

Michigan Department of Commerce

Lansing, Michigan

This is to Certify That Articles of Incorporation of

COVINGTON SQUARE SUBDIVISION ASSOCIATION

*were duly filed in this office on the 12th day of May, 1994,
in conformity with Act 162, Public Acts of 1982.*



*In testimony whereof, I have hereunto set my
hand and affixed the Seal of the Department,
in the City of Lansing, this 12th day
of May, 1994.*

Carl L. Lysen , Director
Corporation & Securities Bureau

MICHIGAN DEPARTMENT OF COMMERCE -- CORPORATION AND SECURITIES BUREAU

Date Received

MAY 10 1994

(FOR BUREAU USE ONLY)

FILED

MAY 12 1994

Administrator
MICHIGAN DEPARTMENT OF COMMERCE
Corporation & Securities Bureau

EFFECTIVE DATE:

Name

ROBERT A. JACOBS ESQ.

Address

3270 W. BIG BEAVER ROAD, SUITE 440

City

TROY

State

MI

ZIP Code

48084

↑ Document will be returned to the name and address you enter above. ↑

723-719

ARTICLES OF INCORPORATION

For use by Domestic Nonprofit Corporations

(Please read information and instructions on last page)

Pursuant to the provisions of Act 162, Public Acts of 1982, the undersigned corporation executes the following Articles:

Pursuant to the provisions of Act 162, Public Acts of 1982, the undersigned corporation executes the following Articles:

ARTICLE I.

The name of the corporation is:

COVINGTON SQUARE SUBDIVISION ASSOCIATION'

ARTICLE II.

The purpose or purposes for which the corporation is organized are: To provide for the improvement, maintenance and preservation of the areas and improvements described in the Plat of COVINGTON SQUARE SUBDIVISION, as recorded in Liber 106, Pages 89 through 94, inclusive of Plats, Wayne County Records and to exercise all powers and privileges and to perform all duties and obligations of the Association as set forth in the Declaration of Restrictions as such may be amended from time to time, recorded in 27287, Page 284, Wayne County Records, as well as such lands, if any, which may hereafter be owned by the Association for the benefit of its members and without limiting the generality thereto, the Association may exercise any of the following powers:

Exercise all of the powers and privileges of the Association as set forth in the Declaration of Restrictions for COVINGTON SQUARE SUBDIVISION and the By-Laws as such may be amended from time to time.

- B. Cause the improvements, berms, twenty-five feet (25') landscape buffer along Lilley Road, roads and streets and any pedestrian footbridge over the Truesdell Drain, if any, as set forth in a certain Consent Judgment entered on June 14, 1993 in the Wayne County Circuit Court in Case No. 93-310833 CZ entitled Grand/Sakwa Properties, Inc. v. Charter Township of Canton, et al, (the "Judgment"), to be maintained in accordance with the purposes stated in the Declaration of Restrictions.
- C. To comply with the obligations and duties set forth in the Declaration of Restrictions, including those for private road maintenance and operation and maintenance of the storm water drainage system.
- D. Represent the members of the Association on matters of mutual interest before any governmental and administrative bodies, boards and agencies.
- E. Establish and enforce rules and regulations for utilization of the common areas and improvements and facilities located for members of the Association and all other lawful users and for such other purposes as are permitted under the Declaration of Restrictions.
- F. Fix and levy against and collect from the members of the Association dues, fees, charges and assessments to be used for the improvement and maintenance of the Subdivision entranceways now or hereafter owned by the Association, and facilities and improvements thereon, and other property under the control of the Association; for the repair, maintenance and reconstruction of the Subdivision streets and roads, pedestrian footbridge over the Truesdell Drain and/or walkways, if any; for maintenance of the landscaped buffer area along Lilley Road, as set forth in the Judgment; for planting and maintenance of trees, shrubs, flowers and grass within the entranceways; for construction, operation and maintenance of all other facilities and improvements for benefit of the members; for repair and maintenance of any sedimentation, detention, retention facilities and street lighting if any; for caring for vacant lots, including weed cutting; for providing community services; for the protection of the owners; for maintenance and preservation of any wetland or woodland areas designated on the Plat of COVINGTON SQUARE SUBDIVISION, as described in the recorded Declaration of Restrictions; for maintenance and repair of any internal sidewalks and/or bike paths, if any; for maintenance and repair of any Subdivision signs, fountains, sprinkling or irrigation systems serving the entranceways, common areas and improvements; for the maintenance, repair and replacement of the subdivision entrance landscaping and landscaping in the common areas for the maintenance and operation of the storm water drainage system as set forth within the Declaration of Restrictions; for payment of legal, accounting, professional fees and insurance; and for such personnel and employees as may be required to fulfill the obligations herein.

- G. Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, license, transfer, dedicate for public use or otherwise dispose of real or personal property in accordance with the Declaration of Restrictions and any amendments thereto in fulfillment of the purposes of the Association and in connection with the lawful affairs of the Association.
- H. Borrow money and mortgage, pledge, secure or hypothecate any and all of its real or personal property as security for money borrowed or debts incurred in fulfillment of the purposes of and in connection with the lawful affairs of the Association.
- I. Arrange and contract for maintenance, landscaping, security, management and any other functions on behalf of members of the Association.
- J. In general, do all acts necessary to perform, enforce and administer any duties, powers and rights conferred upon the Association by the Declaration of Restrictions and any amendments thereto and the By-Laws and to have and exercise any and all powers, rights and privileges which a corporation organized under the Non-profit Corporation Act of the State of Michigan by law may now or hereafter have or exercise.

H. Borrow money and mortgage, pledge, secure or hypothecate any and all of its real or personal property as security for money borrowed or debts incurred in fulfillment of the purposes of and in connection with the lawful affairs of the Association.

I. Arrange and contract for maintenance, landscaping, security, management and any other functions on behalf of members of the Association.

J. In general, do all acts necessary to perform, enforce and administer any duties, powers and rights conferred upon the Association by the Declaration of Restrictions and any amendments thereto and the By-Laws and to have and exercise any and all powers, rights and privileges which a corporation organized under the Non-profit Corporation Act of the State of Michigan by law may now or hereafter have or exercise.

ARTICLE III.

The corporation is organized upon a non-stock basis.
(stock or non-stock)

1. If organized on a stock basis, the total number of shares which the corporation has authority to issue is _____. If the shares are, or are to be, divided into classes, the designation of each class, the number of shares in each class, and the relative rights, preferences and limitations of the shares of each class are as follows:

N/A

2. (A) If organized on a non-stock basis, the description and value of its real property assets are: (if none, insert "none")

None.

- (B) The description and value of its personal property assets are: (if none, insert "none")

None.

- (C) The corporation is to be financed under the following general plan:

This Association is empowered by restrictive covenants (Declaration) to levy and collect annual charges and assessments from each lot owner and subsequent lot owner(s) within COVINGTON SQUARE SUBDIVISION, as set forth within such Declaration.

(D) The corporation is organized on a membership basis.
(membership/dictatorship)

ARTICLE IV.

1. The address of the registered office is:

4850 Coolidge Hwy., Troy, Michigan 48073-1023
(Street Address) (City) (ZIP Code)

2. The mailing address of the registered office if different than the registered office address:

, Michigan
(P.O. Box) (City) (ZIP Code)

3. The name of the resident agent at the registered office is:

Stephen Grand

ARTICLE V.

The name(s) and address(es) of the incorporator(s) is (are) as follows:

Name	Residence Address
Stephen Grand	4850 Coolidge Hwy., Royal Oak, Michigan 48073-1023

Use space below for additional Articles or for continuation of previous Articles. Please identify any Article being continued or added. Attach additional pages if needed.

ARTICLE VI.

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a lot in the COVINGTON SQUARE SUBDIVISION and any future subdivision annexed shall be a mandatory member of the Association by virtue of the recorded Declaration of Restrictions. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

CLASS A: Class A members shall be all Owners, with the exception of the Declarant and its builder/purchasers. Class A members shall have no voting rights until the first to occur of the following:

- (a) The Class A members having attained at least seventy-five (75%) percent or more of the number of votes of the original Class B members as hereinafter defined; or
- (b) Four (4) years from the date of recording of the plat of Covington Square Subdivision; or
- (c) The date that the Class B members elect in writing to waive the requirements of Section 2 (a) and (b).


Upon happening of the first to occur of said events, the Class A members shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot; all such persons collectively shall be members, and the vote for each such lot shall be exercised as they determine; provided that in no event shall more than one vote be cast with respect to any one lot.

CLASS B: The Class B members shall be the Declarant its successor and assigns and/or its builder/purchasers. Class B members shall be entitled to one vote for each lot owned.

ARTICLE VII.

