Section 2. **Liability of Board Members.** Neither any Member of the Board nor the Declarant shall be personally liable to any Owner, or to any other party, for the damage, loss or prejudice suffered or claimed on account of any act or omission of the Association, the Board, the Declarant or any other representatives or employees of the Declarant, the Board or the Association.

Section 3. **Management Agent.** The Board of the Association shall be permitted to retain the services of a management agent to aid them in administering and carrying out the purposes of the Association, and may utilize a portion of the Association assessments to pay such management agent a fee deemed reasonable by the Board.

Section 4. **Insurance.** The Association shall carry Property, Liability for the Common Areas including any and all equipment (i.e., Tot Lot, Tennis Courts), structures (i.e., Gazebo, Boardwalk, Entry Identification Monuments) that may be caused to exist in the Common Areas or in the Public Right-of-Way by agreement with the City of Novi. The Association shall carry Directors and Officers Insurance to protect it from improprieties of any Director or of the Board.

Section 5. **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 6. **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 written form or in any other form capable of being converted to 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 7. **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 XVIII
INDEMNIFICATION

Section 1. **Indemnification of Director, Officer, Partner, Trustee, Employee, Non-director Volunteer or Agent: Claims by Third Parties.** The Association shall, to the fullest extent authorized or permitted by the Michigan Nonprofit Corporation Act (the "Act") or other applicable law, as the same presently exists or may hereafter be amended indemnify a persons ("Indemnitee") who or is a party or is threatened to be made a party to a threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and

whether formal or informal, other than an action by or in the right of the Association, by reason of the fact that Indemnitee is or was a director, officer, employee, non-director volunteer or agent of the Association, or is or was serving at the request of the Association as a director, officer, partner, trustee, employee, non-director volunteer or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not for profit, against expenses, including attorneys' fees, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee in connection with the action, suit, or proceeding, if Indemnitee acted in good faith and in a manner Indemnitee 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 Indemnitee had no reasonable cause to believe the conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, does not, of itself, create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interest of the Association or its members, and with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct was unlawful.

Section 2. Indemnification Against Expenses of Director, Officer, Partner, Employee, Non-Director Volunteer or Agent: Claims Brought by or in the Right of the Association. The Association shall, to the fullest extent authorized or permitted by the Act or other applicable law, as the same presently exists or may hereafter be amended, indemnify and Indemnitee who was or is a party to a 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 Indemnitee is or was a director, officer, employee, non-director volunteer or agent of the Association, or is or was serving at the request of the Association as a director, officer, partner, trustee, employee, non-director volunteer or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not, against expenses, including actual and reasonable attorneys' fees, and amounts paid in settlement incurred by Indemnitee in connection with the action or suit, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Association or its members. However, indemnification under this Section shall not be made for a claim, issue, or matter in which Indemnitee 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 upon application that, despite the adjudication of liability but in view of all circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification for the expenses which the court considers proper.

Section 3. Actions Brought by Indemnitee. Notwithstanding the provisions of Sections 1 and 2 of this Article, The Association shall not indemnify an Indemnitee in connection with any action, suit, proceeding or claim (or part thereof) brought or made by such Indemnitee; unless such action, suit proceeding or claim (or part thereof) (i) was authorized by the Board of the Association, or (ii) was brought or made to enforce this Article and such Indemnitee has been successful in such action, suit, proceeding or claim (or part thereof).

Section 4. **Approval of Indemnification.** An indemnification under Sections 1 or 2 of this Article, unless ordered by a court, shall be made by the Association only as authorized in the specific case upon determination that indemnification of the Indemnitee is proper in the circumstances because Indemnitee has met the applicable standard of conduct set forth in Sections 1 and 2 of this Article. This determination shall be made promptly in any of the following ways:

- (a) By a majority vote of a quorum of the board consisting of directors who were not parties to the action, suit, or proceeding.
- (b) If the quorum described in subdivision (a) is not obtainable, then by a majority vote of directors who are not parties to the action. The committee shall consist of not less than two (2) disinterested directors.
- (c) By independent legal counsel in a written opinion.
- (d) By the Members.

Section 5. **Advancement of Expenses.** Expenses incurred in defending a civil or criminal action, suit, or proceeding described in Sections 1 or 2 of this Article shall be paid by the Association in advance of the final disposition of the action, suit, or proceeding upon receipt of any undertaking by or on behalf of Indemnitee to repay the expenses if it is ultimately determined that Indemnitee is not entitled to be indemnified by the Association. The undertaking shall be by unlimited general obligation of the person on whose behalf advances are made but need not be secured.

Section 6. **Partial Indemnification.** If an Indemnitee is entitled to indemnification under Sections 1 or 2 of this Article for a portion of expenses including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount thereof, the Association shall indemnify Indemnitee for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which Indemnitee is entitled to be indemnified.

Section 7. **Indemnification of Employees, Non-director Volunteers and Agents.** Any person who is not covered by the foregoing provisions of this Article and who is or was an employee, non-director volunteer or agent of the Association, or is or was serving at the request of the Association as a trustee, director, officer, employee, non-director volunteer or agent of another foreign or domestic corporation, business corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not for profit, may be indemnified to the fullest extent authorized or permitted by the Act or other applicable law, as the same exist or may hereafter be amended, but in the case of any such amendment, only to the extent such amendment permits the Association to provide broader indemnification rights than before such amendment, but in any event only to the extent authorized at any time or from time to time by the Board.

Section 8. Other Rights of Indemnification. The Indemnification or advancement of expenses provided under Section 1 to 7 of this Article is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under the Articles of Incorporation, these By-Laws or a contractual agreement. 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. The indemnification provided for in Sections 1 to 7 of this Article continues as to a person who ceases to be a trustee, director, officer, employee, non-director volunteer or agent and shall inure to the benefit of the heirs, executors, and administrators of the person.

Section 9. Liability Insurance. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, non-director volunteer or agent of the Association, or is or was serving at the request of the Association as a trustee, director, officer, employee, non-director volunteer or agent of another corporation, business corporation, partnership, joint venture, trust or other enterprise against any liability asserted against the person and incurred by the person in any such capacity or arising out of the person's status as such, whether or not the Association would have the power to indemnify the person against such liability under the provisions of the Act.

Section 10. Contract with the Association. The right to indemnification conferred in this Article shall be deemed to be a contract between the Association and each director, officer, partner, trustee, employee, non-director volunteer or agent who serves in any such capacity at any time while this Article is in effect, and any repeal or modification of any such law or of this Article shall not affect any rights or obligations then existing with respect to any state of facts then or theretofore existing or any action, suit or proceeding theretofore or thereafter brought or threatened based in whole or in part upon any such state of facts. In the event this Article is repealed or modified, the Association shall give written notice thereof to any director, officer, partner, trustee, employee, non-director volunteer or agent and any such repeal or modification shall not be effective for a period of sixty (60) days after such notice is delivered.

Section 11. Application to a resulting or Surviving Corporation or Constituent Corporation. The definition for "corporation" found in Section 569 of the Act, as the same exists or may hereafter be amended, is and shall be, specifically excluded from application to this Article. The indemnification and other obligations of the Association set forth in this Article shall be binding upon any resulting or surviving corporation after any merger or consolidation of the Association. Notwithstanding anything to the contrary contained herein or in Section 569 of the Act, no person shall be entitled to the indemnification and other rights set forth in this Article for acting as a director, officer, partner, trustee, employee, non-director volunteer or agent of another corporation prior to such other corporation entering into a merger or consolidation with the Association.

Section 12. Definitions. "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, non-director volunteer or agent of the Association which imposes duties on, or involves services by, the director, officer, employee, non-director volunteer or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he or she 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 of this Article.

Section 13. **Severability.** Each and every paragraph, sentence, term and provision of this Article shall be considered severable in that, in the event a court finds any paragraph, sentence, term or provision to be invalid or unenforceable, the validity and enforceability, operation, or effect of the remaining paragraphs, sentences, terms, or provisions shall not be affected, and this Article shall be construed in all respects as if the invalid or unenforceable matter had been omitted.

