

**DECLARATION OF COVENANTS, EASEMENTS AND RESTRICTIONS
FOR CARLETON PLACE SUBDIVISION**

This Declaration of Covenants, Easements and Restrictions ("Declaration"), made as of the 13th day of September, 2001, by Carleton Place LLC, a Michigan limited liability company, whose address is 47200 Van Dyke, Utica, Michigan 48317 ("Declarant"), is based upon the following:

A. Declarant is the owner of and has developed a certain parcel of land located in Macomb Township, Macomb County, Michigan, as a single-family residential development, being more particularly described as:

Lots 1 through 95, both inclusive, Carleton Place Subdivision, according to the Plat thereof recorded in Liber 151, Pages 44 through 53, both inclusive, of Plats, Macomb County Records (the "Subdivision").

B. Declarant desires to impose and subject the Subdivision to certain covenants, restrictions, easements, obligations, charges, and liens, all as more particularly hereinafter set forth, each and all of which are for the benefit of the Subdivision and each Owner, as herein defined, of a Lot, as herein defined, in order to, (i) preserve and enhance property values and amenities in the Subdivision, (ii) insure the most beneficial development of the Subdivision as a single-family residential area, (iii) prevent any use within the Subdivision which might tend to diminish the valuable or pleasurable enjoyment thereof, (iv) assure the harmony, attractiveness, and utility of the Subdivision, (v) regulate the use of the Subdivision, and (vi) establish and define certain rights relative to the Subdivision.

C. Declarant has deemed it desirable, for the efficient preservation of the values and amenities in the Subdivision, to create the Association, as herein defined, as a legal entity to (i) own, maintain, preserve, and administer the Common Area and any other areas now or hereafter owned or administered by the Association (as hereinafter defined), and such landscaping, facilities, and amenities that may be constructed thereon or used therein, (ii) collect and disburse the assessments and charges hereinafter created, and (iii) promote the recreation, health, safety, and welfare of the residents in the Subdivision.

D. It is the purpose and intention of this Declaration that all of the Lots shall be conveyed by Declarant subject to the covenants, restrictions, obligations, easements, charges, and liens set forth in this Declaration in order to (a) establish a general plan of uniform restrictions with respect to the Subdivision, (b) insure the purchasers of Lots the use of their Lots for attractive residential purposes, (c) secure to each lot owner the full benefit and enjoyment of his residence, and (d) preserve the general character of the neighborhood within the Subdivision.

Now, therefore, Declarant hereby publishes, declares, and makes known to all intending purchasers and future owners of the Lots within the Subdivision, that the Subdivision, and all of the Lots therein, will and shall be used, held occupied, sold, and conveyed expressly subject to the following conditions, restrictions, easements, covenants, and agreements, which shall be incorporated by reference in all deeds of conveyance and contracts for the sale of any of the Lots, and which shall run with the land (the Subdivision and all of the Lots therein) and shall be binding upon and inure to the benefit of all parties having any right, title, or interest in the Subdivision, or any part thereof, and their heirs, personal representatives, successors, and assigns, and on all grantees of all individual Lots in the Subdivision and on their respective heirs, personal representatives, successors, and assigns for the time and in the manner specified herein.

ARTICLE I

DEFINITIONS

The following terms have the following respective meanings when used in this Declaration, and the singular shall include the plural and vice versa, unless the context requires otherwise:

Section 1. Association. "Association" means Carleton Place Subdivision Association, a Michigan nonprofit corporation, its successors and assigns.

Section 2. Declarant. "Declarant" means Carleton Place LLC, a Michigan limited liability company, its successors and assigns.

Section 3. Declaration. "Declaration" shall mean this Declaration of Covenants and Restrictions for Carleton Place Subdivision, as recorded in the Office of the Macomb County Register of Deeds, State of Michigan.

Section 4. Lot. "Lot" means (a) any numbered lot shown on the recorded plat of the Subdivision, (b) any building site resulting from the combination of Lots, and (c) any building site resulting from a proper and approved lot split of any Lot.

Section 5. Member. "Member" means those persons entitled to membership in the Association, as provided in this Declaration; provided, however, that for the purposes of voting in Association matters there shall be deemed to be only one (1) Member for each Lot.

Section 6. Owner. "Owner" means the record owner, whether one or more persons or entities, of the fee simple title to any Lot, or the land contract purchaser thereof, but excluding those having any interest merely as security for the performance of an obligation.