LIMITATION OF LIABILITY OF DIRECTORS

No volunteer director, as that term is defined in Act 162, Public Acts of 1982, as amended ("Act"), shall be personally liable to the corporation or its members for monetary damages for breach of fiduciary duty as a director, provided that the foregoing shall not eliminate the liability of a director for any of the following: (i) breach of the director's duty of loyalty to the corporation or its members; (ii) acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; (iii) a violation of Section 551 (1) of the Act; (iv) a transaction from which the director derived an improper personal benefit; or (v) an act or omission that is grossly negligent. If the Act hereafter is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the corporation, in addition to the limitation on personal liability contained herein, shall be limited to the fullest extent permitted by the amended Act. No amendment or repeal of this Article VII shall apply to or have any affect on the liability of any director of the corporation or with respect to any acts or omissions of such director occurring prior to such amendment or repeal. The corporation shall indemnify, defend and save harmless the Director from any and all claims, demands and damages, including payment of attorney fees incurred, to the fullest extent and as permitted by applicable law.

(We), the incorporator(s) sign my (our) name(s) this 4th day of May, 1994.

STEPHEN GRAND

DOCUMENT WILL BE RETURNED TO NAME AND MAILING ADDRESS INDICATED BELOW.

Robert A. Jacobs, Esq.
JACOBS AND SIMAN
3270 W. Big Beaver Road, Suite 440
Troy, Michigan 48084

NAME OF PERSON OR ORGANIZATION REMITTING FEES:

Robert A. Jacobs, Esq.

PREPARE'S NAME AND BUSINESS TELEPHONE NUMBER:

Robert A. Jacobs, Esq.
(313) 643-4700

BY-LAWS
OF
COVINGTON SQUARE SUBDIVISION ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of this Corporation is COVINGTON SQUARE SUBDIVISION ASSOCIATION, hereinafter referred to as the "Association". The principal office of the Association shall be located at 4850 Coolidge Highway, Royal Oak, Michigan 48073-1023, but meetings of members and directors may be held at such places within the State of Michigan as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to the COVINGTON SQUARE SUBDIVISION HOMEOWNER'S ASSOCIATION, a Michigan Non-Profit Corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities of the fee simple title to a lot, including land contract purchasers, but excluding those having such 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 3. "Lot" shall mean and refer to any numbered lot shown on any recorded Plat of COVINGTON SQUARE SUBDIVISION or any other lot shown on a recorded Plat of COVINGTON SQUARE SUBDIVISION which is subject to the Declaration of Restrictions.

Section 4. "Declarant" shall mean and refer to Grand/Sakwa of Canton, a Michigan Co-Partnership, its successors and assigns.

Section 5. "Declaration" shall mean and refer to the Declaration of Restrictions for COVINGTON SQUARE SUBDIVISION as recorded in Liber 27287, Page 284 Wayne County Records and any further Amendments thereto.

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. "Common Areas" shall mean those areas of land within Covington Square Subdivision, (including the improvements thereto), now or hereafter

owned by the Association for the common use and enjoyment of the owners and shall also include, without limiting the generality thereof, the Subdivision private streets and roads, plantings, shrubs, trees and sprinkling systems within any right-of-way or cul-de-sac, entrance walls or monuments, entrance, directional and subdivision identification signs, interior bike paths and walks, other subdivision signs, street lighting, if any, detention, retention and sedimentation ponds, if any; berms; a twenty-five foot (25') landscape buffer along Lilley Road and a pedestrian footbridge over the Truesdell Drain, if any, pursuant to the Consent Judgment, and all other improvements as may be provided from time-to-time. The Common Areas to be owned by the Association shall be all areas designated on the plat as it now exists or as it may from time-to-time be modified or extended, as parks or park areas and all other areas designated on the plat, if any, as Common Areas.

Section 8. "Subdivision" shall refer to COVINGTON SQUARE SUBDIVISION .

Section 9. "Wetlands" shall mean that area described within the recorded plat of Covington Square Subdivision and identified within such plat as a wetland.

Section 10. "Woodlands" shall mean that area within the recorded plat of Covington Square Subdivision if identified as a woodland area.

Section 11. "Consent Judgment" shall mean that Judgment entered on June 14, 1993 in the Wayne County Circuit Court being Case No. 93-310833 CZ entitled Grand/Sakwa Properties, Inc. v. Charter Township of Canton, et al.

Section 12. "Committee" shall mean the Architectural Control Committee appointed and maintained in accordance with Article II of the Declaration of Restrictions.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a lot in the Subdivision shall be a mandatory member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

CLASS A. Class A members shall be all Owners, with the exception of the Declarant and its builder/purchasers. Class A members shall have no voting rights until the first to occur of the following.

(a) The Class A members having attained at least seventy-five (75%) percent or more of the number of votes of the original Class B members as hereinafter defined; or

(b) Four (4) years from the date of recording of the plat of Covington Square Subdivision; or

(c) The date that the Class B members elect in writing to waive the requirements of 2(a) and (b) above, whichever occurs first.

Upon the happening of the first to occur of said events, the Class A members shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons collectively shall be members, and the vote for each such lot shall be exercised as they determined; provided that in no event shall more than one vote be cast with respect to any one lot.

CLASS B. The Class B members shall be the Declarant, its successors and assigns and/or its builder/purchasers. Class B members shall be entitled to one vote for each lot owned.

ARTICLE IV

PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Areas if any, which shall be appurtenant to and shall pass with the title to every lot, whether or not specifically set forth in the deed of conveyance of said lot, subject to the following provisions:

(a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Areas;

(b) the right of the Association to suspend the voting rights and the right to use the recreational facilities by an Owner of any period during which any assessment against the Owner's Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) the right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by a majority of the members.

No such dedication or transfer shall be effective until an instrument agreeing to such dedication or transfer having been signed by 2/3rds of the members entitled to vote has been recorded with the Wayne County Register of Deeds.

(d) the Common Areas, if any, may be used for all passive forms of recreation, including hiking, nature study, picnicking and similar pursuits in keeping with the nature of the area, as well as for the storage of surface

water. No change shall be permitted in any Common Areas which would alter any storm water and surface water detention and retention and storage basins or other facilities constructed thereon, if any, except as set forth in the Declaration of Restrictions. Recreational Facilities, including but not limited to bridges, bike paths, picnic shelters, grills and similar items, may be constructed in any Common Areas by the Association or the Declarant, provided such does not violate the Restrictions or any designated wetland or woodland, or ordinance, administrative order or law regulating such areas. Nothing in this paragraph, however, shall be construed to create any obligation whatsoever to construct any recreational facilities by the Association or the Declarant. All members of the Association, and guests accompanying said members, shall have equal access to any Common Areas and all facilities located thereon, subject to rules and regulations established by the Association, including, but not limited to the right to place limitations on the number of guests or to prohibit guests at certain prescribed times. All efforts shall be utilized by the Association and the membership to preserve and maintain all trees, shrubs and landscaping, if any, within any common areas. No Owner may remove trees and/or shrubs from the common area(s) for planting upon his property.

Additional uses for the Common Areas may be established if approved in writing by not less than fifty-one (51%) percent of the members of the Association then entitled to vote and ratified by the Declarant.

Section 2. Delegation of Use. Any owner may Delegate in accordance with the By-Laws, his right of enjoyment in and to the Common Areas and facilities to a member's family, his tenant(s), or his land contract purchasers.

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 therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual general assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual general and special assessments, together with interest thereon, collection costs, including reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest thereon, costs of collection thereof, including reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to a successor in title unless expressly assumed by them, but shall remain a lien upon the property, unless paid.

Section 2. Membership Fees and Purpose. In order to pay the cost of carrying out its responsibilities hereunder, including the maintenance of the

roads as provided in Article IV of the Declaration of Restrictions, the Association shall levy fees, dues or assessments on each lot in the Subdivision, whether or not the lot owner is an active member of the Association. Lots owned by Declarant or by a builder prior to occupancy shall only be subject to fees, dues or assessments on each lot for the cost of maintenance of the streets and roads as set forth in Article IV of the Declaration of Restrictions. In no event shall Declarant or such a builder be obligated to pay fees, dues or assessments to the Association other than those required for the maintenance of the Subdivision roads as provided in Article IV of the Declaration of Restrictions. All fees, dues or assessments shall be charged equally to each lot and may be enforced through the lien provided for herein and the Declaration, or by any other lawful means of collecting debts.

