THE GRAND RESERVE COMMUNITY
DECLARATION OF EASEMENTS, COVENANTS,
CONDITIONS AND RESTRICTIONS

Township of Grand Blanc
Genesee County, Michigan
# THE GRAND RESERVE COMMUNITY
## DECLARATION OF EASEMENTS, COVENANTS, CONDITIONS AND RESTRICTIONS

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THE GRAND RESERVE COMMUNITY
DECLARATION OF EASEMENTS, COVENANTS, CONDITIONS
AND RESTRICTIONS

THIS DECLARATION OF EASEMENTS, COVENANTS, CONDITIONS AND
RESTRICTIONS (the "Declaration") is made as of the 29th day of August, 2006, by
Pulte Land Company, LLC, a Michigan limited liability company, whose address is 450 W.
Fourth Street, Royal Oak, Michigan 48067 ("Declaration").

RECITALS

A. Declarant is developing certain real property ("Property") located in the Township
of Grand Blanc ("Township"), Genesee County, Michigan described on the attached Exhibit A.

B. Declarant desires to develop the Property as an age restricted residential
community known as The Grand Reserve Community ("Community"). The Community is
intended to initially consist of two (2) separate condominium neighborhoods (collectively, the
"Neighborhoods") to be known as (i) Grand Reserve, which may contain up to 319 single family
site condominium units; and (ii) Townes as Grand Reserve, which may contain up to 159
traditional attached condominium units.

C. Declarant desires to: (i) promote the proper use and appropriate development and
improvement of the Community; (ii) establish those easements necessary for the mutual use and
benefit of the Neighborhoods; (iii) promote high standards of maintenance and operation of
community facilities, open areas and services for the benefit and convenience of the Owners
within the Neighborhoods; and (iv) in general, provide for a residential community of high
quality and character.

NOW, THEREFORE, Declarant hereby declares that the Property (including any
condominium units that may be established on the Property) is, and shall be, held, transferred,
sold, conveyed and occupied subject to the easements, conditions, covenants and restrictions of
this Declaration, all of which easements, conditions, covenants, and restrictions are for the
benefit of and shall run with and bind the Property and all parties having any right, title or
interest in all or any part of the Property, and any improvements thereon, as well as their heirs,
transferees, successors and assigns.

ARTICLE I

SUMMARY DESCRIPTION OF THE GRAND RESERVE COMMUNITY

The Grand Reserve Community will initially consist of two (2) condominium projects,
which are referred to in this Declaration as Neighborhoods. The Neighborhood known as Grand
Reserve will initially contain 278 site condominium units and shall be expandable to include a
total of up to 319 site condominium units ("Site Condominium Units"). The Neighborhood
known as Townes at Grand Reserve will initially contain 159 attached condominium units
contained in duplex or triplex buildings ("Attached Condominium Units"). The Community may
be expanded to include additional land contiguous with the present Community as described in Article VII below.

The Community will also contain certain amenities and services such as a Community Center, Pathways and Open Space Areas that may be used by all Owners within the Community. The Community Center is discussed in Article VI of this Declaration. Other amenities and services of the Community, referred to as “Shared Improvements and Facilities,” are discussed in Article VII.

The Community Center and other Shared Improvements and Facilities will be administered, maintained and operated by an association of the Owners, referred to as the Master Association. Each Owner will be a member of the Master Association and will be obligated to pay assessments levied by the Master Association for the costs associated with administration, maintenance and operation of the Shared Improvements and Facilities. The Master Association will also perform certain maintenance services on the Units such as snow removal and grass cutting. The Master Association is discussed in Article V, and the Owners’ assessment obligations are discussed in Article IX. The Master Association’s maintenance obligations are discussed in Article VIII.

The Grand Reserve Community is an age restricted Community. The Community’s Age Restricted can be found in Article IV.

In addition to the terms, provisions and restrictions of this Declaration, each Neighborhood will be subject to a Master Deed applicable only to the Owners of Units within such Neighborhood. As set forth in the Master Deed, each Neighborhood will be governed by a separate condominium association in addition to the Master Association. Article X of this Declaration contains Community Standards that apply to all Owners and Units within the Community.

Each Owner and prospective Owner is encouraged to become familiar with this Declaration and the Master Deed for the Neighborhood applicable to the Owner’s Unit.

ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION

The Property initially subject to this Declaration, and which shall be held, transferred, sold, conveyed and occupied pursuant to this Declaration is more particularly described on the attached Exhibit A. In addition to this Declaration, each Neighborhood within the Community shall be governed by a Neighborhood Master Deed which shall be subject to the terms of this Declaration.

ARTICLE III
DEFINITIONS

Section 3.01 “Age Qualified Occupant” shall mean any Person (i) 50 years of age or older who owns and Occupies a Dwelling and was the original purchaser of the Dwelling from Declarant; or (ii) 55 years of age or older who Occupies a Dwelling.
Section 3.02 "Architectural Review Committee" or "ARC" shall mean the committee that Declarant may create, at such time as it shall determine in its sole discretion, to review new construction and modifications (other than those installed by Declarant), and to administer and enforce the architectural controls for the Grand Reserve Community, as more specifically provided in Article XI and the Design Guidelines described in Section 11.03 below.

Section 3.03 "Community" shall mean The Grand Reserve Community established on the Property pursuant to this Declaration, as it may be expanded, presently consisting of Grand Reserve, a site condominium, and Townes at Grand Reserve, an attached condominium, and all Shared Improvements and Facilities developed by Declarant within the Property. The Property is legally described on attached Exhibit A.

Section 3.04 "Community Center" shall mean the community clubhouse for the Community, which may be owned by the Master Association and may contain various recreational amenities, including, by way of example only and not obligation or limitation, an outdoor and indoor pool, tennis/bocci courts, a physical fitness center, a library, a social room, offices, a kitchen, meeting rooms, an arts and crafts room and other similar amenities.

Section 3.05 "Cost Center" shall mean an area of the Community established for the benefit of a specific group of Units, or one but not all Neighborhoods, as opposed to all Units or Neighborhoods of the Community. A Cost Center shall be established in accordance with Section 8.05 below.

Section 3.06 "Declarant" shall mean Pulte Land Company, LLC, a Michigan limited liability company, its successors and assigns.

Section 3.07 "Declarant Control Period" shall mean the period commencing on the date of this Declaration and expiring on the earlier of: (a) the date on which Declarant ceases to own any Unit or other real property within the Community; (b) thirty (30) years from the date of this Declaration; (c) the date set forth in a notice from Declarant to each Owner that the Declarant Control Period has terminated or will terminate; or (d) such earlier time as determined by Declarant, in its sole discretion.

Section 3.08 "Design Guidelines" shall mean the written design and construction guidelines and application and review procedures applicable to the Community which are promulgated and administered pursuant to Article XI.

Section 3.09 "Dwelling" shall mean each residential building located upon a Unit in Grand Reserve intended for use or Occupancy as a detached single family residence and each portion of a residential building located within Townes at Grand Reserve, intended for use and Occupancy as an attached residence for a single family.

Section 3.10 "Entranceway and Landscaping Improvements" shall mean the entranceways and any entranceway monuments, boulevard medians, gate house, landscaping, signs, irrigation systems and related improvements located at or within the entranceways to the Community, and any perimeter landscaping and irrigation systems installed within the Open Space Areas, as identified on the Site Plan.
Section 3.11 "Master Association" shall mean The Grand Reserve Community Association, a Michigan non-profit corporation, formed or to be formed by Declarant for the purposes described herein, and its successors and assigns.

Section 3.12 "Member" shall mean a Person entitled to membership in the Master Association pursuant to Section 5.02.

Section 3.13 "Membership Cards" shall mean the cards which are issued by the Master Association and which confer upon the holder rights of access to and use of the Community Center and other recreational amenities within the Community.

Section 3.14 "Neighborhood" shall mean each separate residential condominium project located within the Community (collectively, the “Neighborhoods”).

Section 3.15 "Neighborhood Association" shall mean the separate condominium association established for each Neighborhood. Declarant presently intends to establish the Grand Reserve Condominium Association to govern the affairs of Grand Reserve, and the Townes at Grand Reserve Condominium Association to govern the affairs of the Townes at Grand Reserve.

Section 3.16 "Neighborhood Master Deed" or "Master Deed" shall mean the Master Deed, Exhibit A Bylaws and Exhibit B Condominium Subdivision Plan of a Neighborhood that is recorded with the Genesee County Register of Deeds and that establishes a Neighborhood as a condominium project within the Community (in accordance with the Michigan Condominium Act, Act 59 of the Public Acts of 1978, as amended), and any amendments thereto.