ARTICLE II

ESTABLISHMENT AND DEDICATION

There is hereby established an association of Owners of Lots 1 through 92, both inclusive, of Carleton Place Subdivision, to be known as the Carleton Place Subdivision Association. The Association shall be organized within ninety (90) days after the date the plat of Carleton Place Subdivision has been recorded at the Office of the Register of Deeds for Macomb County, Michigan. The Association shall be organized as a nonprofit 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 articles of incorporation and corporate by-laws for the Association.

Lot 93 of Carleton Place Subdivision contains an existing dwelling and is specifically excluded from membership in the Association and the restrictions and assessments imposed by this Declaration. None of the restrictions or obligations contained in this Declaration shall apply to Lot 93; provided, however, a landscape easement shall exist over Lot 93 (as shown on the Plat) and the easement provisions contained in Article III below shall apply to Lot 93.

ARTICLE III

PROPERTY RIGHTS

The Association and Declarant shall be permitted to enter upon those portions of Lots 1, 93, 94 and 95, as described on the plat of the Subdivision as may be necessary to install, repair, replace, and maintain such signs, walls, lighting, sprinkling systems, and planting, if any, hereinafter collectively referred to as the "Landscape Easement", in accordance with the landscaping plan approved by Macomb Township.

In the event the Association shall, at any time, fail to maintain the Landscape Easement, in accordance with the approved landscape plan, then, Macomb Township ("Township") is authorized

to enter the Landscape Easement to maintain the same. The Township shall serve notice by first-class mail to the owner(s), appearing on the Township tax rolls, of each lot in the subdivision. The notice shall include a demand that deficiencies in the maintenance be cured within thirty (30) days thereof and notify the owners of the date, time, and place of a public hearing before the Township Board of Trustees or such other boards or body of officials to whom the Township may delegate such responsibility. The hearing shall be held within fifteen (15) days of the notice. At the hearing the Township may modify the terms of the original notice of deficiencies in maintenance and may grant an extension of time within which the deficiencies shall be cured. If the deficiencies, set forth in the original notice or in the modification thereof, are not cured within thirty (30) days or any extensions of time granted at the hearing, the Township, in order to eliminate and cure the deficiencies in the operation and maintenance of the Landscape Easement, may enter upon the property and maintain the Landscape Easement for a period of up to one (1) year. Maintenance of the Landscape Easement by the Township shall not constitute a taking of the Landscape Easement nor vest in the public any additional right to use the same.

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

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

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

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

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

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

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot (except Lot 93) shall be a 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. The Association shall be two (2) classes of membership, being Class A and Class B, as follows:

(a) Class A membership shall be voting, and Declarant shall be the only Class A Member.

(b) Each Owner of a Lot other than the Declarant shall be a Class B Member.

(c) Class B membership shall be non-voting until the Transfer Date specified in Subsection 2(d) below, at which time all Owners (including Declarant) shall be entitled to vote on a one vote per lot basis (regardless of the number of Owners of any Lot).

(d) Declarant shall have the sole vote in the Association, and the consequent right to appoint the Board of Directors of the Association (the "Board"), until such date (the "Transfer Date") as shall be the earlier to occur of

(i) ninety-five percent (95%) of the lots in the Subdivision shall have been sold (as evidenced by delivery of a deed for such lots to the Lot purchaser) to Owners other than builders purchasing for resale in the ordinary course of their business, (ii) five (5) years after the date of recording of the plat of the Subdivision at the Office of the Register of Deeds for Macomb County, Michigan, or (iii) such earlier date as may hereafter be designated in writing by Declarant.

(e) From and after the Transfer Date described in Subsection 2(d) above, Class B Members of the Association shall have the voting rights described in Subsection 2(d) above, and thereafter, the Board shall be elected by the combined vote of the Class A and Class B Members (in each case, voting on a one vote per Lot basis).

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 to the Association: (a) annual general assessments or charges, and (b) special assessments, which assessments shall be established and collected as hereinafter provided. The general and special assessments, together with interest thereon, late payment fees, and collection costs, including reasonable attorneys' fees, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which such assessment is made. Each such assessment, together with interest thereon, late payment fees, and costs of collection thereof, including reasonable attorneys' fees, shall also be the personal obligation of the person(s) who was (were) the Owner of such Lot at the time the assessment fell due.

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 subjected to this Declaration, and in particular for (a) the improvement and maintenance of the Landscape Easement, (b) the payment of water and electric bills associated with the foregoing, (c) planting and maintenance of trees, shrubs and grass, (d) snow removal of public roads (which shall be within the discretion of the Association), (e) providing community services, and (f) the protection of the Owners.

