

**DECLARATION OF COVENANTS AND RESTRICTIONS
FOR CHARLTON ESTATES**

This Declaration is made as of the ____ day of _____, 2004, by Charlton Estates, LLC, a Michigan Limited Liability Company, (hereinafter the "Declarant"), the owner of certain lands located in the Charlton Estates Subdivision, Commerce Township, Oakland County, Michigan, which lands are described in Exhibit A attached hereto.

WHEREAS, the Declarant desires to provide for the preservation and enhancement of the property values, amenities, aesthetics, and opportunities in the subdivision, and for the maintenance of the improvements therein, and to this end desires to subject the real property to the covenants, restrictions, easements, and charges hereinafter set forth, each and all of which is and are for the benefit of said property and owners thereof; and

WHEREAS, the Declarant desires to extend to all of the Owners of Lots located within the Subdivision the perpetual right to utilize and to benefit from the Common Areas, and to provide a permanent method for the support and upkeep thereof and for orderly development of the Subdivision; and

WHEREAS, the Common Areas will consist of all land improvements, 4 private parks/Open Space Areas and amenities designated on Exhibit B, attached hereto, (the "Common Areas"), as well as all easements shown on the Plat of the Subdivision, and all other land, personal property, or other facilities benefiting the Subdivision which are hereafter designated as Common Area, in writing, from time to time by Declarant, or its assignee(s). The Common Areas of the Subdivision, and maintenance, repair and replacement thereof, shall be subject to the easement and maintenance provisions as provided herein; and

WHEREAS, the Declarant deems it desirable for the efficient preservation of the values and amenities in the Subdivision to create a legal entity to own, and/or maintain and administer the Common Areas of the Subdivision, to collect and disburse the assessments and charges hereinafter created, and to promote the recreation, health, safety, welfare, common benefit and enjoyment of the Owners, and to that end, has incorporated and created the Charlton Estates Homeowners Association, a Michigan nonprofit corporation, (the "Association"), by filing the requisite Articles of Incorporation with the State of Michigan;

NOW, THEREFORE, the Declarant hereby declares that all of the property comprising the Charlton Estates Subdivision shall be held, sold, conveyed, mortgaged, utilized, and interests therein transferred subject to the following easements, restrictions, covenants, and conditions, which shall be incorporated by reference in all deeds of conveyance and contracts pertaining to the sale of Lots within the Subdivision and which are for the purposes set forth above, and for the purpose of protecting

the value and desirability of the Lots subject thereto. These easements, restrictions, covenants, and conditions shall run with the Subdivision and shall be perpetually binding upon all persons now or hereafter having any right, title, or interest in those Lots subject to this Declaration, and shall inure to the benefit of each Owner of a Lot subject to this Declaration.

Article I

Definitions

Section 1. Definition of Terms.

The words and phrases used in this Declaration are defined as follows:

A. "Association" shall mean and refer to the Charlton Estates Homeowners Association, a Michigan nonprofit corporation, its successors and assigns, which will be established to administer the Common Areas and enforce the provisions of this Declaration.

B. "Bylaws" shall mean and refer to the bylaws of the Charlton Estates Homeowners Association.

C. "Common Areas" shall mean all real and personal property, improvements, fixtures, and easements lying within the boundaries of Exhibit A, and at any time designated hereunder by Declarant, or its assignee(s), as described in Exhibit B.

D. "Declarant" and/or "Declarant" shall mean and refer to Charlton Estates, LLC, a Michigan Limited Liability Company, and its successors, assigns, and designees.

E. "Declaration" shall mean and refer to this Declaration of Easements and Restrictions for the Charlton Estates Subdivision and any amendments, as recorded in the office of the Oakland County Register of Deeds, State of Michigan.

F. "Lots" shall mean and refer to any numbered lot on the recorded Plat of the Charlton Estates Subdivision at the Oakland County Register of Deeds, Oakland County, Michigan.

G. "Charlton Estates Subdivision" or "Subdivision" shall mean and refer to the lands located within Part of the Southwest ¼ and part of the Southeast 1/4 of Section 1, Town 2 North, Range 8 East, Commerce Township, Oakland County, Michigan, (legal description, attached hereto as Exhibit A), which are owned by the Declarant or its respective successors and assigns, and shall also mean and refer to the recorded Plat for the Charlton Estates Subdivision.

H. "Owner" or "Member" 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. When more than one person or entity is the Owner of a Lot, all such persons or entities shall be deemed Owners. If any Owner enters into a Land Contract for the sale of a Lot and the Land Contract or a Memorandum thereof has been properly recorded in the Office of the Oakland County Register of Deeds, then in such a case, both the Land Contract Purchaser, and the Land Contract Seller, shall be deemed to be Owners. Any Owner is automatically a Member of the Charlton Estates Homeowners Association.

I. "Plat" shall mean and refer to the Plat of the Charlton Estates Subdivision, recorded with the Oakland County Register of Deeds;

J. "Subdivision Documents" shall refer to this Declaration of Covenants and Restrictions for the Charlton Estates Subdivision, the recorded Plat of Charlton Estates Subdivision, the Charlton Estates Homeowners Association Bylaws and Articles of Incorporation, and any Rules and Regulations of the Charlton Estates Homeowners Association.

K. "Construction and Sale Period" shall mean and refer to the period during which the Declarant owns and offers for sale any Lot within the Subdivision.

Article II

Establishment and Dedication

Section 1. Establishment of Nonprofit Corporation.

There shall be established an association of Owners of Lots in the Subdivision to be known as the "Charlton Estates Homeowners Association." The Association shall be organized as a nonprofit corporation for a perpetual term under the laws of the State of Michigan and shall have such powers as are enumerated in this Declaration as well as those set forth in the Articles of Incorporation and Bylaws for the Association.

Section 2. Dedication of Common Area.

The Declarant hereby dedicates and shall convey to the Association, prior to or contemporaneous with the recording of this Declaration, by separate warranty deed, the Common Area Lots consisting of those areas designated in Exhibit B, attached hereto, subject to any easements, rights of the public, or any other matters of record. Title to such Common Area Lots shall vest in the Association subject to the rights and easements of enjoyment in and to such Common Area Lots by the Owners.

Article III

Property Rights

Section 1. Owners' Easement of Enjoyment.

Every Owner shall have a perpetual right and easement of use and enjoyment in and to and over, across, and along all the Common Areas, which right and easement shall be appurtenant to such ownership, subject to the terms of this Declaration, the Association Articles of Incorporation, and the Association Bylaws, and further subject to the following limitations of easements listed in Section 2 of this Article.