DECLARATION OF RESTRICTIONS FOR

**BRISTOL CORNERS WEST
SUBDIVISION NO. 1
SUBDIVISION NO. 2
SUBDIVISION NO. 3
BRISTOL CORNERS NORTH
BRISTOL CORNERS SOUTH**

NOVI, MICHIGAN

June 23, 2003

LIBER 17747PC762

\$ 11.00 MISCELLANEOUS RECORDING
\$ 2.00 REMUNERATION
3 NOV 97 1:28 P.M. RECEIPT# 258
PAID RECORDED - OAKLAND COUNTY
LYNN D. ALLEN, CLERK/REGISTER OF DEEDS

DECLARATION OF RESTRICTIONS FOR
BRISTOL CORNERS WEST SUBDIVISION NO. 1

WHEREAS, the undersigned, the Novi Group, L.L.C., a Michigan limited liability company, whose address is 32400 Telegraph Road, Suite 200, Bingham Farms, MI 48025, hereinafter referred to as "Declarant", being the owner in fee simple of the lands hereinafter described, which lands are hereinafter referred to as "The Subdivision", desires to create a planned community for the benefit of all residents of The Subdivision. The Subdivision is located in the City of Novi, Oakland County, Michigan, and is more particularly described as:

255021
Lots 1 through 72, inclusive, of BRISTOL CORNERS WEST SUBDIVISION NO. 1 of part of the East 1/2 of Section 4, T.1 N., R. 8 E., City of Novi, Oakland County, Michigan, according to the plat thereof as recorded in liber 255, pages 21 through 26 of plats, Oakland County Records. 22-04-277-000

WHEREAS, Declarant desires to provide for the preservation and enhancement of the property values and amenities in The Subdivision and to this end desires to subject The Subdivision to the covenants, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of The Subdivision and each owner of a lot therein; and

WHEREAS, Declarant has deemed it desirable for the efficient preservation of the values and amenities in The Subdivision to create a legal entity to own, maintain and administer the Common Area and facilities and structures that may be constructed thereon, the woodlands, wetlands, subdivision entrances, fixtures, personal property and other property under the control of the Association, if any, and to collect and disburse the assessments and charges herein provided for and to promote the recreation, health, safety and welfare of the residents of The Subdivision; and

WHEREAS, Declarant may at some future time, plat additional subdivisions of land in the East 1/2 of Section 4 and/or the West 1/2 of Section 3 of the City of Novi and subject the lots and Common Area so platted to the covenants, restrictions, easements, charges and liens set forth herein by amendments made to this Declaration.

NOW, THEREFORE, in consideration of the mutual benefits to be derived by the undersigned, its successors and assigns, and all intending purchasers and future owners of the various lots comprising The Subdivision, the undersigned Declarant for itself, its successors and assigns does hereby publish, declare and make known to all intending purchasers and future owners of the various lots comprising The Subdivision, that the same will and shall be used, held, and/or sold expressly subject to the following conditions, restrictions, covenants and agreements which shall be incorporated by reference in all deeds of conveyance and contracts for the sale of said lots and shall run with the land and be binding upon all grantees of individual lots in The Subdivision and on their respective heirs, personal representatives, successors and assigns.

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O.K. - KB

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to the Bristol Corners Subdivision Homeowner's Association, a Michigan non-profit corporation, its successors and assigns.

Section 2. "Common Area" shall mean those areas of land within The Subdivision or outside of the Subdivision (including the improvements thereto) now or hereafter owned or administered by the Association for the common use and enjoyment of the Owners, including without limitation the "Preservation Areas" delineated in the Open Space Agreement described below in Article III, Section 3. The Common Area includes areas of natural features or assets which are to be preserved as open space as shown on the plat of the Subdivision or as described in this Declaration, variously designated as parks, wetlands, woodlands, preservation areas, easements or otherwise, as well as all drainage and retention areas and other land within The Subdivision that is not part of a lot or dedicated to the general public. The Common Area to be owned by the Association at the time of the conveyance of the first lot within The Subdivision is described as follows:

"Bristol Corners North" and "Bristol Circle Park", of Bristol Corners West Subdivision No. 1 of part of the East 1/2 of Section 4, T 1 N., R. 8 E., City of Novi, Oakland County, Michigan, according to the plat thereof as recorded in liber 255, pages 21 through 26 of plats, Oakland County Records;

"Common Area", as used herein, shall also mean and refer to any other areas or use rights intended to be owned by the Association and to be devoted to the common use and enjoyment of the Owners and any improvements thereon, whether located within the Subdivision or otherwise, such as, but without limitation, any common landscaped areas, bicycle paths, boulevard medians, greenbelts along roads, walkway easements, cul-du-sac islands, storm water retention areas and storm sewers, if any, all recreational amenities, and all areas of the Subdivision not privately owned or which may be transferred to the Association from time to time, and specifically and without limitation refers to any walking path, boardwalk, gazebo, tennis courts, "tot lot" and other related areas which may be located on the East side of West Road, to the extent the same are made available by Declarant for the common use and enjoyment of the Owners. "Common Area" includes sidewalks, if any, located in the Common Area or in a public right-of-way adjacent to a Common Area, but does not include sidewalks which the Owners are individually responsible for as provided in Article VII, Section 17 of this Declaration. Declarant may, from time to time, convey any portion or portions of the Subdivision or the Common Area to the Association. Such transfer shall be effective to convey all or any portion of the interest of Declarant to the Association, which shall be deemed to have accepted such conveyance and which shall maintain the property conveyed as provided herein or in the instrument of conveyance.

Section 3. "lot" shall mean and refer to any numbered lot shown on the recorded plat of The Subdivision and any future subdivisions hereafter annexed.

Section 4. "Declarant" shall mean and refer to the Novi Group, L.L.C., a Michigan limited liability company, its successors and assigns.

Section 5. "Declaration" shall mean and refer to this Declaration of Restrictions, as recorded in the office of the Oakland County Register of Deeds, State of Michigan.

Section 6. "Member" shall mean and refer to those persons entitled to membership in the Association, as provided in this Declaration.

Section 7. "Owner" shall mean the holder of record title to a lot, whether one or more persons or entities, and shall include any optionees or land contract vendees of the lot. Notwithstanding the foregoing, optionees or land contract vendees of lots owned by the Declarant shall not be considered lot Owners for purposes of determining voting rights hereunder, although such optionees and land contract vendees shall be fully responsible for all assessments, charges and performance obligations imposed hereunder against such lots. The term "Owner" shall not include a mortgagee of a lot unless and until such mortgagee acquires fee simple title to the lot by foreclosure or other proceeding or conveyance in lieu of foreclosure and shall not include any interest in a lot held as security for the performance of any obligation. In the event more than one person or entity owns an interest in fee simple title to any lot, or has an interest as an optionee or a land contract vendee (other than an interest in lots owned by Declarant), the interests of all such persons collectively shall be that of one Owner. Notwithstanding the foregoing, the optionee or land contract vendee of any lot (including lots owned by Declarant) shall be responsible for the payment of all assessments and charges imposed pursuant to this Declaration.

Section 8. "City" shall mean and refer to the City of Novi, Michigan.

ARTICLE II

ESTABLISHMENT AND DEDICATION

Section 1. Establishment of Non-Profit Corporation.

There is hereby established an association of Owners of lots 1 through 72, inclusive, of Bristol Corners West Subdivision No. 1, to be known as the BRISTOL CORNERS SUBDIVISION HOMEOWNER'S ASSOCIATION. Such Association shall be organized by Declarant as a non-profit corporation for a perpetual term under the laws of the State of Michigan and shall have such powers as are enumerated in this Declaration as well as those set forth in the corporate bylaws for the Association.

Section 2. Dedication of Common Area.

Declarant hereby dedicates and conveys to each Owner of a lot in The Subdivision a right and easement of enjoyment in and to the Common Area and hereby covenants that it will convey the Common Area to the Association free and clear of all liens and encumbrances on or before the date that fee simple interest in ninety-nine (99%) percent of the lots in The Subdivision and in all other subdivisions annexed hereto in the future in accordance with Article X, below, have been conveyed by deed to an Owner. Title to the Common Area shall vest in the Association subject to the rights and easement of enjoyment in and to such Common Area by the Owners, and subject to the Open Space Agreement. Said easement of enjoyment shall not be personal, but shall be considered to be appurtenant to the lots and shall pass with the title to the lots whether or not specifically set forth in the deeds of conveyance of the lots.

ARTICLE III

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment.