Section 3.17 "Occupy," "Occupies," "Occupied" or "Occupancy" shall mean, unless otherwise specified in this Declaration, an individual staying overnight in a particular Dwelling for at least ninety (90) days in any consecutive twelve (12) month period. The term "Occupant" shall refer to an individual who Occupies a Dwelling.

Section 3.18 "Owner" shall mean the holder or holders of the record fee simple title to a Unit, whether one or more persons or entities. The term "Owner" shall not include any mortgagee or any other person or entity having an interest in a Unit merely as security for the performance of an obligation, unless and until such mortgagee or other person or entity shall have acquired fee simple title to such Unit by foreclosure or other proceeding or conveyance in lieu of foreclosure. In the event of the conveyance of a Unit by land contract, the land contract vendee shall be the Owner of the Unit and shall bear sole liability for all obligations arising with respect to the Unit to the exclusion of the land contract vendor unless the land contract expressly provides otherwise. Provided that the Declarant or an affiliate of the Declarant shall retain the rights and obligations of an Owner with respect to any Unit sold under land contract by the Declarant or an affiliate of the Declarant. If more than one person or entity owns fee simple title to or a land contract, vendee's interest in a Unit, then the interests of all such persons or entities collectively shall be that of one Owner.
Section 3.19  "Open Space Areas" shall mean all Open Space Areas located within the Community, as identified on the Site Plan, and all improvements thereto, including any park areas, benches, pavilions, picnic areas, retaining walls or other improvements.

Section 3.20  "Pathways" shall mean the pathways serving the Community as identified on the Site Plan.

Section 3.21  "Person" shall mean any individual, trust, partnership, firm, association, corporation, limited liability company, trust or any other form of business or government entity, collectively.

Section 3.22  "Qualified Occupant" shall mean any of the following individuals who Occupy a Dwelling:

(a) Any Age Qualified Occupant;

(b) Any Person 19 years of age or older who Occupies a Dwelling with an Age Qualified Occupant; or

(c) Any Person 19 years of age or older who Occupied a Dwelling with an Age Qualified Occupant and who continues, without interruption, to Occupy the same Dwelling after termination of the Occupancy of the Age Qualified Occupant.

Section 3.23  "Roads" shall mean all interior roadways within the Community, as identified on the Site Plan.

Section 3.24  "Rules" shall mean the rules, regulations, restrictions and guidelines relating to an Owner's use of such Owner's Dwelling, the use of Shared Improvements and Facilities and conduct of Persons within the Community, as more specifically provided and authorized in Article X of this Declaration.

Section 3.25  "Sanitary Sewer Lines" means the sanitary sewer lines and other sanitary sewer improvements that are a part of the sanitary sewer systems within the Community, as identified on the engineering plans for the Community and approved by the Township, up to the point where service is stubbed for lateral connection for service to each Unit in Grand Reserve and each residential building in Townes including a potential sanitary sewer reserve tank and related facilities which may be installed on Units 181 and 182 or a nearby open space area of the Grand Reserve Neighborhood.

Section 3.26  "Shared Improvements and Facilities" shall mean the Community Center, Entranceway and Landscaping Improvements, Roads, Open Space Areas, Wetlands, Sidewalks, Pathways, Storm Drainage Facilities, Sanitary Sewer Lines, Water Lines, and Utilities and any other area so identified on the Site Plan and used by all Owners within the Community.

Section 3.27  "Sidewalks" shall mean the sidewalks that are located within and serve the Community, as identified on the Site Plan.
Section 3.28 "Site Plan" shall mean the site plan attached hereto as Exhibit B that has been approved by the Township.

Section 3.29 "Storm Drainage Facilities" shall mean all storm drainage and retention/detention facilities, sedimentation basins and appurtenances located within the Community or within easements for the benefit of the Community, including but not limited to all storm sewer lines, manhole covers, storm drainage grates and drainage swales, as identified on the engineering plans for the Community which have been approved by applicable governmental authorities.

Section 3.30 "Township" shall mean Grand Blanc Township, Genesee County, Michigan.

Section 3.31 "Unit" shall mean each residential condominium unit within the Community, as identified in a Neighborhood Master Deed, as the same may be amended.

Section 3.32 "Utilities" shall mean the electrical transmission mains, lines and wiring, the telecommunications system lines and wiring and natural gas distribution system, mains, lines and wiring throughout the Community up to the point of lateral connection for service to each Unit in the Grand Reserve and each residential building in the Townes at Grand Reserve.