Section 2. Limitations of Easements.

The rights and easements of each Owner in and to the Common Areas shall be subject to the following prior rights of the Association, the Declarant, and/or third parties in addition to other limitations set forth in this Declaration:

A. The unilateral right of the Association from time to time, to make and enforce reasonable rules and regulations concerning the use and administration of the Common Areas, and to carry out the terms of this Declaration and to fulfill its purposes.

B. The unilateral right of the Association from time to time, to fix, levy, and collect from Owners reasonable assessments with respect to the Common Areas as set forth in Article V, below.

C. The unilateral right of the Association from time to time, to construct, maintain, repair, replace, and administer improvements to and on the Common Areas for the benefit of the Owners, and, in connection herewith, to levy against Owners, from time to time, special assessments, specifically subject, however, to the prior approval of the Owners as is specifically required as set forth in Article V.

D. The unilateral right of the Association from time to time, to suspend the voting rights of Owners and the rights of said Owners to use any of the Common Areas for any reasonable period of time, based upon the failure of the particular Owner in question to pay assessments levied by the Association when due and owing, and/or for any infraction by that Owner of the Subdivision Documents, it being understood that such suspension of rights for any continuing failure by that Owner to pay all of its assessments or for any continuing infraction may continue for the duration of such delinquency or infraction.

E. The unilateral right of the Association from time to time, to grant easements over, under or across any part of the Common Areas, or to dedicate, or transfer title to, all or any part of the Common Areas to any public agency, authority, or utility on such terms and conditions as may be reasonably required by such transferee, provided the same is approved by the Declarant, if the Declarant has an ownership interest in any Lot at the time of the grant, and is further approved by two-thirds (2/3) of the Owners, in writing and duly recorded in connection with such dedication, grant or transfer.

F. The rights of Commerce Township, or any other public utility or entity, pursuant to this Declaration or any other properly executed document.

Section 3. Declarant's Right to Add to Common Areas.

The Declarant has the right to add to the Common Areas by conveying additional land, easements or personal property to the Association in the future. The Declarant also has the right to grant to each Owner and their respective successors and assigns, appurtenant, non-exclusive and perpetual easements for the use and enjoyment of any Common Area added in the future. The easements shall be for such purposes and subject to such conditions as the Declarant in its sole discretion shall define.

Section 4. Alteration of Common Areas and Easements.

The Declarant reserves the right, without the consent of the Association or any of its Members, to increase the size of the Common Area, or to grant easements through any of it for the purposes of allowing the installation, contraction, repairs, enlargement, modification, or removal of any utility lines, television cable, reservoirs, sewage or water mains, drainage facilities, or any other improvements which would serve the Subdivision or any part thereof, and for purposes of construction and development of the Subdivision and Lots therein.

Section 5. Utility and Storm Drainage Easements.

Easements for the construction, installations and maintenance of public utilities and surface drainage facilities, and for the installation and maintenance of sanitary sewer, storm sewer, and water supply facilities, are reserved as shown on the recorded plat. The use of all or part of such easements may at any time or times hereafter be granted or assigned by the Declarant or its successors or assigns, to any person, firm, corporation, governmental Lot or agency which furnished such services or utilities. Within all of the foregoing easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change, obstruct or retard the flow or direction of water in and through drainage channels in the easements, nor shall any change be made by the occupant or occupant's agent in the finished grade of any lot once established by the Declarant upon completion of the house thereon. Any grade changes to any lot or property in common must be approved by the Declarant in writing. The easement area of each lot and all improvements in it shall be maintained by the owner of the lot except for those improvements for which a public authority or utility company is responsible. The owner and/or occupant of each Lot shall maintain the service area of easements within his property and between sidewalk and curb to keep grass and weeds cut, to keep the area free of trash and debris and, further, shall take such action as may be necessary to eliminate or minimize surface erosion and the owner of the lot shall be liable for all damage to surface facilities and utilities thereon, including damage to electric, gas and telephone distribution lines and facilities thereon.

Section 6. Township Easements and Rights.

Notwithstanding any other provision contained in this Declaration, the following easements, licenses, rights and privileges are granted to the Township and its officers, employees and agents, and its successors, assigns and transferees with respect to the Subdivision Project. These easements, licenses, rights and privileges shall not be modified or rescinded without the express written permission of the Township.

A. The Township, its officers, employees, agents, contractors and designated representatives are granted a permanent non-exclusive easement for the unrestricted use of all roads, walkways or pathways, utility easements, common areas for the purpose of ingress, egress, inspection for public purposes, access to utility easements, including, but not limited to, water, sanitary sewer, storm water sewer, electric, gas and communications easements.

B. The Township, its officers, employees, agents, contractors and designated representatives are granted a permanent non-exclusive easement over, under and across all roads, walkways or pathways, utility easements, common areas for the purpose of development, establishment, construction, extension, relocation, maintenance, repair, replacement and removal of utilities, in any size, form, shape or capacity, including, but not limited to, water, sanitary sewer, storm water sewer, electric, gas and communications utilities.

C. The Township, its officers, employees and agents are granted a non-exclusive easement over the common areas and Lots, to the extent necessary, to install, maintain, repair, replace or remove machinery or equipment connected to the public sewer system or public water system, including, but not limited to, grinder pumps and valves.

D. The Township shall have the right to sell, assign, transfer and convey this easement to any other governmental Lot.

E. No Owner in the Subdivision shall build or convey to others the permission to build any permanent structures on the easements granted to the Township hereunder.

F. No Owner in the Subdivision shall build or place on the area covered by the easement any other type of structure, fixture or object, or engage in any activity or take any action, or convey any property interest or right, that would in any way either actually, or threaten to, impair, obstruct, or adversely affect the rights of the Township under the foregoing easements.

G. All Owners in the Subdivision release the Township and its successors, assigns and transferees, from any and all claims or damages in any way arising from, or incident to, the construction and maintenance of the easements granted to the Township hereunder or otherwise arising from, or incident to, the exercise by the Township of its rights under the foregoing easements, and all Owners covenant not to sue the Township for any such damages.

H. Notwithstanding any other provision contained in this Declaration, the following provisions are included for the benefit of the Township and shall not be modified or rescinded without the express written consent of the Township. This provision shall not be deemed to diminish or impair direct grants of easements, licenses, rights and privileges given to the Township elsewhere in this Declaration.