The fees, dues or assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Subdivision and in particular, for the improvement and maintenance of the Common Areas, Subdivision entrance-ways now or hereafter owned by the Association and facilities thereon, the maintenance and repair of the Subdivision streets and roads as set forth in Article IV of the Declaration, and other property under the control of the Association; for planting and maintenance of trees, shrubs and grass; for construction, operation and maintenance of recreational facilities and all other facilities and improvements for the benefit of the members; for repair, maintenance and reconstruction of any pedestrian footbridge over the Truesdell Drain, if any and for the maintenance of the landscape buffer area along Lilley Road and berm as set forth in the Consent Judgment; for repair and maintenance, reconstruction of any retention, detention and sedimentation facilities; for street lighting, if any; for caring for vacant lots; for providing community services; for the protection of the owners; for maintenance and preservation of any wetland and woodland areas designated on any Plat; for maintenance and repair of any Subdivision signs, internal sidewalks and/or bike paths, if any; for maintenance and repair of any sprinkling or irrigation systems serving common areas and/or improvements; for payment of legal, accounting, professional fees and insurance; and for such personnel and employees as may be required to fulfill the obligations herein.

Anything contained herein to the contrary notwithstanding, there shall be no membership fee due for any lot until a home is constructed on the lot and the home is first occupied by a purchaser.

Section 3. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above and special assessments as provided by law, 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 reconstruction, major repair or replacement of the Subdivision streets and roads or of any improvement upon the Common Areas, including any pedestrian footbridge and other areas under the control of the Association, including Subdivision entrances, retention, detention and sedimentation ponds, the Subdivision landscaping,

fixtures and personal property, provided that any such assessment shall have the assent of two-thirds (2/3rds) of the votes of members who are then entitled to vote, voting in person or by proxy, at a meeting duly called for that purpose.

Section 4. Notice and Quorum for Actions Authorized Under Section 3. Written notice of any meeting called for the purpose of taking any action authorized under Section 4 shall be sent to all members entitled to vote 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 forty (40%) percent of all votes of each class of membership 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 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 the uniform rate for the Owners of all Lots and may be collected on a monthly or an annual basis. However, notwithstanding anything to the contrary contained herein or elsewhere in this Declaration, no assessment shall be levied against the Declarant, or any builder who has purchased one or more Lots for the purpose of construction of a residence thereon for sale to an Owner.

Section 6. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the first Lot to an Owner. 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. 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 7. Effect of Nonpayment of Assessments: Remedies of the Association. In order to defray the costs of collection, any assessment not paid in full within thirty (30) days after its due date shall bear interest from the due date at the highest lawful interest rate per annum until paid and shall be subject to a late payment fee in the amount of Fifty and 00/100 (\$50.00) Dollars. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against such Owner's lot. The Owner shall be responsible to pay for any attorneys

fees and other expenses incurred by the Association in collecting the amount due. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his lot.

Section 8. Exempt Property. All property exempt from taxation by state or local governments and dedicated for public use shall be exempt from the assessments, charge and lien created herein, including the Subdivision roads, if such are ever conveyed or dedicated to a governmental and/or municipal body and/or agency and accepted for maintenance by such entity.

Section 9. 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. The sale or transfer of any lot pursuant to mortgage foreclosure proceedings or a judgment of foreclosure, shall extinguish the lien of such assessments as to payments which became due prior to such foreclosure sale but shall not relieve such lot from liability for any future assessments thereafter becoming due or from the lien thereafter created.

Section 10. 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 Association, to the fullest extent permitted by law.

Section 11. Transfer of Subdivision Streets to a Governmental, Regulatory or Municipal Body: The Association shall have the right, at any time, to transfer and convey to any governmental, regulatory or municipal body, all right, title and interest in and to the Subdivision streets and roads, free of encumbrance, provided such entity will accept all future responsibility and obligation for the repair and maintenance of such roads. Upon conveyance, transfer or dedication of the Subdivision roads and acceptance by such body, the Association shall have no further responsibility, obligation or liability for their repair and/or maintenance.

ARTICLE VI

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of those members entitled to vote shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of five (5:00) o'clock p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by vote of the Board of Directors, or upon

written request of the members who are entitled to vote one-half (1/2) of all the votes of the Class A membership.

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 thereat, 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 business of any meeting shall involve any special assessments authorized, notice of such meeting shall be given or sent as provided in Article V.

Section 4. Quorum. The presence at the meeting of the members entitled to cast, or of proxies entitled to cast, one-tenth (1/10th) 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 thereat 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 conveyance by the member of his lot.

ARTICLE VII

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of not less than three (3), but not more than fifteen (15) Directors who need not be members of the Association. Such Board of Directors shall be appointed by the Declarant until such time as not less than seventy-five (75%) percent of the residential lots in the Subdivision shall have been sold to Owners or from that date that Declarant transfers voting rights to the Owners or four (4) years from the date of recording of the subdivision plat of Covington Square Subdivision, whichever is first to occur. Thereafter, the Board of Directors shall be elected by the Owners.

Section 2. Transfer of Right to Appoint Directors. In the event that following the transfer of operating rights by the Declarant, 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 a 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 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 of Directors shall continue until the next annual meeting of the members at which the Owners are willing and able to elect a Board of Directors 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 then entitled to vote.

Section 5. Vacancies. Vacancies in the Board of Directors 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 his 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 his duties.

ARTICLE VIII

MEETINGS OF DIRECTORS

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

Section 2. Meetings. Meetings of the Board of Directors may be called at any time by the president or the secretary or by a majority of the Board of Directors. 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 of Directors, for which no 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 the By-Laws by the Board of Directors requires the vote of not 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 IX

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors 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 Areas 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, the Declaration, or any Open Space Agreement, if any;

(d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive scheduled meetings of the Board of Directors;

(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 of Directors 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 Areas, if any, and improvements to be maintained and preserved, as is more fully defined in the Declaration and these By-Laws;

(g) To exercise for the Association all powers, duties and authority vested in or delegated to the Association.

ARTICLE X

OFFICERS

Section 1. At the annual meeting of the Board of Directors the Board shall select a president, a secretary and a treasurer and may select one or more vice presidents, assistant secretaries and assistant treasurers who shall serve for the 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 if the instrument is required by law or the Articles of Incorporation or By-Laws to be executed and acknowledged or verified by two (2) or more officers.

Section 2. The Board of Directors may also appoint such other officers and agents as they may deem necessary for the transaction of the business of the Corporation, 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 of Directors. The Board of Directors may remove any officer or agent whenever, in their judgment, the interests of the Association will be served thereby.

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

ARTICLE XI

DUTIES OF OFFICERS

Section 1. President. The President shall be the chief executive officer of the Association, and in the recess of the Board of Directors shall have the general control and management of its business and affairs, subject, however, to the right of the Board of Directors 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 the Directors and all meetings of the members.

Section 2. Vice-President. In case of the office of 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 of Directors 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 of Directors, 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 of Directors may designate. He shall keep his bank accounts in the name of the Association, and shall exhibit his books and accounts, at all reasonable 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 therefor; provided, however, the Board of Directors 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 to him by the Board of Directors.

Section 4. Secretary. The Secretary of the Association shall keep the minutes of all the meetings of the members and Board of Directors 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 of Directors 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 of Directors; 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 of Directors.

ARTICLE XII

COMMITTEES

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

ARTICLE XIII

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 XIV

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 XV

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of two-thirds (2/3rds) of each class of 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 of Restrictions or to any future Open Space Agreement applicable to the Subdivision(s), and recorded, may not be amended except as provided in such Declaration of Restrictions or Open Space Agreement, if any.

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

ARTICLE XVI

MISCELLANEOUS

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.

ARTICLE XVII

INDEMNITY

Limitation of Liability of Directors. No volunteer director, as that term is defined in Act 162, Public Acts of 1982, as amended ("Act"), shall be personally liable to the Association or its members for monetary damages for breach of fiduciary duty as a director, provided that the foregoing shall not eliminate the liability of a director for any of the following: (i) breach of the director's duty of loyalty to the Association or its members; (ii) acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; (iii) a violation of Section 551 (1) of the Act; (iv) a transaction from which the director derived an improper personal benefit; or (v) an act or omission that is grossly negligent. If the Act hereafter is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the Association, in addition to the limitation on personal liability contained herein, shall be limited to the fullest extent permitted by the amended Act. No amendment or repeal of this Article XVII shall apply to or have any effect on the liability of any director of the Association or with respect to any acts or omissions of such director occurring prior to such amendment or repeal. Notwithstanding the foregoing, the Corporation shall indemnify, defend and save harmless each Director from any and all claims, demands, damages, including payment of attorney fees incurred, to the fullest extent and as permitted by applicable law.