Section 3. Special Assessments. 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, or maintenance of any improvement upon the

Landscape Easement, and other areas, facilities, and amenities which now or hereafter may be under the control of the Association, including, without limitation, those listed above in Section 2 of this Article, or for any other legal purpose desired by the Association, provided that any such special assessment shall have the approval 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 4. **Notice and Quorum or Actions Authorized Under Section 3 and 4.** Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 and 4 of this Article shall be sent to all Members not less than fifteen (15) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast thirty percent (30%) of the votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 5. **Rate of Assessment.** Both the general and the special assessments shall be set by the Board of Directors at a uniform rate for the Owners of all Lots and may be collected on a monthly, quarterly or an annual basis.

Section 6. **Date of Commencement of Annual Assessments; Due Dates.** An amount equal to one quarter of the annual assessment in advance shall be paid by the Initial Purchaser (Initial Purchaser means the first purchaser of a Lot from a builder) to the Association at the time of closing, as a non-refundable working capital contribution by the Purchaser. Also, the quarterly assessment shall be prorated and adjusted according to the date of closing and paid to the Association by the Initial Purchaser. The Board of Directors shall endeavor to fix the amount of the annual assessment against each Lot and to establish the assessment due date at least thirty (30) days in advance of each annual assessment period. 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 shall be binding upon the Association as of the date of its issuance.

Section 7. **Effect of Nonpayment of Assessments; Remedies of the Association.** Any assessment not paid in full within thirty (30) days following its due date shall bear interest from the due date at a rate of seven percent (7%) per annum and shall be subject to a late payment fee equal to fifteen percent (15%) of the amount of the assessment to cover the cost of collection by the Association. In the event that the cost of collection, including attorneys' fees, exceeds fifteen percent (15%) of the

amount of the assessment, the Association shall be entitled to collect the deficiency. The aggregate amount of the unpaid assessment, interest, late payment fee, and deficiency shall be a lien against the Lot corresponding to the unpaid assessment. The Association may bring an action at law against the Owner personally obligated to pay the assessment, interest, late payment fee, and deficiency, and may foreclose the lien against the Lot in the same manner that real estate mortgages may be foreclosed by action under Michigan law. 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 8. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein on any Lot shall be subordinate to the lien of any first mortgage covering the Lot. Sale or transfer of any Lot pursuant to mortgage foreclosure, or any proceeding in lieu thereof, shall extinguish the lien of the assessments, but shall not extinguish the Owner's personal obligation for payment of assessments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessment becoming due after such sale or from the lien thereof.

Section 9. Management Agent. The Board 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.

ARTICLE VI

BUILDING AND USE RESTRICTIONS FOR THE SUBDIVISION

Section 1. Use of Lots.

(a) All lots shall be used for single-family residence proposes only, and no building of any kind whatsoever shall be erected, re-erected, moved, or maintained thereon except one private single-family residential dwelling house and permitted appurtenant structures, if any, on each lot, as hereinafter provided, which dwelling shall not exceed two (2) stories in height. Such dwelling house shall be designed and erected for occupation by a single private family. A private architecturally related attached garage, for the sole use of the Owner or occupant of the Lot upon which said garage is erected, may also be erected and maintained, provided that said garage is in compliance with the requirements of Section 2 of this Article VI.

(b) Notwithstanding the limitations on uses set forth in Section 1(a) above, Declarant hereby reserves the right for itself, its agents or sales representatives, and/or any builder or builders designated by Declarant, to occupy and

use any house or temporary building built on or moved onto any lot as a sales office for the sale of lots and/or houses within the Subdivision.

Section 2. Improvement of Lots.

(a) No building or other structure shall be constructed, erected, or maintained on any lot, nor shall any additions, changes, or alterations to any building or structure be made on any lot (except interior alterations) unless and until the plans and specifications therefor shall have been submitted to and approved in writing by Declarant in the manner set forth in Paragraph 2(d) hereof.

(b) No deck, patio, swimming pool, fence, pool enclosure, or similar other devices and/or structures, whether or not attached to any dwelling, shall be constructed, erected, or maintained on any lot unless and until the plans and specifications therefor shall have been submitted to and approved in writing by Declarant in the manner set forth in Paragraph 2(d) hereof.