The right and easement of enjoyment of each Owner in and to the Common Area shall be subject to the following prior rights of the Association:

a. The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

b. The right of the Association to suspend the voting rights and right to use the Common Area by an Owner for any period during which any assessment against his lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations; and

c. The right of the Association to levy assessments, as set forth in Article V, below.

Section 2. Delegation of Use.

By delivering written notice to the Association, any Owner may delegate his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or purchasers who reside on his lot.

Section 3. Agreement for Common Area Preservation.

The rights and obligations of each Owner of a lot shall in all cases be subject to the terms and provisions of an Open Space Preservation Easement Agreement covering The Subdivision between the Declarant and the City of Novi (the "Open Space Agreement"), already recorded or to be recorded. Among other things, the Open Space Agreement requires that certain Common Area be preserved in its natural state, and provides for Declarant to assign to the Association its rights and obligations under the Open Space Agreement. Notwithstanding anything to the contrary, the Association, promptly upon Declarant's request, shall be obligated in writing to assume Declarant's rights and obligations under the Open Space Agreement.

Section 4. Presentation of Declaration to Owners.

A copy of this Declaration shall be presented by any builder/Owner to his customer at or prior to the time that the builder/Owner enters into a purchase agreement for the sale of a lot in The Subdivision. Notwithstanding the foregoing, failure to do so shall not in any way relieve the customer or any other Owner of any liens, obligations or requirements set forth in this Declaration.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a lot shall be a mandatory Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a lot. Optionees or land contract vendees of Declarant shall not be Members of the Association but shall be fully responsible for all assessments, charges and performance obligations imposed hereunder against the lots purchased. No Owner, whether one or more persons, shall have more than one (1) membership per lot owned.

Section 2. All Members shall be entitled to one vote for each lot owned. When more than one person holds an interest in a lot, all such persons shall be Members. The vote for such lot shall be exercised as they among themselves shall determine, but in no event shall more than one vote be cast with respect to any one lot.

Notwithstanding the foregoing, no Member, other than Declarant, shall have the right to vote on Association matters, and the Declarant shall have the exclusive right to establish bylaws for the Association and to appoint the Board of Directors of the Association, all in Declarant's sole and absolute discretion, until the earlier to occur (such earlier date being referred to hereinafter as the "Voting Transfer Date") of: (a)

such time as Declarant has sold, closed and conveyed title to not less than one hundred (100%) percent of the lots in the Subdivision and the lots in any other subdivision combined with or annexed to the Subdivision pursuant to Article X, below; and (b) such time as Declarant shall execute and deliver to the Association a written instrument executed by Declarant specifically relinquishing such exclusive voting rights. From and after the Voting Transfer Date, the Board of Directors shall be elected by the Members, and the Declarant shall have no further responsibilities with respect to the Association except for its responsibilities as a Member of the Association so long as it remains a lot Owner.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments.

Each Owner of a lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay when due to the Association: (a) annual general assessments or charges, (b) special assessments, if any, for capital improvements, (c) special assessments against the Owner for the cost of replacing any dead street trees on such Owner's lot pursuant to the procedure established in Article VII, Section 16, below; and (d) charges assessed by the City of Novi against the Subdivision or Declarant, or costs incurred by Declarant or the Association, that are directly or indirectly attributable to the construction of a home on the lot as described in Section 12. of this Article V and Section 21 of Article VII, and each Owner does covenant, agree and accept all of the terms, conditions, covenants and agreements hereof in accordance herewith. The optionee or land contract vendee of any lot shall be responsible for the payment of all assessments and charges imposed pursuant to this Declaration. The general and special assessments and other charges, together with interest thereon and costs of collection thereof, including reasonable attorney's fees, shall be a charge on the lot and shall be a continuing lien upon the lot against which each such assessment is made. Each such assessment, together with interest thereon and costs of collection thereof, including reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such lot at the time the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments.

The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in The Subdivision and future subdivisions hereafter annexed, and in particular for the construction, reconstruction, repair, replacement, preservation and insurance of the Common Area now or hereafter owned by the Association (including without limitation the "Preservation Areas" delineated in the Open Space Agreement) and the facilities and structures located thereon (including without limitation any landscaping and other improvements which may be located within the public rights-of-way in the traffic island located near the entrance(s) to The Subdivision), the woodlands, wetlands, subdivision entrances, retaining walls, the public rights-of-way, fixtures, personal property and other property under the control of the Association, if any; for planting and maintenance of trees, shrubs and grass; for construction, operation and maintenance of recreational facilities; for caring for vacant lots when necessary; for providing community services; and for the protection of the Owners.

Section 3. Maximum Annual Assessment.

Until January 1 of the year immediately following the conveyance of the first lot to an Owner, the annual maximum assessment shall be Two Hundred Fifty and 00/100 (\$250.00) Dollars per lot.

a. From and after January 1 of the year immediately following the first conveyance by Declarant of a lot to an Owner, the maximum annual assessment may be increased or decreased annually as may be determined by Declarant, in its sole discretion, until the Voting Transfer Date described in Section 3 of Article IV, above, and thereafter by a vote of two-thirds (2/3) of each of the Members of the Association who are voting in person or by proxy, at a meeting duly called for this purpose, as needed to pay all costs, expenses and charges to carry out the purposes of the Association.

b. In the event the membership does not or cannot agree on any change from and after the Voting Transfer Date, then and in such event the annual assessment shall continue at the rate of assessment which was in effect for the then prior year; provided, however, that in the event of any annual deficit, the Board of Directors of the Association shall assess each lot pro rata annually to pay any such deficits, and such deficit assessments shall be deemed to be additional general assessments hereunder.

Section 4. Special Assessments for Capital Improvements.

In addition to the annual assessments authorized above, the Association may levy against each Owner, in any assessment year, a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, replacement and preservation of any improvement upon the Common Area and other areas now or hereafter under the control of the Association and facilities and structures thereon, the woodlands, wetlands, subdivision entrances, retaining walls, fixtures and personal property under the control of the Association, if any, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of Members who are voting in person or by proxy at a meeting duly called for that purpose.

Section 5. Notice and Quorum for Actions Authorized Under Sections 3 and 4.

Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 or 4 of this Article shall be sent to all Members not less than fifteen (15) days nor more than thirty (30) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast twenty-five (25%) percent of the votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No subsequent meeting shall be held more than ninety (90) days following the preceding meeting.

Section 6. Rate of Assessment.

Both the general and the special assessments shall be set by the Board of Directors at the uniform rate for the Owners of all lots and may be collected on a monthly or an annual basis.

Section 7. Date of Commencement of Annual Assessments: Due Dates.

The first annual assessment provided for herein shall commence as to all lots on the first day of the month following the first conveyance by Declarant of a lot to an Owner (for such purpose, a conveyance to a builder who has purchased a lot for the purpose of

constructing a residence thereon for sale to an Owner shall not be deemed to be a conveyance to an Owner). In the case of land contract or option sales by Declarant, the land contract vendee or optionee shall be responsible for all assessments for the lot sold on land contract or option from and after the date of the land contract or option until the lot is resold by him. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association.

Any assessment not paid within thirty (30) days after the due date shall be increased by a late fee equal to ten (10%) percent of the initial amount of the assessment. The increased assessment shall thereafter bear interest from the due date at the rate of eleven (11%) percent per annum. The Association may bring an action at law against the Owner personally obligated to pay the assessment, late fee and interest, or foreclose the lien against the lot. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his lot.

Section 9. Exempt Property.

All Common Area and all other property exempt from taxation by state or local governments and dedicated for public use shall be exempt from any assessment, charge and lien created herein.

Section 10. Subordination of the Lien to Mortgages.

The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien, but not the obligation for payment, of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments becoming due after such sale or from the lien thereof.

Section 11. Failure to Maintain Common Area Storm Water Retention Basin, Woodlands and Wetlands.

In the event the Association shall at any time fail to maintain the Preservation Areas and/or other Common Area in The Subdivision in reasonable order and condition, the Open Space Agreement provides that the City of Novi may, under certain conditions, enter upon said Preservation Areas and/or other Common Area and maintain such areas until the Association is able to do so, and that said maintenance by the City shall not constitute a taking of any such areas or vest in the public any right to use the same. The Open Space Agreement further provides that the reasonable cost of such maintenance by the City shall be charged to the Association and, if not paid, assessed equally against each lot in The Subdivision and additional annexed subdivisions, if any, and shall become a lien on each lot, added to the tax rolls, and collected and enforced in a like manner as general City taxes are collected and enforced.