ARTICLE XVIII

ANNEXATION OF ADDITIONAL LOTS AND/OR COMMON AREA

The Declarant reserved in the Declaration the right in its' sole and absolute discretion at any time or times in the future to amend the Declaration and by recording such with the Wayne County Register of Deeds Office to add to it one or more lots or one or more additional subdivisions of land contiguous and adjacent to the Subdivision, hereafter developed and platted by Declarant or its assigns. Such Amendment need only to be signed by the Declarant. Additional lots and/or subdivisions may or may not contain additional common areas, wetlands, woodlands and/or improvements. Any such amendment(s) to the Declaration shall provide that the owners of all of the residential lots added to the Subdivision or in additional subdivisions shall be required to be members of the Association and shall be subject to the covenants, restrictions, easements, charges and liens set forth in the Declaration. Such amendment(s) shall also provide that the common area contained within the Subdivision and all common areas later added to the Subdivision or future subdivisions shall be for the benefit and use of all Owners of all Lots in the subdivisions. Additional common area so added shall be owned and maintained by the Association in accordance with the terms of the Deed Restrictions. Annexation by action of the association shall require the consent of two-thirds (2/3rds) of its members then entitled to vote.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting secretary of COVINGTON SQUARE SUBDIVISION ASSOCIATION; and that the above is a true copy of the By-Laws of this Association adopted by the Association on the above date.

Secretary

COVINGTON SQUARE

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DECLARATION OF RESTRICTIONS FOR COVINGTON SQUARE SUBDIVISION

WHEREAS, the undersigned, GRAND/SAKWA OF CANTON, a Michigan Co-Partnership, whose address is 4850 Coolidge Highway, Royal Oak, Michigan 48073-1023, (hereinafter referred to as "Declarant"), is the owner in fee simple of the lands hereinafter described and hereinafter referred to as the "Subdivision", desires to create a planned community with private park(s), hereinafter called "Common Areas" for the benefit of all of the residents of the Subdivision, which is located in the Township of Canton, County of Wayne, State of Michigan on real property more particularly described as follows:

Lots 1 through 141, inclusive, of Covington Square Subdivision, according to the Plat thereof as recorded in Liber _____ of Plats, Pages _____ through _____, Wayne County Records.

WHEREAS, Declarant desires to provide for the preservation and enhancement of the property values and amenities in the Subdivision and for the maintenance of the Common Areas and to this end, desires to subject the Subdivision and the Common Areas 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 Areas and facilities that may be constructed thereon, the subdivision private roads and streets, signs, entrances, including without limiting the generality thereof, plantings, shrubs, trees, sprinkling systems, if any, within any right-of-way or cul-de-sac, entrance walls or monuments, interior walks, bike paths, street lighting, fountains, and berms, if any, twenty-five foot (25') landscape buffer along Lilley Road, and a pedestrian footbridge over the Truesdell Drain, if any, as set forth in a certain Consent Judgment entered in the Wayne County Circuit Court on June 14, 1993 in Case No. 93-310833 C2 entitled Grand/Sakwa Properties, Inc. v. Charter Township of Canton, et al, (hereinafter the "Consent Judgment"), sedimentation, retention and detention ponds and to maintain and preserve any wetlands and woodlands and to collect and disburse the assessments and charges hereinafter created for such purposes and to pay for maintenance and insurance and to promote the recreation, health, safety and welfare of the residents.

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

Declaration of Restrictions
Covington Square Subdivision

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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 their respective heirs, personal representatives, successors and assigns.

ARTICLE I - DEFINITIONS

A. "Association" shall mean and refer to the Covington Square Subdivision Association, a Michigan Non-Profit Corporation, its successors and assigns.

B. "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 a part of the Subdivision or the land contract purchaser thereof, but excluding those having any interest merely as security for the performance of an obligation.

C. "Common Areas" shall mean those areas of land within Covington Square Subdivision, (including the improvements thereto), now or hereafter owned by the Association for the common use and enjoyment of the owners and shall also include, without limiting the generality thereof, the Subdivision private streets and roads, plantings, shrubs, trees and sprinkling systems within any right-of-way or cul-de-sac, entrance walls or monuments, entrance, directional and subdivision identification signs, interior bike paths and walks, other subdivision signs, street lighting, if any, detention, retention and sedimentation ponds, if any; berms; a twenty-five foot (25') landscape buffer along Lilley Road and a pedestrian footbridge over the Truesdel Drain, if any, pursuant to the Consent Judgment, and all other improvements as may be provided from time-to-time. The Common Area to be owned by the Association shall be all areas designated on the plat as it now exists or as it may from time-to-time be modified or extended, as parks or park areas and all other areas designated on the plat, if any, as Common Areas.

D. "Lot" shall mean and refer to any numbered lot shown on the recorded plat of the subdivision.

E. "Declarant" shall mean the individual or entity executing these Deed Restrictions and any successor or assign.

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

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

H. "Committee" shall mean the Architectural Control Committee appointed and maintained in accordance with Article II hereof.

I. "Wetlands" shall mean that area, if any, described within the recorded plat of Covington Square Subdivision, if identified within such plat as a wetland.

J. "Woodlands" shall mean that area, if any, within the recorded plat of Covington Square Subdivision, if identified as a woodland area.

K. "Consent Judgment" shall mean that Judgment entered on June ____, 1993 in the Wayne County Circuit Court being Case No. 93-310833 CZ entitled Grand/Sakwa Properties, Inc. v. Charter Township of Canton, et al,

ARTICLE II - ARCHITECTURAL CONTROL

No house, building, fence, wall, deck, swimming pool, outbuilding or other structure, landscaping or exterior improvement shall be commenced, erected or maintained on any lot, nor shall any exterior addition to or change or alteration therein or change in the exterior appearance thereof or change in landscaping be made until the plans and specifications showing the nature, kind, size, shape, height, colors, materials, topography and location of the same on the lot shall have been submitted to and approved in writing by the Architectural Control Committee, (the "Committee"), composed of three (3) persons appointed by the Declarant. Each member of the Committee shall serve for a period of one (1) year or until replaced by a subsequent appointee.

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

1. Complete plans and specifications sufficient to secure a building permit in the Township of Canton, including a dimensioned plot plan showing lot and placement of residence, garage, outbuildings and fences, (if any).

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

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

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

5. One set of blueprints shall be left with the Committee until construction is completed.

B. Preliminary plans may first be submitted for preliminary approval.

C. No approval by the Committee shall be valid if the structure or improvement violates any of the restrictions set forth in Article III and IV of this Declaration, except in cases where waivers have been granted as provided for in said Articles.

D. The Committee may disapprove plans because of non-compliance with any of the restrictions set forth in Articles III through VI 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, proportions, shape, the color scheme, the finish, design, height, style, repetition, 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 objections of the Committee or with improvements erected on other lots in the Subdivision. All owners, by accepting ownership of their lot, acknowledge that the primary purpose for providing for architectural control is to insure 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 terms of determining what dwellings, fences, walls, hedges, structures or improvements will be permitted and are in keeping with the aesthetic beauty and desirability of the Subdivision and are otherwise consistent with the purposes of these Restrictions.

E. In the event the Committee fails to approve or disapprove plans within thirty (30) 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.

F. 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.

G. In no event shall either Declarant or the Committee have any liability whatsoever to anyone for their approval or disapproval of plans, drawings, specifications, elevations or the dwellings, fences, walls, hedges or other structures subject thereto, whether such alleged liability is based on negligence, tort, express or implied contract, fiduciary duty or otherwise. By way of example, neither Declarant nor the Committee shall have liability to anyone for approval of plans, specifications, structures or the like which are not in conformity with the provisions of this Declaration, or for disapproving plans, specifications, structures or the like which arguably are in conformity with the provisions hereof. In addition, the Committee shall not be required to pass upon any technical aspects of construction or whether construction meets zoning, building code or safety requirements. The Committee's approval shall merely mean that the plans are in compliance with the intent and purpose of these Restrictions and shall not be construed as to imply that the Committee has passed upon any other aspects of the plans, nor shall such approval imply that the building plans or specifications comply with zoning, building codes, safety requirements or regulations.

H. At the time that plans are submitted for approval, the party submitting the plans shall pay Declarant the sum of Two Hundred Fifty and

/100 (\$250.00). Dollars to defray the costs of architectural control activities.

I. At such time as all of the lots in the Subdivision are sold by Declarant and dwellings are erected thereon, or at such earlier time as Declarant may, in its sole discretion, elect, Declarant may assign, transfer and delegate architectural control responsibilities to the Association or to any other party or entity. At that time, the Association or such other party or entity shall become responsible for electing or appointing the Committee members and Declarant shall have no further responsibilities or duties.

ARTICLE III - BUILDING AND USE RESTRICTIONS FOR THE SUBDIVISION

A. Use of Lots. All lots shall be used and occupied for single family residence 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 be erected and maintained.