(c) Any and all construction of the buildings, structures, and other items set forth in Paragraphs 2(a) and 2(b) hereof (collectively, the "Improvements") shall be diligently completed in accordance with the plans and specifications which are ultimately approved by Declarant. Copies of all plans and specifications, as finally approved, shall be delivered to Declarant for its permanent file.

(d) Any and all plans and specifications required pursuant to Paragraphs 2(a) and 2(b) hereof, or otherwise as provided in this Declaration, shall be prepared by a competent architect, and shall show the nature, kind, shape, height, materials, color scheme, and location of the improvements to be constructed upon the subject lot. Declarant shall have the right to refuse to approve any such plans or specifications which it determines, in its sole discretion, would not be suitable or desirable for aesthetic or other reasons or for no reason; and in so passing upon such plans and specifications, Declarant shall have the right to take into consideration the suitability of the proposed improvements on the lot upon which they are proposed to be erected, and the harmony as planned in view of the appearance from adjacent or neighboring properties. Declarant shall also have the right to specify the materials to be used in the construction of any improvements on the lots, and may require suitable screening of improvements with adequate shrubs, landscape materials, and other modifications. It is understood and agreed that the purpose of this Paragraph 2(d) is to cause the Subdivision to develop into a beautiful, harmonious, private, residential area, and if any disagreement arises with respect to the provisions or applications of this Paragraph 2(d), the decision of Declarant

shall control and be conclusive upon all parties.

(e) In the event Declarant fails to approve, conditionally approve, or disapprove any plans and specifications required to be submitted to Declarant pursuant to this Declaration within thirty (30) days from the date on which the same have been received by Declarant, then such approval will not be required as a condition precedent to construction of the Improvements set forth therein, provided that the plans and specifications (and all construction based upon such plans and specifications) (i) conform to the restrictions set forth in this Declaration and all applicable statutes, laws, ordinances, and regulations, including zoning laws, and (ii) are otherwise in harmony with the existing Improvements constructed on the Lots.

(f) No Lot may be divided, subdivided, or otherwise split or combined with any other lot except with the prior written consent of Declarant, and if so approved by Declarant only in compliance with the requirements of (i) Section 263 of the Michigan Land Division Act of 1967 (M.C.L.A. 560.101, et seq), as the same may hereafter be amended, or any replacement or successor statute thereto, and (ii) all applicable ordinances of the Township and all other governmental authority(ies) having jurisdiction.

Section 3. Size and Character of Buildings.

(a) No dwelling shall be permitted on any Lot unless the living area thereof shall be not less than one thousand four hundred (1,400) square feet in the case of a one (1) story dwelling, and not less than one thousand five hundred (1,550) square feet in the case of a one and one-half story dwelling, and not less than one thousand six hundred (1,600) square feet in the case of a two story dwelling. All computations of square footage shall include the actual area within the outer surfaces of the exterior walls of the dwelling and shall be determined exclusive of basements (whether or not of the "walk-out" variety), garages, porches, terraces, breezeways, and other unenclosed or unheated areas. The combination of all structures, i.e., house, garage, pool, decks, accessory buildings, ect. shall not exceed 30% of the total area of the lot.

(b) All dwellings constructed on the Lots shall include a private garage which shall be directly attached and architecturally related to the dwelling. Every garage shall provide space for at least two (2) automobiles. Carports are specifically prohibited in the Subdivision. Driveways shall be concrete or brick pavers.

(c) No old or existing buildings may be moved onto any Lot, and no used materials (except reclaimed brick) may be used in the construction of any Improvements in the Subdivi-

sion.

(d) All dwellings shall have finished exteriors of brick, stone, Exterior Insulating Finishing System (hereinafter called "EIFS"), wood (which may be covered with vinyl) or a combination thereof and at least 70% of the exterior of the front of the first floor shall be brick, stone or EIFS. The exterior remaining sides and rear of all residences shall be brick or stone between the top of grade and the bottom of the first floor level. No used materials (except reclaimed bricks) may be used in the construction of any dwelling. No dwelling shall have a flat roof or roll type roof. No prefabricated, factory-built and/or modular homes shall be located on any Unit. All exterior paints, stains and material colors must be shown as a part of the plans submitted for approval and which must be approved by Developer; samples thereof shall be furnished to Developer.

(e) Declarant, by appropriate instrument in writing may designate a person, firm, or corporation to perform such of its duties and obligations hereunder as it shall specify, which designation shall be revocable at the will, whim, or caprice of Declarant.