(1). The Developer prior to relinquishing control to the Subdivision Association, and the Subdivision Association thereafter, shall be empowered and obligated to grant such easements, licenses, dedications, rights-of-entry, and rights-of-way over, under and across the Subdivision Project for construction of utilities, ingress and egress, or such other purposes as may be deemed necessary by the Township, without the consent of individual Owners. This reservation of power includes the right to amend this Declaration if necessary for the purposes set forth in this provision.

(2). The Township shall have the right, but not the obligation, to repair and maintain all public and private facilities within easements in the Subdivision. If it is necessary for the Township to repair or maintain any easement, or improvement therein, within the Subdivision the costs of repair or maintenance shall be prorated among all Owners in the Subdivision. The Township shall bill such persons shown by the assessment records of the Township to be the owners of said Lots at such time as the Township shall find convenient and expedient. The Township may add to the actual cost of repair or maintenance a sum not to exceed twenty-five percent (25%) thereof, to cover the administrative costs associated with the undertaking. All costs not paid shall bear interest at the rate of three-quarters (3/4) of one percent (1%) per month until paid. The Township shall have a lien on the Lot of the Owner for unpaid costs. The lien may be enforced by the Township in the same manner as provided by law for enforcement of delinquent special assessments.

(3). In the event that a special assessment road project is established pursuant to applicable Michigan law, the collective costs assessable to the Subdivision premises as a whole shall be borne equally by all Owners. Participation in a Special Assessment District for the construction, installation, and maintenance of public sanitary or storm sewer infrastructure to service the Subdivision Project shall be mandatory.

(4). The Subdivision Association shall not be terminated without the consent of the Township.

(5). The costs of maintenance, repair and replacement of the storm drains and storm water drainage facilities, including, without limitation, any detention basin and drainage easements shall be borne by the Subdivision Association. In the event that the Subdivision Association fails to provide adequate maintenance, repair or replacement of the storm drains, the Township may serve written notice of such failure upon the Subdivision Association. Such written notice shall contain a demand that the deficiencies of maintenance, repair or replacement be cured within a stated reasonable time period. If such deficiencies are not cured, the Township may undertake such maintenance, repair or replacement and the costs thereof plus a twenty-five percent (25%) administrative fee may be assessed against the Owners and collected as a special assessment on the next annual Township tax roll..

(6). The acceptance of a conveyance or the execution of a land contract by any owner or purchaser of a Lot shall constitute the agreement by such owner or purchaser, his or her heirs, executors, administrators, or assigns, that the Board of Directors of the Association shall be vested with full power and authority to obligate all Owners to participate in a special assessment district, sign petitions requesting said special assessment, and consider and otherwise act on all assessment issues on behalf of the Association and all Owners.

Section 7. Transfer to the Charlton Estates Homeowners Association.

The Declarant hereby transfers the control and the responsibility for maintenance, repair, and replacement of any or all of the Common Areas and the power to grant easements (subject to the Declarant's approval) for the use thereof to the Charlton Estates Homeowners Association, subject to the rights of Commerce Township under this Declaration.

Section 8. Delegation of Use.

Any Owner may delegate, in accordance with the duly promulgated rules and regulations for the Charlton Estates Homeowners Association, his right of enjoyment and use to the Common Areas to the members of his immediate family, his tenants, and guests.

Article IV

Membership and Voting Rights

Section 1. Membership.

Every Owner shall be a member of the Association. Membership shall be appurtenant to, and may not be separated from, ownership of a Lot.

Section 2. Voting Rights.

An Owner of a Lot shall be entitled to one vote for each Lot owned. If there is more than one Owner of a Lot, the vote for that Lot shall be exercised by the designated representative of the Owners as they shall determine. The name of the designated representative shall be provided to the Association in writing prior to any meeting at which said designee intends to vote. In no event shall more than one vote be cast with respect to any one Lot. If notice of a designated representative is not properly given, the vote related to a Lot will be suspended in the event more than one person seeks to exercise said vote. Until such time as the Declarant has transferred ownership of eighty percent (80%) of all Lots to non-Declarant affiliated purchasers, the Declarant and/or its designees shall control the Board of Directors through appointment of its members. Within 30 days after transfer of more than eighty percent (80%) of all Lots to non-Declarant affiliated purchasers, the Declarant shall be obligated to call a general meeting of the members of the Association for the sole purpose of having the non-Declarant affiliated members elect the directors of the Association. After that point, the Board of Directors shall be controlled by the non-Declarant affiliated owners. Notwithstanding this provision, the Declarant shall be entitled, but not obligated, to appoint one member of the Board of Directors until all Lots are sold and fully built upon.

Article V

Covenant for Association Assessment

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

Declarant, with respect to each Lot located within the Charlton Estates Subdivision and owned by Declarant, hereby covenants and agrees, and each other Owner of a Lot, by his/her acquisition of title thereto, is automatically deemed to covenant and agree to pay to the Association, on a timely basis, any and all assessments (whether annual, special or otherwise) levied by the Association pursuant to Article III, Section 2 (B) above, or as hereinafter provided. Subject to the terms of Article V, Sections 3 and 4 below, the annual and special assessments, together with interest at the highest rate permitted by law, late charges, costs, and actual attorneys fees, from and after the date on which the assessments are levied, shall be and constitute a charge and a continuing lien upon the Lot. Subject to the terms of Article V, Sections 3 and 4 below, each such assessment, together with interest, late charges, costs and actual attorney's fees, shall also be the personal obligation of the person or entity who was the Owner of the Lot, as of the date on which the assessments in question were first levied. No personal obligation for delinquent assessments shall pass to successor Owners who obtained ownership of any Lot by foreclosure of a valid first mortgage debt, unless expressly assumed by them. Furthermore, notwithstanding any other provisions of this Declaration which can be construed to the contrary, an individual Lot Owner in Charlton Estates Subdivision shall have no personal liability, nor shall his individual Lot be subject to a lien as provided in Section 1 of this Article V, for any Association assessment which said Owner has paid to the Association, for which said Owner can provide proof of payment.

Section 2. Purpose of Assessments.

The assessments levied, from time to time, by the Association shall be used exclusively to promote the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners in the Subdivision, including but not limited to, improvement, operation, use, maintenance, repair, and replacement (including, but not limited to, reasonable reserves therefore) of the Common Areas and the facilities thereon; payment of taxes and assessments, if any, levied against the Common Areas; operation

of the Association, and, in general, carrying out the purposes set forth in, or permitted by, this Declaration, the Association Bylaws, and Articles of Incorporation.

Section 3. Determination of Assessments.