B. Character and Size of Buildings; Exterior Surface of Dwelling. All houses are to be completed in accordance with the minimum size houses allowed under the former Special Land Use Ordinance and as provided in the Consent Judgment: a one (1) story, single family residence shall not be less than 1,000 square feet which has a basement, or 1,500 square feet without a basement. A one and one-half (1½) story residence shall contain not less than 1,600 square feet. A two (2) story residence shall contain not less than 1,800 square feet. All homes shall have two (2) car, attached garages. Any home that is one and one-half (1½) or two (2) stories shall be brick on the first floor and may have brick, brick veneer, wood and/or stone in any combination on such other exterior portions. Stucco, aluminum siding and/or ledge rock (but not vinyl siding or texture 1-11) may also be used alone or in combination for the remaining exterior portions of the home. A single story home shall be constructed of brick, brick veneer, wood and/or stone in any combination. Stucco, aluminum siding and/or ledge rock (but not vinyl siding or texture 1-11) may also be used so long as any of those materials alone or in combination do not exceed twenty-five (25%) of the total of all visible exterior walls.

All computations of livable floor area for determination of the permissibility of erection of a residence shall be exclusive of garage, porches, or terraces. All garages must be attached and architecturally related to the dwelling. No garage shall provide space for less than two (2) automobiles nor more than three (3) automobiles. Carports are specifically prohibited.

The use of cement block, slag, cinder block, imitation brick, asphalt and/or any type of commercial siding is expressly prohibited. Windows and doors shall not be included in calculating the total area of visible exterior

walls. The Committee may grant such exceptions to this restriction as it deems suitable in its discretion.

C. Minimum Yard Requirements. No building on any lot shall be erected nearer than:

1. Twenty (20) feet from the front lot line; nor
2. Thirty (30) feet from the rear lot line; nor
3. Side lot setback five (5) feet, except as provided herein and in the Consent Judgment for staggered setbacks on straight streets.

Approval of any other variance by both the Committee and the Township of Canton Board of Appeals permitting front, rear or side yards smaller or greater than the above shall be deemed a valid waiver of this Restriction. No variance, however, shall be effective unless it is also agreed to in writing by the Committee.

No structures shall be permitted in the twenty-five foot (25') landscaped buffer area along Lilley Road. In order to give a more curvilinear appearance on straight streets, there shall be staggered setbacks of up to five feet (5') on straight streets, with a minimum offset of at least five feet (5') from the setback designated or established on the adjacent lots; provided that any staggered setback in the front of a lot which increases the front setback shall also correspondingly decrease the rear yard setback by an additional five feet (5') to offset the front setback and to maintain the usable building envelopes allowed under former Section 6.03(D) of the Township Zoning Ordinances, all in an effort to achieve a certain staggered effect.

D. Minimum Width. The minimum dwelling width shall be subject to the discretion of the Committee, which shall attempt to maintain uniform standards throughout the Subdivision.

E. 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. In no event shall more than two (2) dogs be kept or harbored on any lot.

Any dog kept by a resident on his premises shall be kept 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 or the interior of the lot, nor shall such runs or pens extend beyond the end of the dwelling or garage into the side yard. Written permission for such dog run(s) must be obtained from the Architectural Control Committee.

F. Fences, Walls, Hedges, Etc. No fence, wall or hedge of any kind shall be erected or maintained on any lot without the prior written approval of the Committee. No fence, wall or hedge shall be maintained or erected which block or hinder vision at street intersections. No chain link fence shall be permitted. No fence, wall or hedge shall be erected, grown or maintained in front of or along the front building line of a lot.

Rear fencing shall be allowed for all lots whose rear yard abuts Stonegate and Century Subdivisions in accordance with the Township's Fence Ordinance. However, there shall be no fencing, siding or backing to Lilley Road. Appropriate fencing for in-ground swimming pools shall be allowed pursuant to the requirements of the Township Ordinances.

G. Easements.

1. 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, as established by Declarant, its successors and assigns, are shown on the recorded plat. 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.

2. A permanent easement is established by Declarant on and upon the rear and side setback areas of Lots 58 and 67 of Covington Square Subdivision Declarant for placement of Subdivision identification sign(s). All signs shall comply with the ordinances of the Township of Canton, including any variances granted.

3. No buildings may be constructed or maintained over or on any easements; however, after the aforementioned utilities have been installed, planting, fencing, (where permitted), or 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; and provided as to Lots 58 and 67 of Covington Square Subdivision, such plantings and shrubs do not interfere with the visibility or maintenance of signs placed within such areas by Declarant.

4. Private easements for public utilities have been granted and reserved on the plat of the Subdivision.

H. Wells. No well shall be dug, installed or constructed on any lot.

I. Temporary Structures. Trailers, tents, shacks, sheds, 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 by a licensed builder, and which shall be removed from the premises upon completion of the building, may be permitted, upon prior written permission from the Declarant.

J. **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 upon 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.

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

L. **Signs.** No sign or billboard shall be placed, erected, or maintained on any lot, except 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 not be 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 said lot, and shall in no event be placed and maintained nearer than twenty-five (25) feet from the front lot line. The provisions of this paragraph shall not apply to such signs as may be installed or erected on any lot by Declarant, or any builder which it 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.

M. **Destruction of Building by Fire, etc.** Any debris resulting from the destruction in whole or in part of any dwelling or building on any lot shall be removed with all reasonable dispatch from such lot in order to prevent an unsightly condition.

N. **Landscaping.** Upon the completion of a residence on any 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), shall cause the lot owned by him to be finish-graded and seeded or sodded and suitably landscaped as soon after the completion of construction as weather permits, but not later than four (4) months from such date. The lot and the drainage ditch, if any, contiguous to each lot shall be kept free of weeds by the owner thereof. All landscaping and lawns shall be well-maintained at all times.

O. **Driveways.** All driveways shall be constructed of concrete or concrete with paving brick unless the Committee shall approve an alternate paving material. The initial plans, submitted to the committee in accordance with Article II hereof, shall designate the location of the driveway and the building materials to be used for approval by the Committee.

P. General Conditions.

1. 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.

2. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles or camping trailers, snowmobiles, jet-skis, waverunners, all terrain vehicles, gliders, airplanes, etc. may be parked on or stored on any lot, unless stored fully enclosed with an attached garage. Commercial vehicles and trucks shall not be parked in the Subdivision or on any lot therein, except while making normal deliveries or pickups in the normal course of business. However, a construction trailer may be maintained by each builder offering new houses for sale, only during the period when new houses are under construction in the Subdivision by that builder.

3. 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.

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

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

6. No "through-the-wall" air conditioners may be installed on the front wall or in any front window of any building.

7. No outside compressors for central air conditioning units may be located other than in the rear yard and must be installed and maintained in such a manner so as to create no nuisance to the residents of adjacent dwellings.

8. No swimming pool may be built which is higher than one (1) foot above the existing lot grade. No above ground swimming pools shall be erected or maintained on any lot.

9. No basketball backboards or hoops may be installed or placed on any lot in such a manner as to be visible from the street on which the dwelling fronts, and in the case of corner lots, such basketball backboards or hoops shall not be installed or placed so that they will be visible from the streets on which the dwelling fronts and sides.

10. All Lots in the Subdivision shall be used exclusively for single family residential purposes. Except as specifically permitted herein, no structure shall be erected, altered, placed or permitted to remain on any lot

other than one (1) single family dwelling not to exceed two and one-half (1 1/2) stories in height, which may include an attached garage.

11. No part of any dwelling or other structure shall be used for any activity normally conducted as business.

12. No lot shall be subdivided, except with the written consent of Declarant, in compliance with local ordinance and the Michigan Subdivision Control Act.

13. No outside television antenna or other antenna or aerial, saucer or similar device shall be placed, constructed, altered or maintained on any lot or any home constructed thereon, unless the Committee or the Declarant determines, in their sole discretion, that the absence of any such device creates a hardship with respect to a particular lot.

14. It shall be the responsibility of each lot owner to prevent the occurrence of any unclean, unsightly, or unkept condition of buildings or grounds on each owner's lot. No lawn ornaments, sculptures or statues shall be placed or remain on any lot without the prior written permission of the Committee or the Declarant.

15. No noxious or offensive activities shall be carried on upon any lot, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the neighbor.

16. No lot shall be subdivided, or its boundary lines changed, except with the written consent of the Committee or Declarant in compliance with local ordinance and the Subdivision Control Act. However, Declarant hereby expressly reserves the right to replat any two (2) or more lots shown on the plat or preliminary plat of the Subdivision according to Section 560.104(a) of the Subdivision Control Act, in order to create a modified building lot or lots and to take such other steps as are reasonably necessary to make such replatted lots suitable or fit as building sites to include, but not be limited to, the relocation of easements, walk-ways and right-of-ways to conform to the new boundaries of said replatted lot.