Section 4. Minimum Setback and Yard Requirements. No building or structure shall be erected on any lot nearer to any front, side, or rear lot line than is allowed by applicable zoning ordinances, as modified by any variance already obtained by Grantor prior to the date hereof with respect to the Subdivision, or otherwise provided herein.

Section 5. Animals.

(a) No farm animals, livestock, poultry, or wild animals shall be kept, bred, or harbored on any lot, nor shall any animals be kept or bred for commercial purposes. Only domesticated animals commonly deemed to be household pets may be kept on any lot 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 conditions.

(c) No Owner shall cause, nor shall he permit or suffer any occupant of any lot which he owns, or his or their invitees or guests, to cause the molestation, harm or destruction of wild fowl or other wildlife on, in, or over any portion of his lot. 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, pellet guns, bows and arrows, sling shots, or any other weapons on his lot.

Section 6. Easements.

(a) Easements are reserved as shown on the plat of the Subdivision. 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 services or utilities for use in the Subdivision.

(b) Private easements for public utilities, greenbelts, and entrance signs have been granted and reserved on the plat of the Subdivision.

(c) No structure(s) of any kind or nature whatsoever shall be constructed, erected, maintained, or placed within any drainage, sedimentation, or storm water detention area, if any.

(d) No structure(s) of any kind or nature whatsoever shall be constructed, erected, maintained, or placed over or on any utility easement(s); provided, however, that after the utilities have been installed, the areas over such utility easement(s) may be seeded or sodded. All other planting or Lot line Improvements of any type over or on any easements shall be allowed only so long as they do not interfere with, obstruct, hinder, or impair the drainage plan of, or utilities in, the Subdivision, and so long as access be granted, without charge or liability for damages, for the maintenance of the utilities, underground drainage lines, underground facilities, and surface drainage swales, and/or for the installation of additional facilities.

(e) No fences, pools or other permanent structures shall be allowed within the Miller Drain easement.

Section 7. Prohibited Vehicles and Structures.

(a) No house trailers, motor homes, commercial vehicles larger than 1 ton payload capacity as established by the manufacturer, trailers, cars under repair or restoration, boats, boat trailers, camping vehicles, pickup campers, camping trailers, trucks weighing in excess of two and one-half (2-1/2) tons empty, cube vans, flat bed trucks, utility body trucks and trucks equipped for snow plowing, may be parked on or stored on any street in the Subdivision or any Lot, unless stored fully enclosed at all times within an attached garage. Prohibited commercial vehicles and trucks shall not be parked or stored in the Subdivision, or on any Lot therein, except while making normal deliveries or pickups in the normal course of business.

(b) Trailers, tents, shacks, barns, sheds, dog kennels, basketball hoops, dog runs, and other out buildings of any kind or nature whatsoever, whether permanent or tempo-

rary, are expressly prohibited within the Subdivision, and no temporary occupancy or residence shall be permitted in unfinished residential dwellings.

(c) Antennae of any kind and satellite reception equipment (including, without limitation, so-called "ham radio towers" and "satellite dishes") which are visible from the exterior of any dwelling or located on any Lot are expressly prohibited in the Subdivision, except, satellite dishes no larger than 18 inches in diameter may be installed on the side or rear of the dwelling and in the rear yard area of the Lot with the prior written approval of Declarant.

(d) The provisions of this Section 10 shall not apply to Declarant or any builder which it may designate, during the construction period or during such periods as any dwelling may be used for model or display purposes.

Section 8. General Conditions.

(a) No Lot shall be used or maintained nor permitted to be used or maintained as a dumping ground for rubbish, trash, garbage, or other waste, and the same shall not be kept on any Lot 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) No laundry shall be hung for drying on any Lot so as to be visible from outside of the dwelling constructed on the Lot.

(c) The grade, slope, and/or contour of any Lot shall not be changed without the prior written consent of Declarant, the Township, and all other governmental authorities having jurisdiction. This restriction is intended to prevent interference with the master drainage plan for the Subdivision.

(d) No "through the wall" or "through window" air conditioners may be installed on any wall of any building in the Subdivision.

(e) No outside compressors for central air conditioning units may be installed or maintained in such a manner so as to create a nuisance to the residents of adjacent dwellings.

(f) No above-ground pools shall be permitted.

(g) No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done on or around any Lot which may become an annoyance or nuisance to the neigh-

borhood or the owners of any of the Lots in the Subdivision.