Section 3.33 "Water Lines" means the water lines and other water system improvements and appurtenances that are a part of the water distribution systems within the Community, as identified on the engineering plans for the Community and approved by the Township up to the point where service is stubbed for lateral connection to each Unit in Grand Reserve and each residential building in Townes at Grand Reserve.

Section 3.34 "Wetlands" means the regulated wetland areas (whether by state, federal or local laws or ordinances) within or serving the Community, including wetland buffers and related facilities.

ARTICLE IV
AGE RESTRICTION

The ownership, use and occupancy of all of the Units in the Community shall be subject to the following Age Restrictions:

Section 4.01 Age Restriction. The Community is intended to provide housing primarily for persons 55 years of age or older, subject to the rights reserved to Declarant in Article XIII of this Declaration and Section 4.03 below. The Community shall be operated as an age restricted community in compliance with all applicable Michigan and federal laws.

Subject to Article XIII of this Declaration, each Occupied Dwelling, shall be Occupied by an Age Qualified Occupant. Provided, however, that once a Dwelling is Occupied by an Age Qualified Occupant, other Qualified Occupants of that Dwelling may continue to Occupy the Dwelling in the absence of an Age Qualified Occupant so long as such continued occupancy does not affect the Community’s compliance with all applicable state and federal laws under
which the Community may be developed and operated as an age restricted community. Notwithstanding the preceding sentence, at all times at least eighty percent (80%) of the Units within the Community shall be occupied by at least one person 55 years or older. Persons under 19 years of age may stay overnight in a Dwelling for up to, but not exceeding, ninety (90) days during any twelve (12) consecutive months, but shall not Occupy any Dwelling.

Section 4.02 Revisions to Age Restriction Requirements. The board of directors of the Master Association shall establish policies and procedures from time to time as necessary to maintain the Community’s status as an age restricted community under state or federal law. The provisions of this Section may be enforced by the Master Association by an action at law or in equity, including, without limitation, an injunction requiring specific performance.

Section 4.03 Sales by Declarant. Notwithstanding the restrictions set forth in Section 4.01, Declarant reserves the right to sell Units to or for Occupancy by Persons between the ages of 50 and 55, inclusive, provided that such sales shall not affect the Community’s compliance with all applicable state and federal laws under which the Community may be developed and operated as an age restricted community.

ARTICLE V
MASTER ASSOCIATION

Section 5.01 Creation and Purposes. Declarant has or will form a non profit corporation in accordance with the Michigan Non-Profit Corporation Act, Act No. 162 of the Public Acts of 1982, which shall be known as The Grand Reserve Community Association, or such other name as may be designated by Declarant, for the purpose of performing the rights, duties and obligations described in this Declaration. The Master Association and its Members shall have those rights, duties and obligations set forth in this Declaration and in the Articles of Incorporation and Bylaws of the Master Association.

The purpose of the Master Association shall be to insure, own, operate, administer, maintain, repair and replace the Shared Improvements and Facilities constructed, installed or located within or serving the Community, to maintain and repair any general common elements or Units of a Neighborhood in the event the Neighborhood Association or Unit Owner shall fail to properly perform such maintenance of repair, to enforce the terms and provisions of this Declaration, including the Age Restricted, and the Articles of Incorporation and Bylaws of the Association and to administer the affairs of the Master Association.

Section 5.02 Membership. Every Owner of a Unit within the Neighborhoods shall be a Member of the Master Association. Owners are sometimes referred to as “Members” in this Declaration. Every Owner shall become a Member commencing on the date on which the Owner acquires ownership of a Unit. All membership rights and obligations shall be appurtenant to and may not be separated from the ownership of any Unit. An Owner’s Membership in the Master Association shall be in addition to the Owner’s membership in the Neighborhood Association that is formed with respect to such Owner’s Neighborhood.
Section 5.03 Voting Rights. Except as otherwise provided in this Declaration, each Member shall be entitled to one vote for each Unit owned by such Member on each matter submitted to a vote of Members. Where title to a Unit is held by more than one Person, all such Persons shall be Members and jointly shall be entitled to only one vote per Unit. Where a Unit has been sold pursuant to a land contract, the land contract buyer shall be considered the Member and shall be entitled to the vote for such Unit, unless the land contract expressly provides otherwise. Provided, the Declarant shall retain the rights and obligations as a Member with respect to a Unit sold under land contract by Declarant or an affiliate of Declarant. Multiple Owners (including, if applicable, co-purchasers under a land contract) may exercise their one vote per Unit as they may mutually agree, and such Owners or co-purchasers shall notify the Master Association in writing of the Person entitled to exercise such vote. In the event any multiple Owners fail to provide such notice to the Master Association within thirty (30) days prior to the date set for a meeting, the Owner whose name first appears on record title shall be deemed to be the Member authorized to vote on behalf of the multiple Owners and any vote cast in person or by proxy by such Owner, or the failure of such Owner to vote, shall be binding upon all such multiple Owners.