Section 12. Charges for Compliance with Ordinances, Laws, Rules or Regulations and Street Cleaning.

Each lot, during and immediately after construction of any structure on the lot, is subject to such charges as are necessary to defray the cost of street cleaning and to pay any other costs imposed by the City of Novi or any other governmental entity on the Declarant or The Subdivision that are directly or indirectly related to construction activities on lots in the Subdivision. Any cost imposed by the City or any other governmental entity on the Declarant or the Subdivision that directly or indirectly relates to the construction activities on one or more lots shall be assessed against, and shall be payable by, the Owners (or, if applicable, the land contract or option purchasers from Declarant) of the lots to which the costs are attributable.

Section 13. License Agreement.

Declarant and the City of Novi have entered into a License Agreement permitting the erection and maintenance of a Subdivision entranceway sign within the boulevard traffic island at The Subdivision entranceway. A copy of the License Agreement is available upon request from Declarant or the City of Novi. To the extent legally permitted now or in the future, Declarant hereby assigns all of its rights and obligations under the License Agreement to the Association. Among other provisions, the License Agreement requires that the City of Novi be provided with comprehensive general liability insurance coverage to protect the City against claims related to the licensed premises and the Subdivision entranceway sign.

ARTICLE VI

ARCHITECTURAL CONTROL

No building, fence, wall, retaining wall, outbuilding, driveway or other structure or improvement of a permanent nature shall be commenced, erected or maintained on any lot, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, size, shape, height, colors, materials, proposed grading, existing topography and location of the same on the lot shall have been submitted to and approved in writing by an architectural control committee composed of three (3) persons appointed by the Declarant (who are not required to be Members of the Association), hereinafter called the "Committee". All plans shall attempt to maintain naturally existing grade to the extent feasible in order to minimize the need for fill on wooded lots, with special attention taken where reasonable to avoid the removal of trees six (6") inches in diameter and larger, whether by utilizing drop brick ledges, constructing retaining walls or otherwise. In connection with such attempt, in the case of lots 30 through 37 inclusive, all trees six (6") inches in diameter and larger (as measured four (4') feet above existing grade) within any area to be disturbed on any lot shall be surveyed and shown on the building plot plan, and their removal shall be subject to the requirements set forth below in Article VIII, Section 2. Each member of the Committee shall serve for a period of one (1) year, or until replaced by a subsequent appointee. The Declarant reserves the right at any time in the future to delegate or assign its power of appointment of Committee members to the Association. In any event, Declarant shall in no way be liable for the failure of Declarant or of the Association to enforce some or all of the requirements of this Article VI, or any other requirements set forth in this Declaration.

Section 1. Plans and specifications for final approval by the Committee shall include the following:

- a. Complete plans and specifications sufficient to secure a building permit in the City of Novi, as well as a dimensioned plot plan showing the lot, proposed grades and, as to lots 30 through 37, inclusive, the location of all trees having a

trunk diameter of six (6") inches or greater (as measured four (4') feet above existing grade) identifying all such trees proposed to be removed, and showing the proposed placement of the proposed residence, garage, outbuildings, fences, retaining walls, porches, driveways, sidewalks and other improvements.

b. Front elevation, side elevations and rear elevation of building, (plus) elevations of walls and fences (if any).

c. A perspective drawing if deemed necessary by the Committee to interpret adequately the exterior design.

d. Data as to size, materials, colors and texture of all exteriors, including roof coverings, fences (if any) and walls.

e. One set of blueprints shall be left with the Committee for its records.

Section 2. Each mailbox in The Subdivision of uniform size, color and design and shall be constructed and located in accordance with specifications established or approved by the Committee.

Section 3. Each sign or billboard in The Subdivision shall be coordinated with and aesthetically similar to all other signs and billboards in The Subdivision, and shall be designed and constructed in accordance with specifications established or approved by the Committee.

Section 4. Preliminary plans may first be submitted to the Committee for preliminary approval.

Section 5. No approval by the Committee shall be valid if the structure or improvement violates any of the restrictions set forth in this Declaration or City of Novi ordinance or codes, except in cases where variances or waivers have been granted as provided for in this Declaration.

Section 6. The Committee may disapprove plans because of noncompliance with any of the restrictions set forth in Articles VII and VIII of this Declaration, or because of reasonable dissatisfaction with the grading and drainage plan, the location of the structure on the lot, the materials used, the color scheme, the finish, design, proportions, shape, height, style or appropriateness of the proposed improvement or alteration or because of any matter or thing which, in the reasonable judgment of the Committee, would render the proposed improvement or alteration inharmonious or out of keeping with the objective of the Committee or with improvements erected on other lots in The Subdivision.

Section 7. In the event the Committee fails to approve or disapprove plans within fifteen (15) days after submission, then such approval will not be required, but all other limitations, conditions and restrictions set forth in this Declaration shall apply and remain in force as to such plans.

Section 8. Committee approval shall be deemed given if the plans and specifications submitted for approval are marked or stamped as having been finally approved by the Committee and are dated and signed by two (2) members of the Committee who were validly serving on the Committee on the date of such approval.

ARTICLE VII

BUILDING AND USE RESTRICTIONS FOR THE SUBDIVISION

Section 1. Use of lots.

All lots shall be used for single-family residence purposes only, and no building of any kind whatsoever shall be erected, re-erected, moved or maintained thereon except one single-family

dwelling house and appurtenant buildings on each lot, as hereinafter provided. Such dwelling house shall be designed and erected for occupation by a single private family. A private attached garage for the sole use of the respective owner or occupant of the lot upon which said garage is erected shall also be erected and maintained.

Section 2. Character and Size of Buildings.

No dwelling having a living area of less than one thousand eight hundred (1,800) square feet in the case of a one-story dwelling, two thousand (2,000) square feet in the case of a one and one-half story dwelling, and two thousand two hundred (2,200) square feet in the case of a two-story, bilevel or multilevel dwelling shall be permitted on any lot. All computations of square footage for determination of the permissibility of erection of a residence shall be exclusive of garages, porches, or terraces. The square footage area of any two-story rooms shall be limited to the useable floor area of the room (i.e., the floor area of two-story rooms will not be doubled in determining the square footage of a dwelling). Each Lot shall also have constructed on it a garage which is attached or architecturally related to the dwelling. Garage doors shall not face the street on which the residence fronts, except that the Architectural Control Committee upon request may waive this prohibition. All garages shall comply with the minimum side entrance garage setback requirements of The City of Novi. No garage shall provide space for less than two (2) automobiles.

Section 3. Minimum Yard Requirements.

Unless a variance is granted by the City of Novi, and approved by the Committee, no building on any lot shall be erected nearer than:

- (1) Thirty (30') feet from the front lot line; nor
- (2) Thirty-five (35') feet from the rear lot line; nor
- (3) Ten (10') feet from each side lot line, with a minimum combined setback for both side yards of thirty (30') feet, provided that in the case of any lot having a width of one hundred ten (110') feet or greater, as determined according to City of Novi standards, no building shall be erected nearer than fifteen (15') feet from each side lot line, with a minimum combined setback for both side yards of forty (40') feet; nor
- (4) In the case of corner lots, thirty (30') feet from the side lot line abutting a street.

In addition, in the case of garage doors facing side lot lines, the garage door shall not be located nearer than twenty-five (25') feet to the side lot line.

Notwithstanding anything to the contrary, to the extent of any inconsistencies between the foregoing and the requirements of the City of Novi zoning ordinances, the City ordinances shall control. Approval of a variance by both the Architectural Control Committee and the City of Novi permitting yard distances smaller than the above minimums shall be deemed a valid waiver of this restriction.

Section 4. Animals.