Assessments shall be determined in accordance with the following provisions:

The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Common Areas and the Association, and further including a reasonable allowance for contingencies and reserves. Failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of an Owner's obligation to pay the applicable share of the common expenses as herein provided, whenever the same shall be determined. In the absence of any annual budget or adjusted budget, each Owner shall continue to pay the annual assessments at the annual rate established for the assessment the previous fiscal year until notified of the new annual assessment which then becomes effective and due after the new annual or adjusted budget is adopted. Upon adoption of an annual budget by the Board of Directors, copies of said budget shall be delivered to each Owner and the assessment for said year shall be established based upon said budget, although the delivery of a copy of the budget to each Owner shall not affect the liability of any Owner for any existing or future assessments. The Township of Commerce and or other governmental Lot or agency with jurisdiction shall also have the right to assess for the maintenance, repair and replacement of roads and drainage facilities and areas pursuant to P.A. 288 of 1967, Sections 192 and 192(a). Should the Board of Directors, at any time determine, in the sole discretion of the Board of Directors, that the assessments levied are, or may prove to be, insufficient (1) to pay the costs of operation, management, and/or administration of the Association; and/or maintenance and/or capital repair of the Common Areas, (2) to provide replacements of existing Common Areas, or (3) in the event of emergencies, the Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary. The discretionary authority of the Board of Directors to levy assessments pursuant to this subsection shall rest solely with the Board of Directors for the benefit of the Association and the members thereof, and shall not be enforceable by any creditors of the Association or the members thereof.

B. In addition to the other assessments authorized in this Declaration, the Association may levy, in any calendar year, special assessments applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction of any capital improvement in, at or upon the Common Areas, including, but not limited to, fixtures and personal property relating thereto, or the cost of establishing or adding to a reserve therefor, provided that any such assessment shall have the assent, of more than 60% of all votes in the Association.

C. Both the general and special assessments shall be set by the Board of Directors at a uniform rate for all Lots. Except as stated in this Article, the Declarant shall not be responsible for the standard assessment or any additional or special assessments until a Declarant owned Lot is occupied or used by the Declarant for its own purposes.

Section 4. First Assessment.

Upon purchasing any Lot from the Declarant, an Owner shall be liable for the assessment for the year in which the Lot is purchased, which shall be pro-rated to the date of closing and payable upon closing.

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

Written notice of any meeting called by the Association for the purpose of taking any action authorized under this Declaration shall be sent to all Owners not less than ten (10) days nor more than thirty (30) days in advance of the meeting. At the meeting, the presence of Owners (in person or by a duly executed proxy) entitled to cast more than thirty-five (35%) of all of the votes in the Association shall constitute a quorum. All such proxies or written votes shall be specific in nature. Declarant shall have a vote for each Lot owned regardless of whether the Lot is occupied or fully built. If the required quorum is not present, another meeting may be called by the Association subject to the same notice requirement described above and the quorum required at the subsequent meeting shall be one-half (1/2) of the required quorum at the immediately preceding meeting; provided, however, that passage of special assessments under Article V, Section 3 (B) above shall always require more than 60% approval of all votes in the Subdivision, and no reduced quorum requirement shall be applicable thereto. Voting shall be in accordance with the provisions of the Association Bylaws.

Section 6. Annual Assessment Due Date.

The assessments provided for herein shall be deemed to have commenced as of the recording of this Declaration. The Association shall fix the amount of any annual assessment against each Lot on or before December 1 of each year for the following calendar year. An adequate reserve fund for maintenance, repairs, and replacement of those Common Areas that must be replaced on a periodic basis shall be included in the annual assessment. Written notice of annual assessments shall be sent by the Association to every Owner of a Lot immediately after the Association's action assessing the same; provided, however, that where there is more than one Owner of a Lot only one notice need be sent. Such annual assessments shall be payable in full on the 1st of January of each year and shall continue to be paid on the 1st of January thereafter until the Association advises the Owners of any change in such annual assessment. Thereafter, the Owners' respective annual installments shall be based upon the modified assessment. The Association shall, upon demand, furnish a certificate signed by an authorized person with knowledge setting forth whether all assessments pertaining to a specific property have been paid and the unpaid amounts, if any, with interest, late charges, costs, and due dates.

Section 7. Effect of Nonpayment of Assessments; Remedies of the Association.

A. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. A late charge in the amount of \$25.00 per Lot per month, or such other amount as may be determined by the Board of Directors, effective upon fifteen (15) days notice to the members of the Association, shall be assessed automatically by the Association upon any assessments in default until paid in full. Such late charge shall not be deemed to be a penalty or interest on the funds due to the Association, but is intended to constitute a reasonable estimate of the administrative costs and other damages incurred by the Association in connection with the late payment of assessments. All payments shall be applied first against late charges, attorney's fees, interest and costs and thereafter against assessments in order of

oldest delinquency. Assessments in default shall bear interest at the highest rate allowed by law, until paid in full.

B. The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the lien that secures payment of assessments. Each Owner and every other person who from time to time has any interest in the Charlton Estates Subdivision, shall be deemed to have granted to the Association the unqualified right to elect to foreclose such lien either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligation of the parties to such actions. Each Owner of a Lot in the Subdivision acknowledges that at the time of acquiring title to such Property, he was notified of the provisions of this Article V, Section 7 (B). A judicial foreclosure action shall not be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing by first class mail, postage prepaid, addressed to the delinquent Owner(s) at his or their last known address, of a written notice that one or more installments of the annual assessment, or any assessment, levied against the pertinent property is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney's fees and future assessments), (iv) the legal description of the subject property, and (v) the name(s) of the Owner(s) of record. Such affidavit shall be recorded in the Office of the Register of Deeds in Oakland County prior to the commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the delinquent Owner in writing and shall inform such Owner that he may request a judicial hearing by bringing suit against the Association. The expenses incurred in collecting unpaid assessments, including interest, costs, late fees, actual attorney's fees and advances for taxes or other charges paid by the Association to protect its lien, shall be chargeable to the Owner in default and shall be secured by the lien on his property. In the event of default by any Owner in the payment of any installment of the annual assessment levied against his property, and/or in the event of default by any Owner in the payment of any installment and/or portion of any special assessment levied against his Property, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year (and any subsequent fiscal year in which said default continues) and/or all unpaid portions or installments of the assessment, if applicable, immediately due and payable. An Owner in default shall not be entitled to utilize any of the Common Areas in the Subdivision, and shall not be entitled to vote at any meeting of the Association and shall not be entitled to serve as an officer or Director of the Association, so long as such default continues; provided that this provision shall not operate to deprive any Owner of ingress or egress to or from his Property.