(h) Any debris resulting from the construction and/or the destruction by fire or otherwise, in whole or in part, of any dwelling or improvements on any Lot shall be promptly removed (within forty-eight (48) hours of issuance of temporary or final certificate of occupancy, or final acceptance of any permit therefor by the appropriate governmental authority(ies), or the occurrence of such destruction, whichever occurs first) from such Lot in order to preserve the sightly condition of the Subdivision. Each Owner shall prevent their Lot(s), and any dwelling(s), structure(s), or other improvement(s) thereon from becoming unsightly or unkempt, or from falling into a state of disrepair.

(i) No sheds shall be permitted on any Lot.

Section 9. Sales Agency and/or Business Office. Notwithstanding anything to the contrary set forth elsewhere herein, Declarant and/or any builders which it may designate may construct and maintain on any Lot or Lots which they may select, a sales agency and a business office for the sale of any Lots and/or dwellings in the Subdivision, or in other lands owned by the Declarant, or may use said Lot or Lots for the construction of a model house or houses 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 10. Lease Restrictions. No Owner of any Lot shall lease and/or sublet less than the whole of any dwelling on any Lot. Any lease of an entire dwelling shall be subject to all of the terms, covenants, provisions, and requirements hereof, including, without limitation, the provisions of Article VI, Section 1 hereof.

Section 11. Fences. No fence or wall of any kind shall be erected or maintained on any Lot, except black aluminum or wrought iron fences as approved by the Declarant which shall be no larger than 4 feet in height; provided, however, permitted fences located within setbacks along public roads shall be no larger than 2 feet in height.

Section 12. Signs. No signs or billboards shall be placed, erected, or maintained on any Lot, except for one (1) professional quality sign of not more than six (6) square feet in size and not more than three feet (3') in height for the sole purpose of advertising the Lot and the Dwelling on the Lot for sale or rent.

All permitted signs must also be in compliance with the ordinances and regulations of Macomb Township and all other governmental authorities having jurisdiction with respect thereto. Such sign shall have been constructed and installed in a professional manner and shall comply with all ordinances of the

city. All permitted signs shall be kept clean and in good repair during the period of its placement and maintenance on any Lot. The provisions of this Section 12 shall not apply to (a) such signs as may be installed or erected on any Lot by Declarant, or any builder which it may designate, during the construction period or during periods as any dwelling on any Lot may be used as a model or for display purposes, or (b) any Subdivision entrance sign(s).

Section 13. Landscaping.

(a) Upon the completion of a residence on each of the Lots, the owner thereof (and the word "owner", as used in this connection, is intended to mean the party who purchases a residence from the builder thereof, and each subsequent purchaser thereof) shall cause all portions of the Lot to be finish-graded, seeded or sodded, and suitably landscaped on or before one hundred twenty (120) days after the completion of the dwelling, or by the next July 1 if the residence is completed between September 1 and May 1 of any year. All lawns and landscaping in the Subdivision (including any berm and landscaping areas) shall be of an aesthetically pleasing nature and shall be continuously and properly well maintained at all times. No statues may be placed in the front yard of any dwelling. It is the purpose of this Section 13 to cause the Subdivision to develop into a beautiful, harmonious, private residential area.

(b) Should any Owner fail to maintain the lawns, trees, berms, shrubbery, or other landscaping on his Lot in good order and repair in accordance with "good property management", then Declarant or the Association may serve written notice upon the Owner setting forth the manner in which the Owner has so failed. In the event that the deficiency of maintenance, repair, or replacement stated in such notice is not cured within fifteen (15) days following the date of such notice, Declarant or the Association, as the case may be, shall be authorized and permitted to enter the Lot for the purpose of curing the deficiency. If, following the cure of the deficiency, the deficiency reoccurs and persists, Declarant or the Association, as the case may be, shall be authorized and permitted to enter the Lot as often as is reasonably required for the purpose of continually maintaining in good order and repair the lawns, trees, berms, shrubbery, and other landscaping on the Lot, which right of Declarant or Association shall continue until such time as Declarant or the Association reasonably shall determine that the Owner of the deficient Lot is willing and able to reassume the maintenance responsibility.

The cost incurred by Declarant or the Association for such maintenance, repair, and replacement, plus an administrative fee equal to twenty percent (20%) of such cost, shall be due and payable by the Owner of such Lot to Declarant or the Association,

as the case may be, within ten (10) days following such date as declarant or the Association sends the Owner a bill therefor. If the amount billed is not paid within such ten (10) day period, the unpaid amount shall be a charge on the Lot, shall be a continuing lien upon the Lot, and shall be treated as an additional assessment against the Lot subject to treatment in accordance with the provisions of this Declaration controlling and affecting such assessments, including, without limitation, those stated in Article V of this Declaration.