Section 5.04 Directors. Management of the affairs of the Master Association shall be exclusively vested in the Board of Directors of the Master Association (“Board of Directors” or “Board”). Declarant or its designated representative shall be the sole Director of the Master Association until the earlier of expiration of the Declarant Control Period or Declarant’s written resignation. After such time the Board shall consist of five (5) Directors (“Directors”). Three (3) Directors shall be elected by the directors of the Grand Reserve Condominium Association and two (2) Directors shall be elected by the directors of the Townes at Grand Reserve Condominium Association. The Directors of the Master Association may also be directors of their respective Neighborhood Associations. Unless otherwise specified in this Declaration, all actions that require the approval of the Board shall require the approval of four (4) Directors.

Section 5.05 Articles and Bylaws. The Master Association shall be organized, governed and operated in accordance with its Articles of Incorporation and Bylaws, which are initially adopted by Declarant and which, following the expiration of the Declarant Control Period, may be amended from time to time by the Master Association, in accordance with the terms of this Declaration. In the event there exists any conflict between the provisions of the Articles of Incorporation and Bylaws of the Master Association and the provisions of this Declaration, the provisions of this Declaration shall control.

Section 5.06 Subcommittees. The Board of Directors of the Master Association may designate certain functions to be performed by various subcommittees, including, without limitation, finance, recreation, lifestyles, and property and grounds, some of which will be standing committees and all of which will be more specifically described in the Bylaws for the Master Association.
ARTICLE VI
COMMUNITY CENTER

Section 6.01 Right Of Members To Use Community Center. Each Member of the Master Association shall have the right and non-exclusive easement to use the Community Center for the purposes provided in this Declaration. The Members shall be given Membership Cards for use of the Community Center. The Members’ rights shall exist regardless of whether the Community Center is also described as a general common element of a particular Neighborhood, and each Member’s right to use the Community Center shall be deemed a part of, and shall pass with title to, every Unit, regardless of whether such right is specifically referred to in the document transferring title to such Unit.

The Community Center shall be used subject to the following general provisions:

6.01.1 The Community Center and all improvements and facilities located thereon may be used for passive and active sports, for recreational, social, civic and cultural activities, and for the common use and enjoyment of the Members, and such other uses as are established by the Board of Directors of the Master Association.

6.01.2 The Master Association shall have the right to establish non-discriminatory rules and regulations as the Board of Directors may deem necessary or desirable for the safe, orderly and convenient operation and use of the Community Center and for the proper maintenance, repair, and replacement of the Community Center and the improvements and facilities located thereon.

6.01.3 The Master Association shall have the right to suspend the right of any Member (including such Member’s immediate family members) to use the Community Center, for: (i) any period for during which any assessment against such Member’s Unit is delinquent, including any assessments levied by such Member’s Neighborhood Association; and (ii) a period not in excess of thirty (30) days for any infraction of any rules or regulations promulgated by the Board of Directors.

6.01.4 The Master Association and any activity clubs chartered by the Master Association shall have the right to charge reasonable fees for the use of all or any portion of the Community Center or the conduct of any activities therein, provided that such fees shall be applied equally to all Members using such portion of the Community Center or performing such activity.

Section 6.02 Maintenance And Insurance Of Community Center. The Master Association shall be responsible for the maintenance, repair, replacement, administration and operation of the Community Center, subject to the provisions of the Declaration, as may be amended. The Master Association shall at all times keep in full force and effect, with respect to the Community Center, comprehensive public liability and property damage insurance with limits as deemed appropriate by the Board of Directors and casualty insurance in an amount equal to the maximum insurable replacement value of the Community Center, including equipment located therein, as determined annually by the Board of Directors of the Master Association.
Association, in consultation with its insurance carrier in light of commonly employed methods for the reasonable determination of replacement costs, and as further described in Article VIII.