Section 8. Separate Bank Accounts.

All assessments collected by the Association shall be held in and expended from a separate bank account. Such assessments and the expenditures thereof shall be accounted for pursuant to generally accepted accounting principles and the books of account shall be audited annually by qualified auditors; provided, however, that such auditors need not be certified public accountants nor does such audit need

to be a certified audit. The costs of any audit and accounting expenses shall be paid as expenses of the Association.

Section 9. Books and Accounts.

The Association shall keep detailed books of account showing all expenditures and receipts of administration which shall specify the maintenance and repair expenses of the Common Areas and any other expenses incurred by or on behalf of the Association and the Owners. Such accounts and all other Association records shall be open for inspection by the Owners during normal business hours and mutually convenient times.

Section 10. Exempt Property.

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

Section 11. Subordination of the Lien to Mortgages.

The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage and to any other contractual lien as to Lots owned by the Declarant. Sale or transfer of any Lot shall not affect, waive or release the assessment lien. However, the sale or transfer of any Lot pursuant to a valid mortgage foreclosure shall extinguish the lien of such delinquent assessments on the assessable property, but only as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot, or Owner thereof, from liability for any assessment becoming due or from the lien thereof, and nothing herein stated shall relieve an Owner of his/her/its personal obligation for unpaid assessments.

Section 12. Assessment Status Upon Sale of Lot.

Upon the sale or conveyance of a Lot, any unpaid assessments, interest, late fees, fines, costs and attorney's fees against the Lot shall be paid out of the net proceeds of the sale price to the purchaser in preference over any other assessments or charges of whatever nature except (a) amounts due the State of Michigan or any subdivision thereof for taxes or special assessments due and unpaid and (b) payments due under first mortgages having priority to the unpaid assessments. A purchaser of a Lot is entitled to a written statement from the Association setting forth the amount of unpaid assessments, interest, late fees, fines, costs and attorney's fees outstanding against the Lot and the purchaser is not liable for any unpaid assessments, interest, late fees, fines, costs and attorney's fees in excess of the amount set forth in such written statement, nor shall the Lot be subject to any lien for any amounts in excess of the amount set forth in the written statement. Any purchaser or grantee who fails to request a written statement from the Association as provided herein at least five (5) days before the conveyance shall be liable for any unpaid assessments against the Lot together with interest, late fees, fines, costs and attorneys' fees incurred in connection with the collection of such assessments.

Article VI

Operation of the Property

Section 1. Expenses.

The Association shall be assessed as the person or entity in possession of any tangible personal property on the Common Areas owned or possessed by the Association, and personal property taxes based thereon shall be expenses of the Association.

Section 2. Receipts of Administration.

All costs incurred by the Association to satisfy any liability arising within, or caused by or in connection with the Common Areas, or caused by or in connection with the administration of the Association, shall be expenses of administration, and all sums received as proceeds of, or pursuant to, any insurance policy carried by the Association securing the interest of the members against liabilities or losses arising within, caused by or connected with, the Common Areas or the administration of the Association shall be receipts of administration.

Section 3. Insurance.

If the Board of Directors of the Association deems it necessary or expedient, given the nature of the Common Areas and other aspects of operation of the Association and the Subdivision, the Association shall carry fire and extended coverage, vandalism, malicious mischief and liability insurance, officers and directors liability, fidelity bond and workmen's compensation insurance, if applicable, and such other insurance coverage as the Board of Directors may determine to be appropriate with respect to the ownership, use and maintenance of the Common Areas and the administration of Association affairs. Such insurance shall be carried and administered in accordance with the following:

A. All such insurance shall be purchased by the Association for the benefit of the Association, the members and their mortgagees, as their interests may appear; and provision shall be made for the issuance of certificates of insurance with mortgagee endorsements to the mortgagees of Owner's Lots. The Association and all members shall use their best efforts to see that all property and liability insurance carried by the Association or any member shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any member or the Association, and the Association and each member hereby waive, each as to the other, any right of recovery for losses covered by insurance. The liability of carriers issuing insurance obtained by the Association shall not, unless otherwise required by law, be affected or diminished on account of any additional insurance carried by any Member, and vice versa.

B. All insurable elements of the Common Areas, if any, shall be insured against fire and other perils covered by a standard extended coverage endorsement in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association.

C. Public liability insurance shall be carried in such limits as the Board may from time to time determine to be appropriate, and shall cover the Association, each Member, director and officer thereof, and any managing agent.

D. All premiums for insurance policies purchased by the Association pursuant to this Declaration shall be expenses of administration.

E. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, the Members and their mortgagees as their interests may appear; provided, however, whenever Section 5 of this Article requires repair or reconstruction of the Common Areas, any insurance proceeds received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such purpose. Hazard insurance proceeds shall never be used for any purpose other than for repair, replacement or reconstruction of the Common Areas unless all of the members of the Association and holders of first mortgages on Lots or Property in the Subdivision have given their prior written approval.

F. All insurance carried by the Association shall, to the extent possible, provide for cross-coverage of claims by one insured against another.

Section 4. Power of Attorney.

Each Owner shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning insurance pertinent to the Common Areas and the Association. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Members and respective mortgagees as their interest may appear (subject always to the Declaration), to execute releases of liability and to execute all documents and to do all things on behalf of such Members and the Association as shall be necessary or convenient to accomplish the foregoing.

Section 5. Reconstruction of Common Areas in case of Casualty.

If any part of the Common Areas shall be damaged, the determination of whether or not, and how, it shall be reconstructed or repaired and the responsibility therefor, shall be made in the following manner:

A. The Association shall be responsible for the reconstruction and repair of the Common Areas. Immediately after a casualty occurs causing damage to property for which the Association has the responsibility of maintenance, repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to return the damaged property to a condition as good as that existing before the damage.

A. Any insurance proceeds received, whether by the Association or Member, shall be used for reconstruction or repair when reconstruction or repair is required by this Declaration. If the insurance proceeds are not sufficient to pay the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, or upon completion of such reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all Owners for the cost of the reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of repair.

Section 6. Eminent Domain.

The following provisions shall control upon a taking by eminent domain.

A. The Association, acting through its Board of Directors, may negotiate on behalf of all members for any taking of the Common Areas. Any negotiated settlement shall be subject to the approval of more than two-thirds (2/3) of the votes in the Association and shall thereupon be binding on all Members.