No farm animals, livestock or wild animals shall be kept, bred or harbored on any lot, nor shall any animals be kept or bred for commercial purposes. Domestic animals commonly deemed to be household pets may be kept by the Owner and members of his household so long as such pets shall have such care so as not to

be objectionable or offensive to others due to noise, odor or unsanitary condition.

a. Any dog kept by a resident on his premises shall be kept either on a leash or in a dog run or pen and shall not be allowed to run loose or unattended. No dog runs or pens shall be permitted to be erected or maintained unless located within the rear yard (only) adjacent to a wall of the main dwelling or garage and facing the rear of the interior of the lot, nor shall such runs or pens extend beyond the end of the dwelling or garage into the side yard.

b. No owner of a lot shall use, nor shall he permit or suffer any occupant of any lot which he owns, or his or their invitees or guests, to use any B-B guns, firearms, air rifles or pellet guns. No owner or occupant of any lot shall permit or suffer his or their invitees or guests to harm or kill any wild fowl in The Subdivision or in the Common Area.

Section 5. Wells.

Except with the prior written approval of Declarant, no well shall be dug, installed or constructed on any lot.

Section 6. Sight Distance at Intersections.

No fence, wall, hedge, or shrub planting which obstructs sight lines at elevations between three (3) and six (6) feet above the roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points twenty-five (25') feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

Section 7. Easements.

a. Easements for the installation and maintenance of utilities, underground television cable, sewer lines, water mains, drainage lines, surface drainage swales or any other improvements which would serve the residents of The Subdivision are reserved to Declarant, its successors and assigns as shown on the recorded plat of The Subdivision, and or for similar or other purposes as stated in the Open Space Agreement. The use of all or a part of such easements may at any time or times hereafter be granted or assigned by Declarant, its successors or assigns to any person, firm, corporation, governmental unit or agency which furnishes such services or utilities.

No buildings or driveways may be constructed or maintained over or on any easements; however, and subject to the requirements of Subparagraph b. of this Section 7, after the aforementioned utilities have been installed, planting, fencing (where permitted) and other lot line improvements shall be allowed, so long as they do not violate the provisions of this Article and do not interfere with, obstruct, hinder or impair the drainage plan of The Subdivision and so long as access be granted, without charge or liability for damages, for the installation and/or maintenance of the utilities, drainage lines and/or additional facilities.

b. Private easements for public utilities, greenbelts and entrance signs, as applicable, have been granted and reserved on the plat of The Subdivision. Without limiting the use of these easements by other permitted parties and utilities, the Detroit Edison Company is specifically granted the right of access to and from these easements reserved for public utilities for the purpose of constructing, reconstructing, modifying, adding to, operating and maintaining utility line facilities consisting of poles, guys, anchors, wires, manholes, conduits, pipes, cables, transformers

and accessories. Accordingly, no buildings or other permanent structures shall be placed in the easement areas without the prior written consent of Detroit Edison Company and all municipalities and governmental authorities having jurisdiction. Detroit Edison Company shall be permitted to trim, cut down, remove or otherwise control any trees, bushes, branches and roots within the easement (or that could grow into the easement) and remove structures and fences in the easement area which Detroit Edison Company believes could interfere with the safe and reliable construction, operation and maintenance of Detroit Edison Company's facility. No trees, plant life, structures and fences shall be planted, grown, or installed within eight (8') feet of the front door and within two (2') feet of the other sides of transformers and switching cabinet enclosures. Detroit Edison Company shall not be responsible for damages to or removal of trees, plant life, structures and fences placed in front of transformer doors within such required clearance areas. Prior to the installation by Detroit Edison Company of its subdivision utility facilities, Declarant shall grade the easement area to within four (4") inches of the final grade shown on the approved Subdivision Master Grading Plan. Following grading by the Declarant, each owner shall, to the extent the easement is located on his lot, maintain this grading elevation. Each owner shall be responsible to reimburse Detroit Edison Company for any repairs required as a result of damage caused to Detroit Edison Company's utility facilities by the owner or by the owner's agents, contractors or invitees.

c. Every lot in The Subdivision shall be subject to a reciprocal temporary grading easement, five (5') feet in width, running along each of the lot's common boundary lines with an adjacent lot in The Subdivision, which easement is to the benefit of each such adjacent lot. The purpose of this temporary grading easement is to allow reciprocal use of lots to facilitate site grading and home construction on each lot during the home build-out period. Any lot areas disturbed in the exercise of easement rights under this paragraph shall be restored by, and at the expense of the lot Owner causing the disturbance, to the condition existing immediately prior to the disturbance. The temporary grading easement shall terminate as to any given lot when homes have been constructed and final grading has been completed on all lots adjacent to it.

d. Declarant has executed an "Underground Residential Customer Release" releasing Detroit Edison from, among other things, property damage now or in the future caused by Detroit Edison in The Subdivision as a result of the installation, operation or maintenance by Detroit Edison of its underground service lines and equipment in The Subdivision. By accepting a deed for a lot in The Subdivision, each Owner consents to the Underground Residential Customer Release and releases Detroit Edison and Declarant from all claims or liability resulting from such work by Detroit Edison.

Section 8. Temporary Structures.

Trailers, tents, shacks, barns, or any temporary buildings of any description whatsoever are expressly prohibited and no temporary occupancy shall be permitted in unfinished residential buildings. However, the erection of a temporary storage building for materials and supplies to be used in the construction of a dwelling, and which shall be removed from the premises upon completion of the building, is permitted.

Section 9. General Conditions.

a. No lot shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste, and the same shall not be kept except in sanitary containers properly concealed from public view. Garbage containers shall not be left at the road for more than twenty-four (24) hours in any one week.

b. Each lot and its surrounding street pavements and common areas shall be kept clean and free from garbage, refuse, soil runoff and other materials and debris. During the period of home construction on a lot, the lot shall be cleaned of all debris and building materials at frequent regular intervals. The restrictions of this subparagraph b. shall apply both to builders during the period of house construction and to subsequent owners of each lot.

c. No commercial vehicles, boats, travel trailers, mobile homes, campers, snowmobiles or trailers used to store or transport any of these vehicles shall be permitted to be parked or stored on the driveway, or in the front, side or rear yard of any house or on any vacant lot in The Subdivision, unless parked or stored within a garage which conforms to the garage requirements as hereinabove set forth, except for commercial vehicles and trucks making normal deliveries or pickups in the normal course of business. However, a sales trailer, construction trailer and/or construction vehicles may be maintained by each builder offering new houses for sale, but only during the period when new houses are under construction in The Subdivision by that builder and only in such locations and during such periods as may be designated by Declarant in its sole discretion.

d. No laundry shall be hung for drying in such a way as to be visible from the street on which the dwelling fronts, and in the case of corner lots, such laundry shall not be hung so that it will be visible from the streets on which the dwelling fronts and sides.

e. All homes shall be equipped with electric garbage disposal units in the kitchen.

f. The grade of any lot or lots in The Subdivision may not be changed without the written consent of the Architectural Control Committee and the City of Novi. This restriction is intended to prevent interference with the master drainage plans for The Subdivision.

g. No solar panel, solar collector or similar device shall be placed, constructed, altered or maintained on any lot or placed, constructed, altered or maintained on any dwelling or structure without the prior approval of the Architectural Control Committee.

h. Inground swimming pools shall be permitted, subject to the prior review and written approval of the Architectural Control Committee and the City of Novi. Certain lots may not be permitted by the City of Novi to have inground swimming pools installed due to the proximity of the lot to wetland areas. Swimming pools which rise more than one (1') foot above ground level shall not be permitted. All swimming pool areas and swimming pool mechanical equipment shall, to the extent reasonably possible, be located and landscaped to minimize the negative impact upon adjacent residences and shall not be visible from any Subdivision road.

i. No external "through the wall" air conditioning unit shall be placed in or attached to a window or wall of any dwelling or structure. No compressor or other component of a central air conditioning system (or similar system, such as a heat pump) shall be so located on any lot so as to be visible from the public street on which the lot fronts, and, to the extent reasonably possible, all such external equipment shall be so located on any lot so as to minimize the negative impact thereof on any adjoining lot, in the terms of noise and appearance.

j. It shall be the responsibility of each Owner to prevent any unclean, unsightly or unkempt conditions of buildings or ground on the Owner's lot that tend to materially decrease the beauty of The Subdivision. No lawn ornaments, sculptures or statues shall be placed or permitted to remain on any lot without prior approval of the Architectural Control Committee.

Section 10. Sales Agency and/or Business Office.

Notwithstanding anything to the contrary elsewhere set forth herein, Declarant and/or any builders which it may designate may construct and maintain a sales agency and a business office on any lots which they may select, or may use a model house for such purposes, and Declarant and such designated builders may continue to do so until such time as all of the lots in which Declarant or such designated builders have an interest are sold by them.