Section 6.03 Title To Community Center. At such time as the Master Association has been formed and organized, Declarant may, in its sole discretion, convey title to the Community Center to the Master Association. In any event, Declarant shall convey title to the Community Center to the Master Association prior to the expiration of the Declarant Control Period. The Master Association shall thereafter hold title to the Community Center for the benefit of the Owners. The foregoing conveyance shall be subject to the Owners’ rights of enjoyment and any rights or easements reserved, dedicated or granted by Declarant. In the event the Community Center is taxed as a separate parcel, any taxes and assessments associated with the Community Center shall constitute an obligation of the Master Association to be assessed to the Members under Section 9.03.

Section 6.04 Membership Cards.

6.04.1 One (1) Membership Card will be allocated to each Qualified Occupant of a Unit, up to a maximum of two (2) Membership Cards per Unit. No Membership Cards will be allocated to any Unit which is not occupied by a Qualified Occupant. The Master Association may determine entitlement to Membership Cards as often as necessary to give effect to this Section. Membership Cards will be renewed annually, provided the Unit continues to be occupied by a Qualified Occupant and all applicable assessments and other charges pertaining to the Unit have been paid. The Master Association may establish policies, limits and charges with respect to the issuance of additional Membership Cards and guest privilege cards. The Master Association may issue Membership Cards to persons who have signed binding contracts to purchase a Unit, subject to such policies as the Master Association may determine from time to time, in its sole discretion.

6.04.2 The right to a Membership Card is based upon Occupancy of a Unit. Any Owner who leases or otherwise transfers Occupancy of the Owner’s Unit shall be deemed to have assigned the right to a Membership Card to the Qualified Occupant of such Unit. Any Owner who leases or otherwise transfers the right to Occupy the Owner’s Unit shall promptly provide the Master Association with written notice of such transfer and immediately upon such transfer, shall surrender the Owner’s Membership Card to the Master Association. Membership Cards shall be surrendered by any holder immediately upon receipt of written notice from the Master Association that the holder is no longer entitled to the Membership Card.

6.04.3 During the Declarant Control Period, Declarant shall be entitled to as many Membership Cards as Declarant, in its sole discretion, deems necessary or desirable for the purpose of marketing the Community or for use by its agents, employees or representatives. Declarant may transfer Membership Cards to prospective purchasers of a Dwelling, subject to terms and conditions as Declarant may determine in its sole discretion.

Section 6.05 Reserved Rights of Declarant and the Master Association. Declarant and the Master Association, and their agents, employees and representatives, shall have the perpetual right of reasonable access to the Community Center, at all reasonable times, for purposes of
administration, maintenance, repair, replacement, operation and improvement of the Community Center.

In addition, Declarant and the Master Association (following the conveyance by Declarant to the Master Association of title to the Community Center) shall have the exclusive right to reserve, dedicate or grant public or private easements within the Community Center for the construction, installation, repair, operation, maintenance and replacement of rights-of-way, walkways, bicycle paths, water mains, sewers, storm drains, detention basins, electric lines, telephone lines, gas mains, cable television and other telecommunication lines and other public and private utilities, including all equipment, facilities and appurtenances relating thereto. Declarant or the Master Association, as applicable, reserves the right to assign any such easements to units of government or public or private utility companies. Declarant or the Master Association, as applicable, may determine the location and configuration of such easements in its sole discretion.

Section 6.06 Books and Records. The Master Association shall maintain a separate set of books and records for the Community Center and upon the reasonable request of a Member, the Master Association shall make the books and records available to the requesting Member.

ARTICLE VII
SHARED IMPROVEMENTS AND FACILITIES: EASEMENTS

Section 7.01 Description. The Shared Improvements and Facilities are depicted on the Site Plan attached as Exhibit B and include the following, and such other areas designated by Declarant by amendment to this Declaration, by expansion of a Neighborhood by Declarant to include all or a portion of a future development area, or by expansion of the Community to include additional land:

7.01.1 The Community Center.
7.01.2 The Roads.
7.01.3 The Entranceway and Landscaping Improvements.
7.01.4 The Open Space Areas.
7.01.5 The Pathways and Sidewalks
7.01.6 The Storm Drainage Facilities.
7.01.7 The Utilities.
7.01.8 The Sanitary Sewer Lines.
7.01.9 The Water Lines.
7.01.10 The Wetlands.
Section 7.02 Easement And Right To Use Shared Improvements And Facilities. Notwithstanding anything to the contrary contained in any Master Deed, the Declarant, the Association, each Neighborhood Association and each Owner shall have the right and non-exclusive easement for access to and for the use of the Shared Improvements and Facilities for the purposes provided in this Declaration and the Master Deeds. These rights shall exist regardless of whether the Shared Improvements and Facilities are included in a particular Neighborhood or described as common elements of any particular Neighborhood. Each Owner’s easement and right to use the Shared Improvements and Facilities shall be deemed a part of, and shall pass with title to, every Unit, regardless of whether such easement is specifically referred to in the instrument transferring title to such Unit.