B. If any portion of the Common Area is taken, the condemnation proceeds relative to such taking shall be paid to the Association and the affirmative vote of more than 50% of the Members shall determine whether to rebuild, repair or replace the portion so taken, or to take such other action as they deem appropriate. If no such affirmative vote is obtained, such condemnation proceeds shall be remitted to the Members and their respective mortgagees, as their interests may appear.

C. If any portion of the Common Areas is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the Association promptly shall so notify each holder of a mortgage lien on any of the Lots or Property within the Charlton Estates Subdivision.

Section 7. Assignment or Transfer of Rights and Powers.

Except as expressly limited by this Declaration, the Declarant reserves the right to assign to the Association, in whole or in part, from time to time any or all of the rights, powers, titles, easements and estates hereby reserved or given to the Declarant 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 assignment shall thereupon have the same rights and powers, and be subject to the same obligations and duties as herein given, reserved to and assumed by the Declarant in connection with the rights, powers and easements so assigned, and such instrument when executed by such assignee shall without further act, release the Declarant from all obligations, duties and liabilities in connection therewith, except for past due obligations or liabilities of the Declarant. Upon the construction, sale and closing of the last Lot in the Subdivision by the Declarant, all of Declarant's remaining rights shall transfer automatically to the Association.

Section 8. Building and Use Restrictions.

The following general building and use restrictions shall be in effect:

A. **Residential Use.** All lots shall be used improved and devoted exclusively to single family residential purposes. No professional, commercial or industrial uses of any kind shall be permitted in or upon, any portion of such property. No more than one (1) dwelling house may be erected on any one lot. No building shall be erected, altered, placed or permitted to remain on any lot or building site other than one (1) detached single family dwelling not to exceed 25 feet in height, and one (1) private architecturally related, attached garage, both for the sole use of the owner or occupant of the lot upon which such single family dwelling and garage shall have been erected. No dwelling or garage can be erected on storm water retention basin area or landscape areas. Required lot line setbacks are 10 feet from side lot lines and 35 feet from front and rear lot lines for front entry garages. A 30 foot side yard setback is required from lot line adjacent to side entry garages. Maximum lot coverage by buildings cannot exceed 25% of total lot area.

B. **Mobile Home Prohibition.** No mobile home of any kind or size shall be permitted to be placed on any lot, for any purposes, within the Subdivision. For purposes of this Declaration, the term "mobile home" shall mean any structure, transportable in one (1) or more sections which is built on a chassis and designed to be used as a dwelling with or without permanent foundation, when connected to the required utilities.

C. **Temporary Structures.** No trailer, mobile home, basement, recreational motor vehicle, tent, shack, garage, barn, outbuilding or other temporary structure of any kind shall at any time be used as a residence or dwelling, either permanently or on a temporary basis in the Subdivision.

D. **Construction and Removal of Construction Materials; Grading.** Any and all construction of the structures shall be diligently completed. All structures must be completed within (9) months from the date of issuance of a building permit. Any partially completed structure shall constitute a nuisance nine (9) months after the date of issuance of the building permit. All unused building materials shall be removed from the Subdivision within sixty (60) days after substantial completion of the construction. The portion of the surface of the earth which is disturbed by excavation and other construction work shall be finished and graded as soon as possible after the completion of construction.

E. **Construction Materials.** The character of the dwellings to be erected within the Subdivision shall be of new construction and contain (20%) percent brick on all house and garage fronts. Aluminum siding, plywood, structure board (T-111), etc. may not be used on sides, second stories and rear of homes. Accepted materials for covering these areas are brick, stone or "Dutch Lap" type vinyl siding. These requirements shall apply to detached garages.

F. **Minimum Floor Area of Dwelling.** No dwelling shall be built or maintained on any lot in the Subdivision unless the interior floor area conforms to the requirements of the Orion Township Building Department exclusive of the areas of basement, unfinished attics, attached garages, breezeways, enclosed and unenclosed porches and accessory structures: (A) every one (1) story building or structure used as a one (1) family dwelling shall have a minimum floor area of not less than one thousand one hundred (1,100) square feet; (B) every two (2) story building or structure used as a one (1) family dwelling shall have a minimum floor area of not less than one thousand eight hundred (1,800) square feet; (C) in the case of a tri-level building or structure used as a one (1) family dwelling, the interior floor area shall contain not less than one thousand five hundred (1,500) square feet.

G. **Garage.** All garages must be attached and shall be constructed to conform with minimum set back requirements established herein. Garages shall be only for the private use of the occupant of the related dwelling.

H. **Permitted Vehicles.** No trailers or recreational motor vehicles of any nature, including snowmobiles and motorcycles, shall be kept on or stored on any part of the property except within an enclosed garage. No inoperable vehicles of any type may be stored or kept on any part of the property except within an enclosed garage. For purposes of the Declaration, the term "recreational motor vehicle" shall mean any vehicle primarily designed and used as temporary living quarters for recreational, camping or travel purpose, including a vehicle having its own motor power or a vehicle mounted on or drawn by another vehicle.

I. **Signs.** No sign for any personal, business or commercial purpose shall be displayed on any lot, except that, one sign of not more than 3 square feet in area advertising the property for sale or rent, or a sign of any size used by the Declarant/Builder or Declarant to advertise the property during the construction and sale above described is permitted.

J. **Animals.** No animals, livestock, poultry or reptiles of any kind shall be raised, bred or kept on any lot except that dogs, cats or other household pets, excluding reptiles, may be kept provided they are not kept, bred or maintained for any commercial purposes.

K. **Maintenance.** Each occupant of a residence on each improved lot shall keep his lot and all improvements thereon in good order and repair and shall maintain and preserve the aesthetic value of his property in an appropriate manner including but not limited to, the seeding, sodding, watering and mowing of lawns, the pruning and cutting of trees and shrubbery, the painting and appropriate external care of all buildings and other improvements, and to generally keep such property in a manner and with such frequency as is consistent with good property management.

L. **Landscaping and Driveways.** All lots shall have a lawn installed and shrubbery planted by the owner within one (1) year after completion of the dwelling structure in order to eliminate or minimize surface erosion and to enhance the general appearance of the entire subdivision. Driveways will be installed at each residence by the Declarant/Builder. A minimum of two (2) deciduous street trees having a 2" d.b.h. or larger shall be installed on the front each lot in the subdivision by the Declarant/Builder. The landowner cannot change the grade of the Lot after final grade is complete without the consent of the Declarant/Builder. The existing pines at the rear of each lot cannot be removed without the consent of the Association. Each landowner will be responsible for the trees and lawn maintenance between the sidewalk and curb abutting their property. Additionally, there shall be a Two Hundred (\$200) Dollar flat fee that shall be assessed against each lot owner prior to acceptance of any Warranty Deed for said lot which shall be paid on or before closing. The Two Hundred (\$200) Dollars shall be paid to the Declarant toward the construction of any and all landscaping in any of the Property in Common Areas.