Section 11. Lease Restrictions.

No owners of any lot shall lease and/or sublet less than the whole of any dwelling on any lot.

Section 12. Exterior Surface Dwellings.

The visible exterior walls of all dwelling structures shall be made of wood, brick, brick veneer and/or stone in any combination. Other materials acceptable to the Architectural Control Committee may also be used, so long as any of these materials alone or in combination do not exceed fifty (50%) percent of the total of all visible exterior walls. All dwellings shall have brick along the entire perimeter from grade to a height of at least two feet six (2'6") inches. The use of cement block, slag, cinder block, imitation brick, asphalt and/or any type of commercial, aluminum or vinyl siding is expressly prohibited. Windows and doors shall not be included in calculating the total area of visible exterior walls. The Architectural Control Committee may grant such exceptions to this restriction as it deems suitable.

Section 13. Fences.

a. No fence, wall or solid hedge may be erected, grown or maintained in front of the front building line of any lot; provided, however, that low ornamental fencing acceptable to the Architectural Control Committee may be erected along the front lot line in architectural harmony with the design of the house. The side lot line of each corner lot which faces a street shall be deemed to be a second front building lot line and shall be subject to the same restrictions as to the erection, growth or maintenance of fences, walls or hedges as applies to front building lines.

b. No fence or wall may be erected or maintained on or along the side lines of any lot and/or on or along the rear line of any lot, except that fences which are required by local ordinance to enclose swimming pools and fences used for dog runs or pens which comply with the requirements of Article VII, Section 4(a) of this Declaration shall be permitted.

Section 14. Signs.

No sign or billboard shall be placed, erected or maintained on any lot, except for one sign advertising the lot, or the house and lot, for sale or lease, which said sign shall have a surface of not more than five (5) square feet and the top of which shall be not more than three (3) feet above the ground; provided, however, that such sign shall have been constructed and installed in a professional manner. Any such sign shall be kept clean and in good repair during the period of its maintenance on the said lot, and shall in no event be placed and maintained nearer than twenty-five (25') feet from the front lot line. The preceding provisions of this paragraph shall not apply to such signs as may be installed or erected on any lot by Declarant, or by any builder which Declarant may designate during the initial period of construction of houses, or during such periods as any residence is used as a model or for display purposes. Notwithstanding anything to the contrary, all signs and billboards shall comply with the Architectural Control requirements described in Article VI, Section 3 of this Declaration.

Section 15. Destruction of Building by Fire.

Any debris resulting from the destruction in whole or in part of any dwelling or building on any lot shall be removed from such lot with all reasonable dispatch in order to prevent an unsightly condition.

Section 16. Street Trees and Landscaping.

Landscaping in accordance with the approved landscaping plan, including finish grading, seeding or sodding, must be completed within ninety (90) days after the closing of the sale of a newly-constructed dwelling, or occupancy, whichever is sooner. If, however, such closing or occupancy occurs after September 1 of any year, then the lot shall be seeded or sodded and appropriately landscaped in accordance with the approved landscaping plan by June 1 of the following year. Each Owner shall be responsible to maintain in a first-class manner and, when necessary, replace the approved landscaping on the lot and the three (3) street trees planted in the street right of way adjacent to the Owner's lot, and shall keep the lot and drainage swale contiguous to each lot free of weeds and debris. In the event any street tree dies, the Owner of the lot immediately adjacent to the right-of-way in which the street tree is planted shall replace the dead tree with a tree similar in species to the original tree, in not less than the minimum size required by the City, at the Owner's sole cost and expense. If the Owner fails to make such a replacement within thirty (30) days after written request to do so from the Association, the Association may replace the tree and assess the Owner with the cost of replacing the dead tree. Any such special assessment shall be a lien on the Owner's lot as provided in Article V of this Declaration. The Association shall not be obligated to replace dead trees pursuant to this Section, any rights exercised hereunder being entirely at the discretion of the Association.

Section 17. Sidewalks.

Each lot in The Subdivision shall at the time of construction of a dwelling thereon also have constructed and installed thereon a 4" thick concrete sidewalk, 5'0" in width, located 1'0" from the front property line of the lot and running within the public right-of-way parallel to the adjoining street at the front of the lot. Each corner lot shall have two intersecting sidewalks constructed and installed on it in accordance with the specifications of the previous sentence, with one sidewalk running parallel with the adjoining street at the front of the lot and the other sidewalk running parallel with the adjoining street at the side of the lot. Each sidewalk on a lot shall tie in with the sidewalk existing or to be built on the adjacent lot(s), if any, and in the case of corner lots shall also connect into the adjoining street perpendicular to the sidewalk. Notwithstanding anything to the contrary, all sidewalks shall be constructed and installed in accordance with the requirements of the Oakland County Road Commission. Sidewalks located in the public right-of-way immediately adjacent to a lot shall, to the extent not maintained, repaired or replaced by any governmental agency, be maintained, repaired and replaced by, and at the expense of, the Owner of the lot to which the sidewalk is adjacent, and not at the expense of the Association. Declarant, at its option, may, but shall not be obligated to, install sidewalks across one or more portions of the Common Area. The timing and location of any such sidewalk installations, if any, shall be determined by Declarant in Declarant's sole discretion. The maintenance of any such Declarant-provided sidewalks shall be the obligation of the Association. In order to provide for flexibility in maintaining, repairing and replacing the sidewalks in The Subdivision, the Association, acting through its Board of Directors and after the affirmative vote of more than two-thirds (2/3) of the Owners, may also accept responsibility to maintain, repair and/or replace other sidewalks in The Subdivision. Nothing herein contained, however, shall compel the Association to undertake such responsibility. Any sidewalk maintenance or repair

responsibilities undertaken by the Association shall be charged to the Owners on a reasonably uniform basis as determined by the Board of Directors of the Association and collected in accordance with the assessment procedures established under Article V of this Declaration.

Section 18. Driveways.

At the time of construction of a residence thereon and, weather permitting, prior to the residence being occupied, each lot shall have constructed on it an asphalt driveway located not less than three (3') feet from the side lot line, in a location approved in advance by the Committee as part of its architectural review described above in Article VI, which driveway shall at all times be maintained and kept in good repair. Declarant reserves the right at any time to modify the driveway location plan as to any lot or lots.

Section 19. Nuisances.

No noxious or offensive activity shall be carried on or upon any lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the other lots or Owners.

Section 20. Basketball Hoops.

Basketball hoops and play areas are permitted subject to strict Page 16 compliance with the following restrictions:

- (i) All basketball hoops shall be on ground-mounted posts located at least thirty (30') feet from the curb of the road(s) adjacent to the lot;
- (ii) The ground-mounted post for the basketball hoop shall be located at least five (5') feet from the side line of the lot;
- (iii) No florescent or bright colors shall be permitted for either the post or the backboard. The ground-mounted post shall be painted black and the backboard of the basketball hoop shall be clear or smoked; and
- (iv) Any lighting of basketball hoops and play areas shall be designed to shield direct light away from homes on other lots.

Section 21. Erosion Control.

Each Owner shall ensure that all reasonable erosion prevention measures are implemented and maintained on his lot in order to ensure that soil and other debris does not enter wetlands, sewer lines, manholes, catch basins, and retention basins serving or located within The Subdivision or any future annexed Subdivisions (collectively, the "Storm Sewer Improvements"), and shall install appropriate soil erosion control fencing from the time that construction or grading commences on the lot until such time as sod installation is completed or grass has grown sufficiently on the lot to end the threat of soil erosion on the lot in order to keep sediment and other runoff out of the streets in The Subdivision. Once a homeowner has closed on the purchase of his lot and/or home from a builder/seller, said obligation shall be enforceable against said homeowner. In the event that Declarant or the Association is notified by a governmental agency having jurisdiction over the Storm Sewer Improvements that the Storm Sewer Improvements need to be cleaned or serviced due to a build-up of sediment or other debris, Declarant or the Association may contract for such cleaning or servicing and charge each Owner in The Subdivision a pro-rata share of the cost of the same, in common with other Owners of lots in The Subdivision, such that the Owners in common shall be required to pay the full cost incurred

by Declarant or the Association for such cleaning and servicing. If such cleaning or servicing is determined by Declarant to be necessitated solely due to the actions of one or more specific Owners or solely due to such Owner(s)' failure to comply with the requirements set forth above, Declarant or the Association may charge such Owner(s) alone for the full cost incurred. In any event, if the amount invoiced to an Owner is not collected by Declarant or the Association within thirty (30) days following the date of the invoice, the amount not collected shall be treated as an unpaid assessment and subject to the provisions of Article V, Section 8. Once a homeowner has closed on the purchase of his lot from a builder/seller, the obligations set forth in this Section shall be performed by and enforceable against said Owner.