17. Declarant hereby expressly reserves to itself the right to re-plat any two (2) or more lots shown on the plat or any preliminary plat of the Subdivision according to Section 560.104(a) of the Subdivision Control Act, in order to create a modified building lot or lots and to take such other steps as are reasonably necessary to make such replatted Lots suitable and fit as a building site to include, not be limited to, the relocation of easements, walk-ways, and right-of-ways to conform to new boundaries of said replatted Lot.

18. No building or structure shall be permitted in the twenty-five foot (25') landscaped buffer along Lilley Road.

Anything contained herein to the contrary notwithstanding, no building and use restriction contained in this Article shall be deemed to limit the

authority, control and power of the Committee with respect to its right to approve plans for construction on owners' lots.

ARTICLE IV - PRIVATE ROAD MAINTENANCE PROVISIONS

The roads in Covington Square Subdivision are private roads. The Charter Township of Canton, (the "Township"), has required that the Declarant provide for the roads to be constructed in accordance with Wayne County standards to protect the public health, safety and welfare.

The Declarant shall construct the roads in accordance with requirements of such standards and thereafter the private roads shall be maintained by the Covington Square Subdivision Homeowners' Association.

The following restrictions and conditions are covenants running with the land and binding upon the heirs, personal representatives, successors, assigns and all platted lots in Covington Square Subdivision:

1. Each lot owner in Covington Square Subdivision, being a mandatory member of the Association, agrees to each pay a pro-rata portion of the property taxes and special assessments, if any, and a pro-rata portion of maintaining the roads, including, but not limited to, their repair, replacement, filling chuck holes, grading, regrading, paving, repaving, surfacing, resurfacing, cutting of weeds, maintenance of drainage ditches, maintenance of street signs and traffic control devices and the removal of snow and ice. The pro-rata share shall be determined by dividing the cost of each repair, maintenance and expense by the number of lots, in Covington Square Subdivision, i.e., one hundred forty-one (141) lots.

2. All costs shall be paid by the owners to the Association as they are incurred, within ten (10) days of notice that such is due.

3. If the Association fails to properly maintain the roads in a manner that is safe and convenient for vehicular travel, the appropriate governmental authority having jurisdiction shall have the right, but not the duty, to maintain the roads and streets, and to charge each lot owner of Covington Square Subdivision for all costs and expenses so incurred.

4. In the event that the Association should fail to maintain the roads and streets, the appropriate governmental authority having jurisdiction, if any, shall notify all lot owners and the Association of its intent to cause any construction or maintenance by written notice to the lot owners and the Association at the address on the Township Tax Rolls and shall give the lot owners sixty (60) days to complete the work before the Township shall do so.

5. In the event that the Association fails to maintain the roads and streets as set forth in Paragraphs 2 and 3 above and the appropriate governmental authority having jurisdiction thereof, if any, undertakes such obligation, such appropriate governmental authority having jurisdiction may demand payment upon written notice to the lot owners at the address set forth on the Township Tax Rolls and/or from the Association. In addition to other

methods of collection, the appropriate governmental authority having jurisdiction thereof, if any shall have the right to place an assessment for the charges incurred on the Township Tax Rolls and to collect such assessments in the same manner as any Township property tax or assessment against each lot in Covington Square Subdivision. Such charges and assessments shall be a lien upon the lot for which the owner has failed to pay its share.

6. Except for special assessments which shall be pro-rated and paid in accordance with the law, the need for any maintenance, repair, snow removal, construction on the road or drainage system as covered by this agreement shall be determined by the Association. Each lot owner shall pay its pro-rata share of the costs of the maintenance, construction, repair or snow removal within ten (10) days after the receipt of the written notice from the Association. In the event any lot owner fails to pay its pro-rata share of the taxes, special assessments, maintenance or snow removal costs, any lot owner who has paid his pro-rata share, as well as the Declarant, the Association shall have the right to file a lien against the property owned by the non-paying lot owner(s) or to take any other collection method allowed by law.

7. Each lot owner, by taking title to their lot, agrees to refrain from prohibiting, restricting, or otherwise limiting the normal ingress and egress use by pedestrian or vehicular traffic of the other lot owners, their successors and assigns. The lot owners, further authorize the use of said road for any and all emergency vehicular traffic and any other vehicles owned and/or operated by a governmental entity.

8. The Covington Square Subdivision Homeowners' Association covenants and agrees to maintain liability insurance for damages for injuries to real or personal property and/or bodily injury growing out of any act or deed or any omission to act of the Association in connection with the performance of this agreement.

9. The terms of this Paragraph shall run with the land and may be enforced in a court of competent jurisdiction by a lot owner of record of Covington Square Subdivision, by the Township, by the Covington Square Subdivision Homeowners' Association, or by the Declarant.

10. The Association may request that Wayne County or the appropriate governmental authority having jurisdiction, if any, take over maintenance of the road system in the future. There is, however, no assurance that Wayne County or any other governmental authority shall take over the maintenance of the road system in the future.

11. Emergency Vehicle Access. There shall exist for the benefit of the Township of Canton or any emergency service agency, a license to use all roads in Covington Square for use by the Township and/or emergency vehicles. Said license shall be for purposes of ingress and egress to provide, without limitation, fire and police protection, ambulance and rescue services and other lawful governmental or private emergency services to

Covington Square and lot owners thereof. This license shall in no way be construed as a dedication of any streets, roads or driveways to the public.

12. The Association shall maintain public liability insurance for bodily injury and/or property damage for injuries to persons or property occasioned in the common areas or with respect to property under the jurisdiction or control of the Association.

13. The provisions of this section may not be modified unless approved by the majority of lot owners or of Covington Square Subdivision, their successors or assigns, the Township and the Declarant.

ARTICLE V - PRESERVATION OF TREES

Removal of Trees

No trees measuring six (6) inches or more in diameter at ground level may be removed, (even if such a tree is located outside of a designated Woodland Area), without the written approval of the Committee, and a plan for preservation of trees in connection with the construction process is delivered to the Committee prior thereto. It shall be the responsibility of each lot owner to maintain and preserve all large trees on the owner's lot, which responsibility includes welling trees, if necessary. Provided, however, no permission shall be necessary for the removal of trees which fall within the area being used for the construction of a home, which shall include all areas within ten (10) feet of the outer walls of a home and the easements within a driveway, utility easements or rights-of-way. Notwithstanding the foregoing, no tree shall be removed without compliance with the Township of Canton Tree Ordinance and attainment of all necessary permits.

ARTICLE VI - WETLANDS

No building, structure, or addition, deck, patio, swimming or wading pool, tennis court or other improvement or development of any kind shall be permitted within any designated wetland area depicted within the recorded plat of Covington Square Subdivision, if any.

Any wetland area designated on the plat may only be used for passive recreational uses such as hiking and nature study and for installation and/or repair of improvements and utilities to the Subdivision as the Michigan Department of Natural Resources may allow.

Any wetland area designated on the plat are to remain substantially in their natural condition, unless the designation of the wetland areas are ever altered by the Michigan Department of Natural Resources.

ARTICLE VII - HOMEOWNERS' ASSOCIATION RIGHTS AND RESPONSIBILITIES

A. Establishment of Non-Profit Corporation. There is hereby established an association of owners to be known as the COVINGTON SQUARE SUBDIVISION HOMEOWNERS' ASSOCIATION. Such Association shall be organized as

soon as practicable after the recording of these Deed Restrictions. The Association shall be organized 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 By-Laws for the Association.

B. **Dedication of Common Areas.** Declarant agrees to dedicate and convey to the Association for the benefit of each owner of a lot in the Subdivision a right and easement of enjoyment in and to any Common Areas and any facilities and improvements located thereon, if any, and all Subdivision streets and roads. Declarant will convey the Common Areas, improvements, facilities, streets and roads to the Association, free and clear of all liens and encumbrances, within ninety (90) days of the recording of the plat. Title to the Common Areas and all Subdivision streets and roads shall vest in the Association, subject to the rights and easements of enjoyment in and to such Common Areas by the owners. 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.

Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Areas and facilities to the members of his family, his tenants, or purchasers who reside on his lot.

C. **Association Property Rights - Common Areas.** The right and easement of enjoyment of each owner in and to the Common Areas shall be subject to the following prior rights of the Association:

1. The right of the Association to dedicate or transfer all or any part of the Common Areas, facilities or improvements to any public agency, authority, governmental body or utility for such purposes, including maintenance and/or ownership of the Subdivision streets and roads and subject to such conditions as may be agreed to by the members. No such dedication, grant or transfer shall be effective unless an instrument agreeing to such dedication, grant or transfer signed by two-thirds (2/3) of the members entitled to vote has been recorded.