M. **Nuisances.** No unlawful or offensive activity shall be carried on or upon the Common Areas, nor shall anything be done which may be or become an annoyance or a nuisance to the members, nor shall any unreasonably noisy activity be engaged in upon the Common Areas.

N. **Use of Common Areas and Lots.** The Common Areas shall not be used to store supplies, materials, personal property, trash or refuse of any kind. In general, no activity shall be carried on nor condition maintained by a member, in or upon the Common Areas or any Lot which spoils the appearance of the Charlton Estates Subdivision. The Common Areas shall not be obstructed in any way nor shall they be used for purposes other than those for which they are reasonably and obviously intended. No member shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the Common Area without the express written approval of the Board of Directors.

O. **Rules and Regulations.** Reasonable regulations consistent with the Declaration, and the Association Bylaws, concerning the use and administration of the Common Areas and the Lots within the Subdivision may be made and amended from time to time by the Declarant or any Board of Directors of the Association. Copies of all such regulations and amendments thereto shall be furnished to all Members and shall become effective ten (10) days after mailing or delivery thereof to the designated voting representative of each Member. Any such regulation or amendment may be revoked at any time

by the affirmative vote of more than fifty percent (50%) of all Members at any duly convened meeting of the Association.

P. **Wetland and Open Space Provisions.** A portion of the Common Areas are designated wetlands, as shown on the Plat. All wetland areas are regulated by the Michigan Department of Environmental Quality and Commerce Township. No Owner, the Association or any other person or entity whatsoever shall make any changes or improvements to the wetland area (including, but not limited to landscaping or construction activities of any kind), or construct any improvements whatsoever in the wetland area until and unless all required permits and approvals therefor are first obtained from the Michigan Department of Environmental Quality, Commerce Township and the Association. Furthermore, all open spaces shown on the Plat as Parks shall always be maintained as open space conservation areas by the Association in perpetuity, and no structures or buildings shall ever be allowed to be erected in those areas.

Article VII

General Provisions

Section 1. Enforcement.

The Members and all present or future Owners, tenants, future tenants, or any other persons acquiring an interest in or using the facilities of the Common Areas of the Subdivision in any manner are subject to and shall comply with the provisions of this Declaration, the Association Bylaws, the Articles of Incorporation of the Association, and the Rules and Regulations of the Association, if any. In the event the Declaration, Bylaws, or Articles of Incorporation conflict with the provisions of any Statute, the Statute shall govern. If any provision of the Association Bylaws conflicts with any provision of this Declaration, the Declaration shall govern. The Declarant, the Association, or any Owner shall have the right to enforce all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration.

Section 2. Relief.

Any default by an Owner shall entitle the Declarant, Association, or another Owner or Owners to the following relief:

A. Failure to comply with any of the terms or provisions of the Declaration, Association Bylaws, Association Rules and Regulations, (hereafter "Subdivision Documents"), or the approved Plat of Charlton Estates on file at the Township, shall be grounds for relief, which may include without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association, or, if appropriate, by an aggrieved Owner or Owners.

B. Failure of an Owner and/or non-Owner resident or guest to comply with the Subdivision Documents shall entitle the Association to recover from such Owner or non-Owner resident or guest the pre-litigation costs and actual reasonable attorneys' fees incurred in obtaining their compliance with the Subdivision Documents. In addition, in any proceeding arising because of an alleged default by any Owner, or in cases where the Association must defend an action brought by any Owner(s), the Association, if successful, shall be entitled to recover the costs of the proceeding and actual reasonable attorney's fees (not limited to statutory fees), incurred in obtaining compliance or relief,

but in no event shall any Owner be entitled to recover such attorney's fees or costs against the Association. The Association, if successful, shall also be entitled to recoup the costs and attorneys' fees incurred in defending any claim, counterclaim or other matter from the Owner asserting the claim, counterclaim or other matter.

C. The violation of any of the provisions of the Subdivision Documents shall also give the Declarant, the Association or its duly authorized agents, the right, in addition to the rights set forth above, to enter upon the Common Areas or a Lot and summarily remove and abate, at the expense of the Owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Subdivision Documents. Neither the Declarant nor the Association shall be under an obligation to take such affirmative action. The Declarant or the Association shall provide the Owner seventy-two (72) hours notice prior to entry on any privately owned Lot except in the event of emergency threatening health or safety, in which case no prior notice shall be necessary.

D. The violation of any of the provisions of the Subdivision Documents, by any Owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations. No fine may be assessed unless Rules and Regulations establishing such fine have first been duly adopted by the Board of Directors of the Association and notice thereof given to all Owners. Hereafter, fines may be assessed only upon notice to the offending Owner and an opportunity for such Owner to appear before the Board for a hearing no less than seven (7) days from the date of the notice and offer evidence in defense of the alleged violation. Upon finding that a violation has occurred after an opportunity for a hearing has been provided, the Board of Directors may levy a fine in such amount as it, in its discretion, deems reasonable. All fines duly assessed may be collected in the same manner as assessments as provided in Article V of this Declaration.

E. Failure of the Declarant, the Association, or any Owner to enforce any right, provision, covenant or condition which may be granted by the Subdivision Documents shall not constitute a waiver of the right of the Declarant or the Association or of any such Owner to enforce such right, provision, covenant, or condition in the future.

F. All rights, remedies and privileges granted to the Declarant, Association, or any Owner or Owners pursuant to any terms, provisions, covenants or conditions of the aforesaid Subdivision Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies, or privileges as may be available to such party at law or in equity.

Section 3. Severability.

In the event that any of the terms, provisions, or covenants of this Declaration, the Subdivision Documents and/or corporate documents of the Association are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify or impair in any manner whatsoever any of the other terms, provisions or covenants of such documents or the remaining portions of any terms, provisions or covenants which are held to be partially invalid or unenforceable.

Section 4. Amendment to Add Common Areas.

The Association may, from time to time hereafter, by separate recorded instrument, amend this Declaration in order to designate unilaterally any real property, personal property, improvements,

fixtures, and easements within the Charlton Estates Subdivision as Common Areas, subject only to the provisions and stated purposes of this Declaration, the approval of the Declarant and any applicable local, State and Federal Statutes, law, or regulations.

Section 5. Rights of First Mortgagees.