Section 14. Architectural Control Committee.

(a) Declarant may, in its sole discretion, at any time prior to the date on which all of the Lots in the Subdivision have been sold and conveyed by Declarant to third parties, assign, transfer, and delegate to an architectural control committee (the "Architectural Control Committee") all of Declarant's rights to approve or refuse to approve any plans, specifications, drawings, elevations, or other matters with respect to the construction or location of any dwelling or improvement on any Lot in the Subdivision. Thereafter, the Architectural Control Committee shall exercise all of the authority and discretion granted to Declarant in Section 3 of Article VI hereof relative to approving or disapproving such matters, and Declarant shall have no further responsibilities with respect to such matters. The Architectural Control Committee shall be comprised of up to three (3) members to be appointed by Declarant. Upon the Transfer Date, Declarant shall transfer its right to appoint the members of the Architectural Control Committee to the Association. Until such transfer, Declarant reserves the right to appoint and remove members of the Architectural Control Committee in its sole discretion.

(b) Any submission(s) to Declarant or the Architectural Control Committee for any approval provided for under this Declaration shall be in writing, and shall conform to the requirements of Section 3 of Article VI hereof. The primary purpose for providing architectural control is to ensure the proper and harmonious development of the Subdivision in order to maximize the aesthetic beauty of the Subdivision and its blending with the surrounding area. To this end, Declarant or the Architectural Control Committee, as the case may be, shall be deemed to have broad discretion in determining what dwellings or improvements will enhance the aesthetic beauty and desirability of the Subdivision, or otherwise further or be consistent with the purposes of this Declaration. Approvals and/or waivers may be granted, denied, or conditioned for any reason or for no reason. In no event shall either Declarant or the Architectural Control Committee have any liability whatsoever to anyone for their approval or disapproval of any plans, drawings, specifications, or elevations, or the dwellings or improvements built or to be built pursuant thereto, whether such alleged li-

ability is based on negligence, tort, express or implied contract, fiduciary duty, or otherwise. By way of example, neither Declarant nor the Architectural Control Committee shall have liability to anyone for the approval of any plans, specifications, elevations, or the like which are not in conformity with the provisions of this Declaration, or for the disapproval of any plans, specifications, elevations, or the like which arguably are in conformity with the provisions hereof.

ARTICLE VII

ASSESSMENT OF FINES

Section 1. General. The Association, acting through its Board, shall be permitted to assess monetary fines against any Owner in the event that the Owner or his tenants, guests, family, or invitees shall violate any of the provisions of this Declaration or any of the rules and regulations duly established by the Association. 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 invitees.

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

(a) Notice. Notice of the violation, including the provision of this Declaration or the rules or regulations violated, together with a description of the factual nature of the alleged offense shall be sent by first class mail, postage prepaid, or shall be personally delivered to the Owner.

(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 or a special meeting called to hear the evidence, but in no event shall the Owner be required to appear less than ten (10) days from the date of the notice.

(c) Default. Failure to respond to the notice of violation shall constitute a default by the Owner.

(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 a violation has occurred. The Board's decision shall be final.

Section 3. Amounts. Upon a finding by the Board that a violation has occurred, the following fines shall be levied

against the offending Owner:

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

In addition to such fines, the Owner, at the option of the Board, shall be subject to the suspension of his voting rights in the Association and of his right to use the Common Areas, if any, for a period in each case not to exceed sixty (60) days per violation.

Section 4. Collection. The fines levied pursuant to Section 3 above shall be assessed against the Owner in the same manner as the annual Association assessments and shall be due and payable to the Association on the first day of the next following month. Failure to pay the fine when due shall subject the offending Owner and his Lot(s) to all of the liabilities set forth in Article V hereof.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Enforcement. The Declarant, the Association, and each Owner shall each have the right to enforce, by any proceeding at law or in equity, all of the restrictions, conditions, covenants, reservations, obligations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure of any of the aforementioned parties 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. Invalidity of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions, which other provisions shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions 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. This Declaration may be amended during the first twenty (20) year period after the Transfer Date by a recorded instrument signed by not less than seventy percent (70%) of the Owners and thereafter by an instrument signed by not

less than sixty percent (60%) of the Owners. Prior to the Transfer Date, Declarant, without the consent, vote, signature, or approval of any Owner, the Association or any Members thereof, may, prospectively or retroactively, by instrument recorded at the Office of the Register of Deeds for Macomb County, Michigan, modify, restate, waive, repeal, amend, change, or replace this Declaration, or any or all of the provisions hereof, with respect to any thing or any particular Lot or Lots located within the subdivision or located within any future subdivision(s) subjected to this Declaration, as Declarant in its sole discretion deems necessary or desirable, including, without limitation, for the purpose of adding additional residential Lots and/or Common Area and making this Declaration and/or other restrictions apply to such Lots and/or Common Area.