2. The right of the Association to levy assessments, as set forth in Section E hereof and as provided in Article IV.

D. **Membership and Voting Rights.**

1. Every owner of a lot in the Subdivision shall be a mandatory member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment.

2. The Association shall have two classes of voting membership:

Class A. Class A members shall be all owners, with the exception of the Declarant and its builder/purchasers. Class A members shall have no voting rights until the following shall occur:

(i) The Class A members of Covington Square Subdivision having attained at least seventy-five percent (75%) or more of the number of votes of the original Class B members as hereinafter defined; or

(ii) Four (4) years from the date of recording of the plat of the Subdivision; or

(iii) The date that the Class B members elect in writing to waive the requirements of D. 2 (i) and (ii).

Upon the happening of the first to occur of such events, the Class A members shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons, collectively, shall be members, and the vote for each such lot shall be exercised as they determine, provided that in no event shall more than one vote be cast with respect to any one lot.

Class B. The Class B members shall be the Declarant and/or its builder/purchasers. Class B members shall be entitled to one vote for each lot owned.

E. Membership Fees and Purpose. In order to pay the cost of carrying out its responsibilities hereunder, including the maintenance of the roads as provided in Article IV, the Association shall levy fees, dues or assessments on each lot in the Subdivision, whether or not the lot owner is an active member of the Association. Lots owned by Declarant or by a builder prior to occupancy shall only be subject to fees, dues or assessments on each lot for the cost of maintenance of the streets and roads as set forth in article IV. In no event shall Declarant or such a builder be obligated to pay fees, dues or assessments to the Association other than those required for the maintenance of the Subdivision roads as provided in Article IV. All fees, dues or assessments shall be charged equally to each lot and may be enforced through the lien provided for in Section G of this Article, Paragraph 5 of Article IV or by any other lawful means of collecting debts.

The fees, dues or assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Subdivision and in particular, for the improvement and maintenance of the Common Areas, Subdivision entrance-ways now or hereafter owned by the Association and facilities thereon, the maintenance and repair of the Subdivision streets and roads as set forth in Article IV, and other property under the control of the Association; for planting and maintenance of trees, shrubs and grass; for construction, operation and maintenance of recreational facilities and all other facilities and improvements for the benefit of the members; for repair, maintenance and reconstruction of any pedestrian footbridge over the Truesdell Drain, if any and for the maintenance of the landscape buffer area along Lilley Road and berm as set forth in the Consent Judgment; for repair and maintenance, reconstruction of any retention, detention and sedimentation facilities; for street lighting, if any; for caring for vacant lots; for providing community services; for the protection of the owners; for maintenance and preservation of any wetland and

woodland areas designated on any Plat; for maintenance and repair of any Subdivision signs, internal sidewalks and/or bike paths, if any; for maintenance and repair of any sprinkling or irrigation systems serving common areas and/or improvements; for payment of legal, accounting, professional fees and insurance; and for such personnel and employees as may be required to fulfill the obligations herein.

Anything contained herein to the contrary notwithstanding, there shall be no membership fee due for any lot until a home is constructed on the lot and the home is first occupied by a purchaser.

F. **Special Assessments for Capital Improvements.** In addition to the annual assessments authorized above and special assessments as provided by law, 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 reconstruction, major repair or replacement of the Subdivision streets and roads or of any improvement upon the Common Areas, including any pedestrian footbridge and other areas under the control of the Association, including Subdivision entrances, retention, detention and sedimentation ponds, the Subdivision landscaping, fixtures and personal property, provided that any such assessment shall have the assent of two-thirds (2/3rds) of the votes of members who are then entitled to vote, voting in person or by proxy, at a meeting duly called for that purpose.

G. **Lien.** Any fees, dues or assessments established by the Association, and any amounts or expenses incurred in enforcing these restrictions which are reimbursable under Article IV or Article VI below, shall constitute a lien on the lot of each lot owner responsible for such fees or expenses. Declarant or the Association, (or the appropriate governmental authority having jurisdiction, if applicable, in the case of maintenance of the Subdivision streets and roads as set forth in Article IV), as the case may be, may enforce the lien by recording appropriate instruments confirming the existence of the lien and foreclosing the lien by appropriate legal action. In such legal action, a court of competent jurisdiction shall be empowered to order a sale of the lot subject to the lien in order to satisfy the lien. The lien shall be subordinate and junior to the lien of any first mortgage securing a loan for the acquisition or improvement of any lot in the Subdivision.

H. **Exempt Property.** All property exempt from taxation by state or local governments and dedicated for public use shall be exempt from the assessments, charge and lien created herein, including the Subdivision roads, if such are ever conveyed or dedicated to a governmental and/or municipal body and/or agency and accepted for maintenance by such entity.

I. **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. The sale or transfer of any lot pursuant to mortgage foreclosure proceedings or a judgment of foreclosure, shall extinguish the lien of such assessments

to payments which became due prior to such foreclosure sale but shall not relieve such lot from liability for any future assessments thereafter becoming due or from the lien thereafter created.

J. **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 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 Association.

K. **Association By-Laws.** Any sale or purchase of a lot in Covington Square Subdivision shall be subject to such By-Laws for the Association as Declarant may hereafter establish, and each lot owner agrees to abide by and observe such By-Laws. Until the Association is created, Declarant shall have the right to modify, amend or supplement the By-Laws. When the Association is created, it may amend or modify the By-Laws upon the affirmative vote of three-fourths (3/4) of members then entitled to vote.

L. **Transfer of Subdivision Streets to a Governmental, Regulatory or Municipal Body:** The Association shall have the right, at any time, to transfer and convey to any governmental, regulatory or municipal body, all right, title and interest in and to the Subdivision streets and roads, free of encumbrance, provided such entity will accept all future responsibility and obligation for the repair and maintenance of such roads. Upon conveyance, transfer or dedication of the Subdivision roads and acceptance by such body, the Association shall have no further responsibility, obligation or liability for their repair and/or maintenance.

ARTICLE VIII - ANNEXATION OF ADDITIONAL LOTS AND/OR COMMON AREAS

Declarant reserves the right, in its sole and absolute discretion, at any time or times in the future, to amend this Declaration and by recording such with the Wayne County Register of Deeds Office to add to it one or more lots or one or more additional subdivisions of land contiguous and adjacent to the Subdivision, hereafter developed and platted by Declarant or its assigns. Such Amendment need only to be signed by the Declarant. Additional lots and/or subdivisions may or may not contain additional common areas, wetlands, woodlands and/or improvements. Any such amendment(s) to this Declaration shall provide that the owners of all of the residential lots added to the Subdivision or in additional 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 areas contained within the Subdivision and all common areas later added to the Subdivision or future subdivisions shall be for the benefit and use of all owners of all lots in the subdivisions. Additional common areas may be annexed to the Association by Declarant without the consent or approval of the Association or of its members or any owner. Any common area so added shall be owned and maintained by the Association in accordance with the terms of these Deed Restrictions. Annexation by action of the Association shall require the consent of two-thirds (2/3) of its members then entitled to vote.

**ARTICLE IX - OPERATION & MAINTENANCE PROGRAM FOR THE
STORM WATER DRAINAGE SYSTEM**

A. **RESPONSIBILITIES.** The Association shall have the sole responsibility to finance and administer and to employ a competent contractor to operate and maintain the following elements of the Storm Water Drainage and Management System:

- Detention Basin, including Low-Flow Channel and Standpipe Outlet.
- Storm Sewers and Appurtenances (traps, catch basins, manholes and inlets, excluding sump pump leads).

B. **MANPOWER/EQUIPMENT/MATERIALS AND PERFORMANCE LEVELS.** The type of manpower, equipment, materials and performance levels associated with the operation and maintenance of the elements of the Storm Water Drainage and Management System is described below.

1. Storm Sewers. A properly equipped operation and maintenance crew for storm sewer and associated appurtenances shall consist of the following:

- i. 1 Vacu-truck and operation;
- ii. 1 Laborer with shovel and rake.

2. Detention Basin. A properly equipped crew shall consist of the following:

- i. 1 Five yard dump truck and operator;
- ii. 1 Mower and operator;
- iii. 1 Laborer with shovel and rake;
- iv. 1 Vacu-truck and operator.

C. **FREQUENCY OF OPERATION AND MAINTENANCE FUNCTIONS.** The frequency of operation and maintenance for each element of the Storm Water Drainage and Maintenance System are different from one another. A description of the need for operation and maintenance for each of the facilities is as follows:

1. Storm Sewers. The major component that affects the operation of a storm sewer is the build-up of sediments and the subsequent collection of litter such as paper, rags and small branches. The frequency at which storm sewers experience this problem is dependent, for the most part, on the velocities in the pipe and the street maintenance program. Typically, storm sewers are relatively flat and consequently have minimal velocities which are conducive to deposition of sediment. Most streets are cleaned at least twice per year. Based upon minimal velocities and typical street maintenance operations, the frequency at which storm sewers and the catch basin traps shall be inspected and cleaned is once every two years.