A. The holders of first mortgages on the Lots or other assessable Property may, jointly or severally, pay taxes or other charges which are in default and which may or have become a charge against any Common Area, and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such Common Areas, and the first mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

B. No provision in this Declaration shall be construed to give an Owner, or any other Party, priority over the rights of any first mortgagee of a Lot or other assessable property pursuant to its mortgage, in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Areas or any portion thereof.

C. Each holder of a first mortgage on a Lot or other assessable property, upon request, is entitled to written notification from the Association of any default in the performance by the Owner of any obligation hereunder which is not cured within 60 days of the date on which the performance of such obligation was originally due.

Section 6. Duration and Amendment of Declaration.

Except as otherwise provided in this Section, this Declaration shall run with and bind all of the land included in the Charlton Estates Subdivision for a term of twenty (20) years from the date this Declaration is recorded, after which time this Declaration shall be automatically extended for successive periods of ten (10) years, unless amended as herein provided. This Declaration may be amended by the affirmative vote of eighty percent (80%) of all of the Owners of Lots in the Charlton Estates Subdivision at the time such amendment is proposed.

Section 7. Additional Signatories.

The Parties who sign this Declaration, hereby accept, adopt, confirm, ratify, and subject their respective interests in the Charlton Estates Subdivision to the covenants, and restrictions contained herein.

Section 8. Appointment of Declarant as Attorney in Fact.

All Owners, their successors and assigns and the Additional Signatories hereby irrevocably appoint the Declarant as their agent and attorney-in-fact for the purpose of executing any document necessary to allow Declarant to do anything which Declarant is entitled to do under the terms of this Declaration; provided, however, that the Declarant shall give the Owners, through the Association, notice of the execution of any such document at least ten (10) days before execution, if such notice is reasonably possible. Such notice shall be a condition precedent to any action taken, and shall not be construed as requiring the approval of the Owners or Association before execution of such a document.

IN WITNESS WHEREOF, the Parties and Additional Signatories with an ownership interest or security interest in the Subdivision have executed this Declaration on the dates set forth in their respective acknowledgments.

DECLARANT:
CHARLTON ESTATES, LLC

BY: _____

ITS: MEMBER

STATE OF MICHIGAN }
COUNTY OF OAKLAND }

The foregoing instrument was acknowledged before me this ____ day of _____, 2004 by David Steuer, a Member of Charlton Estates, LLC, a Michigan Limited Liability Company, on behalf of said Company.

**This instrument drafted by,
and after recording, return to:**

Mark F. Makower, Esq.
Dickinson Wright, PLLC
38525 Woodward Ave., Suite 2000
Bloomfield Hills, Michigan 48304

_____, Notary Public
_____, County, Michigan
Acting in _____ County
My Commission Expires:

Courtesy of The DiMora Team

EXHIBIT A

Legal Description for Charlton Estates Subdivision:

Lots 1-84 and 4 private parks, CHARLTON ESTATES SUBDIVISION, part of the Southwest ¼ and part of the Southeast ¼ of Section 1, Town 2 North, Range 8 East, Commerce Township, Oakland County, Michigan in accordance with the Plat thereof as recorded in Liber 288, Pages 1-7, inclusive, Oakland County Records

Also described as:

Charlton Estates Sub. being part of the SW 1/4 and part of the SE 1/4 of Section 1, T2N, R8E, Commerce Township, Oakland County, Michigan beginning at a point said point being distant N 01°20'13" E 1439.87 feet along the north and south 1/4 line of said Section 1 from the south 1/4 corner of said Section 1; thence from said point of beginning N 67°39'35" W 12.18 feet; thence N 00°39'17" E 257.42 feet; thence N 79°13'38" W 229.97 feet; thence S 07°16'32" W 190.65 feet; thence N 65°45'35" W 28.32 feet; thence 827.67 feet along an arc of a curve to the left, radius 1120.65 feet, central angle 42°18'59", chord length 808.98 feet and a chord bearing of N 86°55'04" W; thence S 71°55'26" W 222.55 feet; thence N 43°49'05" W 69.17 feet; thence N 01°10'55" E 82.00 feet; thence N 88°49'05" W 6.40 feet; thence N 01°10'55" E 93.64 feet; thence N 01°14'55" E 742.36 feet; thence the following twelve (12) courses along "Morey's Golf View Sub." as recorded in Liber 77 of Plats, Page 14 Oakland County records, S 88°27'16" E 408.31 feet and 219.75 feet along an arc of a curve to the right, radius 298.47 feet, central angle 42°11'01", chord length 214.82 feet and a chord that bears S 67°21'45" E and S 46°16'15" E 315.21 feet and 89.99 feet along an arc of a curve to the left, radius 413.11 feet, central angle 12°28'48", chord length 89.80 feet and a chord bearing of S 52°30'39" E and S 58°45'03" E 217.93 feet and 139.05 feet along an arc of a curve to the left, radius 469.55 feet, central angle 16°58'04", chord length 138.55 and a chord bearing of S 67°14'05" E and S 75°43'07" E 129.19 feet and 210.22 feet along an arc of a curve to the left, radius 1270.06 feet, central angle 09°26'50", chord length 209.98 and a chord bearing of S 80°26'32" E and 277.76 feet along an arc of a curve to the left, radius 691.14 feet, central angle 23°01'35", chord length 275.89 feet and a chord bearing of N 83°19'15" E and N 71°48'28" E 779.89 feet and 90.43 feet along an arc of a curve to the right, radius 262.23 feet, central angle 19°45'32", chord length 89.98 feet and a chord bearing of N 81°41'14" E and S 88°26'00" E 51.81 feet; thence S 01°34'00" W 812.42 feet along "Peninsula Park Sub-division" as recorded in Liber 24 of Plats, Page 13 Oakland County Records; thence N 88°26'00" W 60.00 feet; thence N 38°47'01" W 187.94 feet; thence 83.88 feet along an arc of a curve to the left, radius 97.70 feet, central angle 49°11'17", chord length 81.32 feet and a chord bearing of N 63°22'39" W; thence N 87°58'18" W 162.41 feet; thence S 00°55'56" W 512.31 feet; thence N 67°39'35" W 1008.12 feet to the point of beginning consisting of 4 private parks, 84 lots numbered 1-84, inclusive and containing 41.21 acres as measured to the waters edge of the unnamed pond.

EXHIBIT B

Common Area of the Charlton Estates Subdivision as Shown in the recorded Plat:

Goldfinch Park, including the retention pond located therein

Kingfisher Park

Warbler Park, including the retention pond located therein

Hummingbird Park

Courtesy of The DiMora Team