Section 22. Street Cleaning.

The Declarant shall have the right from time to time to cause the streets in the Subdivision to be cleaned and to assess all lot Owners engaged in construction on or within thirty (30) days prior to the cleaning for a pro rata share of the cleaning. In the event the City of Novi or any other governmental authority issues a warning or ticket for a violation of ordinance or law against The Subdivision or any lot, Declarant shall have the right to remediate the item for which a warning or ticket is issued and assess the record owner of the lot (or the land contract or option purchaser of the lot from Declarant) on which the work was done for the cost of the same. Any such cost assessed shall be a lien on the lot assessed.

Section 23. Exterior Antennas.

No exterior antennae, receiving devices or satellite dishes of any kind or nature, whether freestanding or mounted upon any dwelling or other structure, shall be permitted, except that the Architectural Control Committee may elect to permit a lot Owner to install a so-called "mini-dish" (not to exceed eighteen [18"] inches in diameter) to be located on the lot in a location that is screened from view in a manner approved by the Architectural Control Committee. The Architectural Control Committee has the further reserved power to make reasonable modifications to the restrictions of this paragraph to accommodate the use of technological innovations in the telecommunications field so long as it determines that the changes benefit The Subdivision.

Section 24. Mailboxes.

Each mailbox in The Subdivision shall comply with the Architectural Control requirements described in Article VI, Section 2 of this Declaration.

Section 25. "No Backyard Lots".

Lots 31 through 37, inclusive, have been designated as "no backyard lots" by the City of Novi. As a result of this designation, clearing, grubbing and tree removal is restricted or is not permitted on portions of these lots by City of Novi ordinances and regulations, and residences and garages constructed on these lots may be required to be positioned in a way so as to reduce tree removal. Accordingly, portions or all of these lots are limited in use, and, among other things, the installation of pools, tennis courts, backyard play structures, patios, decks and other improvements is limited or, in some cases, may be precluded on these lots. No such installation shall be commenced without the prior approval of the City of Novi Forestry Department. No swimming pool installation shall be commenced without the prior approval of the City of Novi Woodland Review Board. In addition, the City of Novi "Grading Guidelines in Regulated Woodlands" are in effect for these lots and must be complied with.

PRESERVATION OF WETLANDS AND WOODLANDSSection 1. Wetland Preservation Areas.

Portions of lot 17 and of the Common Area contain areas denoted on the plat of The Subdivision as being "Private Easement for the Preservation of Existing Wetlands". These areas are hereafter referred to as "Wetland Preservation Areas". Except as may be permitted in writing by the City of Novi, the Wetland Preservation Areas shall not be graded, improved, landscaped, altered, disturbed, vegetation changed, constructed upon, filled or excavated for any purpose in any manner whatsoever. Nothing contained in this paragraph shall be construed to limit or prohibit within the Wetland Preservation Areas the removal of diseased or dying trees, or the trimming or removal of trees which could or might reasonably be expected to cause injury to persons or property if left untended, provided that permission for such trimming or removal is first obtained from the City of Novi. The use of the "Wetland Limit" area on lot 17, and of the "25' Wetland Buffer" area on Lots 9, 10, 11, 13, 14 and 17, all as shown on Exhibit "A", attached hereto and made a part hereof, shall comply with the requirements of the City of Novi.

Section 2. Woodland Preservation Areas.

(a.) Exhibit "A" delineates specific "Protected Woodlands" (hereinafter referred to as "Woodland Preservation Areas") on Lots 23 through 29, inclusive, and on Lots 31 through 37, inclusive. All such areas are hereby made subject to the restrictions set forth below in this Woodland Preservation Areas provision, as well as the City of Novi "Grading Guidelines in Regulated Woodlands".

(b.) Notwithstanding anything to the contrary, live trees, scrub or undergrowth in the Woodland Preservation Areas shall not be removed unless in compliance with the administrative rules, procedures and guidelines of the City of Novi and its Forestry Department.

(c.) Subject to the City of Novi "no backyard lot" requirements applicable to lots 31 through 37 inclusive, as described above in Article VI, Section 25, any tree, shrub or undergrowth may be removed from any area which is not a Woodland Preservation Area provided that effort shall be made to preserve as many trees as possible, and provided that special attention shall be taken where reasonable to avoid the removal of trees six (6") inches in diameter or larger, whether by utilizing drop-brick ledges, constructing retaining walls or otherwise. Notwithstanding the foregoing sentence, no trees shall be removed from any of lots 31 through 37, inclusive, or from the rear yard of any other lot at a distance of twenty (20') feet or greater from the dwelling to be constructed on such lot, i.) prior to the issuance of a Final Certificate of Occupancy for the residence to be constructed on the affected lot, without the prior approval of the City of Novi and the Architectural Control Committee (in accordance with the requirements of Article VI above, or ii.) thereafter, without the prior approval of the City of Novi.

(d.) Any area on any lot where scrub or undergrowth is removed shall promptly be seeded, mulched or planted with appropriate vegetation to avoid soil erosion.

(e.) Except as permitted herein, no person shall perform any act or fail to perform any act which could result in damage or destruction of trees in the Woodland Preservation Areas.

(f.) Subject to compliance with subsection b. of this Woodland Preservation Areas provision, nothing contained herein shall be construed to limit or prohibit within the Woodland Preservation Areas the removal of diseased or dying trees or the trimming or removal of trees which could or might reasonably be

expected to cause injury to persons or property if left untended, provided that permission from the City of Novi Forestry Department is first obtained.

ARTICLE IX

RESTRICTIONS ON THE USE OF COMMON AREA

Section 1. Motor Vehicles.

All vehicles propelled by a motor, other than those used for maintenance purposes, including but not limited to snowmobiles, all-terrain vehicles, motorcycles, mopeds, motor boats, automobiles, trucks and vans, are expressly prohibited from operation or storage in the Common Area.

Section 2. Structures.

No wall, building or structure may be constructed nor any development or improvement done in the Common Area without the prior written consent and approval of the Architectural Control Committee and all governmental agencies having jurisdiction.

Section 3. Tree Removal.

No live tree, scrub or undergrowth shall be removed within the Common Area without the prior approval of the Architectural Control Committee and, where required, the City of Novi.

Section 4. Pollution.

No Owner shall throw trash, refuse, or rubbish of any kind in the Common Area.

Section 5. Pets.

No Owner shall allow his dog or other pet to run loose in the Common Area.

Section 6. Use of the Common Area.

The Common Area shall be used only for passive recreation. Golfing and all active sports are prohibited. No Owner shall permit or suffer the use of the Common Area for any commercial purpose. No activities in the Common Area shall be carried on in such a manner as to be disturbing or offensive to other Owners. No firearm, air rifle, pellet or B-B gun, bow and arrow, sling shot or other weapon shall be used on or in the Common Area.

Section 7. Wild Life.

No Owner shall permit or suffer the molestation or destruction of wild ducks, geese, birds or other harmless wild life in the Common Area.

Section 8. Insurance.

The Association shall maintain liability insurance in sufficient amounts for the purpose of protecting itself as well as the Owners, the Declarant and builders from the burden of liability resulting from accidents which may cause death or injury to anyone while in the Common Area, or on property under the jurisdiction, maintenance or control of the Association.

Section 9. Published Rules.

The Declarant reserves the right to publish from time to time reasonable rules and regulations consistent herewith governing the use of the Common Area as well as other matters relating thereto.

ARTICLE X

GENERAL PROVISIONSSection 1. Enforcement.

The Association, or any Owner, shall have the right to enforce, by any proceeding at law, all restrictions, conditions, covenants, reservations liens and charges now or hereafter imposed by the provisions of this Declaration. Failure of the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability.