2. Detention Basin. The major component that affects the operation of the basin is the maintenance of the turf section and removal of accumulated sediment and debris which are deposited within the bottom of the basin. The

Frequency at which the turf requires maintenance dictates the frequency at which maintenance functions are performed. Grass mowing and weed cutting should be performed once every two (2) weeks during the months of May through October. The standpipe should be inspected once a year and after heavy rainstorms. Extreme care should be exercised to insure that the outlet holes in the standpipe do not become clogged with sediment. If necessary, the chock stone around the standpipe should be removed and replaced with clean, fresh material.

D. **TERMINATION OF MAINTENANCE PROGRAM.** The required operation and maintenance program set forth in this Article IX shall automatically cease two (2) years from the date of construction of the Storm Water Drainage and Management System, i.e., storm sewers and detention basins.

ARTICLE X - ASSIGNMENT

A. 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 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, and easements so assigned, and such instrument, when executed by such assignee, shall, without further act, release said Declarant from all obligations, duties and liabilities in connection therewith.

B. Declarant hereby reserves the unequivocal right to assign to others, in whole or in part, at any time and 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 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, and easements so assigned, and such instrument, when executed by such assignee, shall, without further act, release said Declarant from all obligations, duties and liabilities in connection therewith.

ARTICLE XI - EXEMPTION OF DECLARANT

Nothing in the Covington Square Subdivision Declaration of Restrictions shall limit the right of Declarant to complete excavation, grading and construction of improvements to any property within the Subdivision or to alter the foregoing or to construct such additional improvements or facilities as Declarant deems advisable in the course of development, so long as any lot as described in the recorded Plat of Covington Square Subdivision remains unsold, or the right to use any structure in the Subdivision as a

model home or real estate sales or leasing office. Declarant need not seek or obtain Architectural approval of any improvement constructed or placed by Declarant on any property in the Subdivision owned by Declarant and as to itself, may deviate from or waive, in its sole discretion, any or all of the Covenants and Restrictions as set forth herein. The rights and any obligations of Declarant hereunder and elsewhere in these Restrictions may be assigned by Declarant to any party or entity.

ARTICLE XII - GENERAL PROVISIONS

A. **Severability.** Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

B. **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 by an instrument signed solely by the Declarant or by an instrument signed by not less than ninety (90%) percent of the lot owners; and thereafter, by an instrument signed by not less than seventy-five (75%) percent of the lot owners. Any amendment must be recorded with the Wayne County Register of Deeds.

C. **Assignment or Transfer of Rights and Powers.** Any or all of the rights and powers, titles, easements and estates hereby reserved or given to Declarant may be assigned by it to the Association, composed of the owners of the properties in the Subdivision or to any other party or entity. Any such 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 and easements so assigned, and such instrument shall, without further act, release the Declarant from the obligations and duties in connection therewith.

D. **Deviations by Agreement with Declarant.** Declarant hereby reserves the right to enter into agreements with the grantee of any lot or lots (without the consent of grantees of other lots or adjacent property) to deviate from any or all of the Covenants set forth in Article III, provided there are practical difficulties or particular hardships evidenced by the grantee and determined by Declarant, in its sole discretion, and 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 Covington Square Subdivision.

E. If a court of competent jurisdiction shall hold invalid or unenforceable any part of any covenant or provision contained in this Declaration, such holding shall not impair, invalidate or otherwise affect the remainder of this Declaration, which shall remain in full force and effect.

F. Each owner of a lot in Covington Square Subdivision shall file the correct mailing address of such owner with Declarant and shall notify Declarant promptly in writing of any subsequent change of address. Declarant shall maintain a file of such addresses and make the same available to the Association. A written or printed notice, deposited in the United States Post Office, postage prepaid and addressed to any owner, at the last address filed by such owner with Declarant, shall be sufficient and proper notice to such owner whenever notices are required in this Declaration.

ARTICLE XIII - ENFORCEMENT

Declarant or the Association, shall have the right at any time or times to proceed at law or in equity against any person violating or attempting to violate any provision contained herein, to prevent or abate such violations, to compel compliance with the terms hereof, to enter upon any land within the Subdivision and correct any condition in and remove any building, structure or improvement erected, installed or maintained in violation of the terms hereof at the Lot Owner's expense, and to recover damages or other dues for any violation. Any such entry shall not constitute a trespass. Declarant may recover against a Lot Owner violating the provisions of this Declaration all reasonable costs incurred by it in enforcing such provisions in any of the foregoing ways, including the cost of removing offending structures and actual attorneys fees and other litigation costs.

Failure to enforce any provision contained herein in any particular instance shall not be deemed a waiver of the right to do so as to any continuing, subsequent or other violation.

ARTICLE XIV - BUILDINGS AFFECTED BY FLOOD PLAIN

A. Location of Flood Plain. There is a 100-year flood depicted within the plat of Covington Square Subdivision.

No filling or occupation of the Flood Plain shall take place without prior written approval from the Michigan Department of Natural Resources. The Flood Plain restrictions contained herein are to be observed in perpetuity and excluded from any time limitations set forth in the Declaration, and may not be amended.

B. Residences Within the Areas Affected by Flood Plains. Any building used or capable of being used for residential purposes and occupancy within or affected by a flood plain shall:

1. Be located on a lot having a minimum buildable site of 3,000 square feet of its area at its natural grade above the elevation of the contour defining the flood plain limits. The requirement that the building site have 3,000 square feet of area at its natural grade above the flood plain limit may be waived if the building site is to be filled and the lowest floor, including the basement, is to be constructed above the flood plain elevation and if the requirements of Section 194(c) of the Act and Sections 2a, 3, 4, 5a and 5b of Act No. 245 of the Public Acts

of 1929, as amended, being §323.2a, 323.3, 323.4, 323.5a and 323.5b of the Michigan Compiled Laws, Sections 3 and 7 of Act No. 346 of the Public Acts of 1972, as amended, being §281.953 and 281.957 of the Michigan Compiled Laws and Sections 5 and 9 of Act No. 203 of the Public Acts of 1979 as amended, being §281.705 and 281.709 of the Michigan Compiled Laws, where applicable, are set.

2. Be served by streets within the proposed subdivision having surfaces not lower than one (1) feet below the elevation of the contour defining the flood plain limits.

3. Have lower floors, excluding basements, not lower than the elevation of the contour defining the flood plain limits.

4. Have openings into the basement not lower than the elevation of the contour defining the flood plain limits.

5. Have basement walls and floors, below the elevation of the contour defining the flood plain limits, watertight and designed to withstand hydrostatic pressures from a water level equal to the elevation of the contour defining the flood plain limits following methods and procedures outlined in Chapter 5, type A construction and Chapter 6 for class 1 loads found in "Flood Proofing Regulations" EP 1165 2 314 prepared by the Office of the Chief of Engineers, U.S. Army, Washington D.C. June 1972. Figure 5, Page 14.5 of the regulations shown typical foundations drainage and waterproofing details. This document is available, at no cost, from the Department of Natural Resources, Land and Water Management Division, Steven T. Mason Building, P.O. Box 30028, Lansing, Michigan 48909, or Department of the Army, Corps of Engineers, Publications Depot, 890 S. Pickett, Alexandria, Virginia 22304.

6. Be equipped with a positive means of preventing sewer backup from sewer lines and drains which serve the building.

7. Be properly anchored to prevent flotation.

WITNESSETH:

DECLARANT:

GRAND/SAKWA OF CANTON, a Michigan Co-
Partnership

BY: Grand/Canton, Inc., a Michigan
Corporation

BY: STEPHEN GRAND, Its President

1127287 PA306

STATE OF MICHIGAN)

COUNTY OF OAKLAND)

On this 14th day of March 1994, before me, a Notary Public in and for said County, personally appeared Stephen Grand, President of GRAND/CANTON, INC., a Michigan Corporation, Co-Partner of Grand/Sakwa of Canton, a Michigan Co-Partnership, and acknowledged the foregoing instrument on behalf of Grand/Canton, Inc.

JANET MARIE SHANN
Notary Public, Oakland County, MI
My Commission Expires Feb. 26, 1998

Janet Marie Shann
Notary Public, Oakland County, MI
My Commission Expires: 02-25-98

DRAFTED BY AND
WHEN RECORDED RETURN TO:

Robert A. Jacobs, Esq.
3270 W. Big Beaver Road, Suite 440
Troy, Michigan 48064