Declarant's right to amend, change, or replace this Declaration shall be permitted at any time prior to the Transfer Date, notwithstanding an assignment of Declarant's rights and powers pursuant to Section 4 of this Article VIII.

Section 4. Assignment or Transfer of Rights and Powers. Declarant hereby reserves the unequivocal right to assign to the Association or any other party, in whole or in part, from time to time, any or all of the rights, 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, except that Declarant's right to amend, change, or replace this Declaration without the consent of the Owners as provided in Section 3 of this Article VIII may not be assigned. Any such permitted assignment or transfer shall be made by appropriate instrument, in writing, 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, titles, easements, and estates so assigned, and such instrument, when executed by such assignee, shall without further act release said Declarant from all obligation, duties, and liability in connection therewith.

Section 5. Deviations by Agreement with Developer. Declarant hereby reserves the right at any time prior to the Transfer Date to enter into agreements with the Owner of any Lot or Lots, 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 provided there are practical difficulties or particular hardships evidenced by such Owner. Following the Transfer Date, such power vested in Declarant shall be transferred to the Association. 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.

Section 6. Transition of Association Board of Directors. The Association By-Laws shall provide that the members of the Board may, at the Declarant's option, be appointed by the Declar-

ant until the Transfer Date, and thereafter, shall be elected by the Owners. In the event that Declarant no longer desires to appoint the members of the Board and the Owners are unwilling or unable to elect a Board 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 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 shall continue until the first annual meeting at which the Owners are willing and able to elect a Board of Owners who desire to serve as Directors.

In witness whereof, Declarant has executed this Declaration of Covenants, Easements and Restrictions for Carleton Place Subdivision as of the date first above written.

IN THE PRESENCE OF:

CARLETON PLACE LLC, a Michigan limited liability company

By: Lombardo Management, Inc.,
a Michigan corporation,
Member

By: Anthony F. Lombardo
President

STATE OF MICHIGAN)
) ss.
COUNTY OF Macomb)

The foregoing instrument was acknowledged before me this 13th day of September, 2001, by Anthony F. Lombardo, the President of Lombardo Management, Inc., a Michigan corporation, Member of Carleton Place LLC, a Michigan limited liability company, on behalf of it.

MICHELLE V. WALKER
Notary Public, Macomb County, MI
My Commission Expires Oct. 8, 2002

Michelle V. Walker
Michelle V. Walker Notary Public
MACOMB County, Michigan
My Commission Expires: 10-8-02

DRAFTED BY AND WHEN RECORDED RETURN TO:

MARK J. ABDO, ATTORNEY AT LAW
42550 Garfield Road, Suite 104A
Clinton Township, Michigan 48038

CONSENT OF MORTGAGEE

The undersigned, Old Kent Bank, whose address is 18800 Hall Road, Clinton Township, Michigan 48038, being the holder of a certain Mortgage covering Carleton Place Subdivision, hereby acknowledges and consents to the foregoing Declaration of Easements, Covenants and Restrictions for Carleton Place Subdivision.

WITNESSES:

OLD KENT BANK


KRISTEN RIDDERIKHOFF

By: 

DAVID F. GIRODAT -

Its: SENIOR VICE PRESIDENT

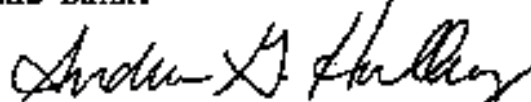

ANDREA G. HULLEY

STATE OF MICHIGAN

COUNTY OF Macomb.

} ss.

The foregoing instrument was acknowledged before me this 12TH day of SEPTEMBER, 2001, by DAVID F. GIRODAT the SENIOR VICE PRESIDENT of Old Kent Bank, on behalf of the Bank.


ANDREA G. HULLEY Notary Public
MACOMB County, Michigan
My Commission Expires: 01-25-03