Invalidation of any one of these covenants or restrictions by judgment or court order shall in no ways affect any of the other covenants, restrictions or provisions hereof, which shall remain in full force and effect.

Section 3. Duration and Amendment.

Except as otherwise provided below, the covenants, restrictions and provisions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. Notwithstanding anything to the contrary, Section 4 of Article III, Section 11 of Article V, Article VIII, Section 3 of Article IX, and Section 9 of Article X may not be amended and shall not terminate except with the approval of the City of Novi as to each and every such Article and Section. Subject to the foregoing, this Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than eighty (80%) percent of the lot Owners and thereafter by an instrument signed by not less than seventy (70%) percent of the lot Owners, except that amendments made by Declarant for the purpose of adding residential lots and/or Common Area to control or ownership by the Association and making this Declaration apply to such lots and/or Common Area shall not require the vote, signature or approval of any Owners, the Association or any Members thereof, and, prior to the Voting Transfer Date described above in Article IV, Section 2, Declarant shall be entitled to amend this Declaration as Declarant deems appropriate in its sole and absolute discretion. Any amendment must be recorded with the Oakland County Register of Deeds.

Section 4. Annexation of Additional Lots and/or Common Area.

Declarant reserves the right at any time or times in the future to amend this Declaration by adding to it one or more additional subdivisions of land in the East 1/2 of Section 4 and/or the West 1/2 of Section 3 of the City of Novi which may be hereafter developed and platted by Declarant or its assigns. Such additional subdivisions may or may not contain Common Area. Any such amendment(s) to this Declaration shall provide that the Owners of all residential lots in such future added subdivisions shall be required to be Members of the Association and shall be subject to the covenants, restrictions, easements, charges and liens set forth herein. Such amendment(s) shall also provide that the Common Area contained within The Subdivision and all such future annexed subdivisions shall be for the use and benefit of all Owners of lots in The Subdivision and all such future annexed subdivisions. Additional lots and Common Area may be annexed to the Association by Declarant without the consent or approval of the Association or any of its Members or any Owner. Annexation by action of the Association shall require the consent of two-thirds (2/3) of its Members.

Section 5. Assignment or Transfer of Rights and Powers.

Declarant hereby reserves the unequivocal right to assign to the Association in whole or in part, from time to time, any or all of the rights and powers, titles, easements and estates hereby reserved or given to Declarant herein, including the right and power to approve or disapprove any use, act, proposed action, or any other matter or thing. Any such assignment or transfer shall be made in writing by appropriate instrument, and such assignee shall thereupon have the same rights and powers, and be subject to the same obligations and duties as herein given and reserved to and assumed by Declarant in connection with the rights, powers and easements so assigned. Such instrument, when executed by such assignee, shall without further act release Declarant from all obligation, duties and liability in connection therewith.

Section 6. Deviations by Agreement with Developer.

Declarant hereby reserves the right to enter into agreements with the owner of any lot or lots in The Subdivision, without the consent of owners of other lots or adjoining or adjacent property, to deviate from any or all of the covenants set forth in this Declaration (except those covenants and restrictions described above in Section 3 of this Article X which shall not be amended without the approval of the City of Novi), provided there are practical difficulties or particular hardships evidenced by the lot owner. Any such deviation (which shall be manifested by an agreement in writing) shall not constitute a waiver of any such covenant as to the remaining lots in The Subdivision. These deviations shall only be permitted by Declarant in his sole discretion to improve or maintain the quality and well being of The Subdivision.

Section 7. Transition of Control of the Association.

The bylaws of the Association shall provide that the Board of Directors of the Association may be appointed by the Declarant until the Voting Transfer Date described above in Section 2. of Article IV and thereafter shall be elected by the Owners. In the event that, as of the Transition Date, the Owners are unwilling or unable to elect a Board of Directors who desire to serve as Directors, the Declarant reserves the right to grant to the Management Agent of the Association or to such other designee chosen by Declarant the right to appoint a Board of Directors composed of either Owners or non-Owners, or some combination thereof. The fee charged by the Management Agent or other designee and by the Directors shall be paid directly by the Association. The right of the Management Agent or other designee to appoint the Board of Directors shall continue until the first annual meeting at which the Owners are willing and able to elect a Board of Directors of Owners who desire to serve as Directors. Any transition of control of the Association under this Section shall not in any way affect the membership of the Architectural Control Committee or the power of Declarant to appoint Committee members. Declarant reserves the right at any time, but shall not be obligated, to assign to the Association the right to appoint one or more of the Committee members.

Section 8. Liability of Board Members.

Neither any Member of the Board of Directors nor Declarant shall be personally liable to any Owner, Member or other party, for the damage, loss or prejudice suffered or claimed on account of any act or omission of the Association, the Board of Directors, the Declarant or any other representatives or employees of the Declarant, the Board of Directors or the Association.

Section 9. Approval of the City of Novi.

No lot in The Subdivision shall be used or shall have any improvement made to it or erected upon it in violation of the ordinances or requirements of the City of Novi or such other governmental entity as may have jurisdiction thereover.

Section 10. Reservation of Rights.

Declarant reserves for itself and for the Association and their respective agents the right to enter upon any lot for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds or other unsightly growth that in the opinion of Declarant or the Association detracts from the overall beauty, setting and safety of the Subdivision. Such entrance for the purpose of mowing, cutting, clearing or pruning shall not be deemed a trespass. Declarant and the Association and their respective agents may likewise enter upon any lot to remove any trash which has collected on the lot without such entrance and removal being deemed a trespass. The provisions of this paragraph shall not be construed as an obligation on the part of Declarant or the Association to mow, clear, cut or prune any lot nor to provide garbage or trash removal services. The cost incurred in connection with such activities shall be billed to the lot Owner, and if not repaid within ten (10) days of billing, shall be a lien on the lot.

Section 11. License Agreement.

Declarant intends to enter into a License Agreement with the City of Novi which will accommodate the installation and maintenance of an entrance sign and related improvements in the boulevard entranceway to the Subdivision. Upon Declarant's request, the Association shall be obligated to accept an assignment of Declarant's interest in said License Agreement and to assume all of Declarant's obligations thereunder.

Section 12. Notices.

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

IN WITNESS WHEREOF, the undersigned has caused these presents to be executed on this 9TH day of SEPTEMBER 1997.

WITNESSES:

NOVI GROUP, L.L.C.
a Michigan limited liability company

Christine Sanborn
Christine Sanborn

Joyce E. Kelly

JOYCE E. KELLY

By: [Signature]
BILTMORE PROPERTIES CORPORATION
a Michigan corporation

By: [Signature]
Andrew M. Coden
Its: Vice President

and

Aradio P. Scellin
ARADIO P. SCOLLIN

Colleen Nozdrasek
COLLEEN NOZDRASEK

By: [Signature]
MARK JACOBSON & ASSOCIATES, INC.
a Michigan corporation, Member

By: [Signature]
Mark T. Jacobson
Its: President

STATE OF MICHIGAN)
) ss.
COUNTY OF OAKLAND)

On this 9th day of September 1997, the foregoing instrument was acknowledged before me by Andrew M. Coden, Vice-President of Biltmore Properties Corporation, a Michigan corporation, Member, on behalf of Novi Group, L.L.C., a Michigan limited liability company.

My Commission expires:

JOYCE E. KELLY
NOTARY PUBLIC - OAKLAND COUNTY, MI
MY COMMISSION EXP. 05/23/2001

Joyce E. Kelly
Notary Public
Oakland County, Michigan

STATE OF MICHIGAN)
) ss.
COUNTY OF OAKLAND)

On this 15 day of SEPTEMBER 1997, the foregoing instrument was acknowledged before me by Mark T. Jacobson, President of Mark Jacobson & Associates, Inc., a Michigan corporation, Member, on behalf of Novi Group, L.L.C., a Michigan limited liability company.

My Commission expires:

MELBA AUSTIN
Notary Public, Wayne County, MI
My Commission Expires July 1, 2000

Melba Austin
Notary Public
Acting in Oakland County, Michigan

THIS INSTRUMENT DRAFTED BY
AND AFTER RECORDING RETURN TO:
Andrew M. Coden, Esq.
2025 W. Long Lake Road
Suite 104
Troy, Michigan 48098

S:\LEGAL\BRISTOL\BRISTOL RESTRICTIONS.SAV
Draft: 09/09/97 12:46 PM