Section 7.03 Maintenance And Insurance Of Shared Improvements And Facilities. Except as otherwise provided in Article VIII below, the Master Association shall administer and maintain the Shared Improvements and Facilities in a high quality manner to ensure that the Community is an attractive and desirable place to live. The Master Association shall be responsible for the insurance, maintenance, repair, replacement, administration and operation of the Shared Improvements and Facilities, subject to the laws, ordinances, rules and regulations of governmental entities having jurisdiction over the Shared Improvements and Facilities and the provisions of this Declaration, as it may be amended. The Master Association shall at all times keep in full force and effect, with respect to the Shared Improvements and Facilities, comprehensive public liability and property damage insurance with limits as deemed appropriate by the Board of Directors of the Master Association. Such maintenance and insurance provisions are further described in Article VIII below.

Section 7.04 Maintenance Of General Common Elements Or Units. Except as otherwise provided in this Declaration, to the extent a general common element of a Neighborhood is also designated as Shared Improvements and Facilities, the Master Association shall be responsible for the administration, operation, maintenance, insurance, repair and replacement of such general common element. In addition, in the event any Unit or general common element of a Neighborhood, including the exterior of any building or Unit, is not properly maintained, repaired or replaced by the Unit Owner or the applicable Neighborhood Association, the Master Association shall have the right to undertake such maintenance, repair or replacement and assess the Unit Owner directly or through the Neighborhood Association for the cost of such maintenance, repair or replacement. The Master Association shall have the same easement and access rights as the Neighborhood Association for such purpose.

Section 7.05 Easements for Shared Improvements and Facilities. Declarant and the Master Association (after the Declarant Control Period), and their respective agents, representatives and assigns, shall have perpetual easements for access to the Shared Improvements and Facilities, at all reasonable times, for the purposes set forth in this Declaration including maintenance, repair, replacement, operation and administration thereof. Declarant and the Master Association shall also have the right to reserve, dedicate and/or grant public or private easements within the Shared Improvements and Facilities for the construction, installation, repair, maintenance, operation and replacement of rights-of-way, the Roads, Pathways, Sidewalks, Sanitary Sewer Lines, Water Lines, Utilities, Storm Drainage Facilities and other public and private utilities, including all equipment, facilities and appurtenances relating thereto;
provided such right is exercised in accordance with all applicable laws, ordinances and regulations. Declarant and the Master Association reserve the right to assign any such easements to applicable governmental authorities or public or private utility companies; provided such right is exercised in accordance with all applicable laws, ordinances and regulations. The Declarant or the Master Association may determine the location and configuration of such easements.

Section 7.06 Uses of Units and Shared Improvements and Facilities: Potential Sanitary Sewer Tank. The use of the Units is limited to residential use in accordance with this Declaration, the Master Deeds, the ordinances of the Township, the requirements of other applicable governmental authorities, and in accordance with the Age Restricted described in Article IV above. The Shared Improvements and Facilities are subject to the jurisdiction of the Master Association and shall not be modified or altered by any Owner of Occupant without the prior written approval of the Master Association. Provided, Declarant reserves the right to convert Units to Shared Improvements and Facilities as described in the Neighborhood Master Deeds and this Declaration. As part of the Shared Improvements and Facilities Developer reserves the right to install a sanitary sewer reserve tank and related facilities on certain designated Units or Open Space Areas within the Community in a manner approved by applicable governmental authorities. Developer presently reserves the right to install an underground sanitary sewer reserve tank and related above ground facilities on Unit 181 and Unit 182 of the Grand Reserve Neighborhood or on a nearby Open Space Area, to be used for the purpose of detaining sanitary sewer flows during major storm events. If installed and operated, the sanitary sewer reserve tank and facilities will produce noise and odors.

Section 7.07 Rules and Regulations. The Board of Directors of the Master Association may make Rules from time to time to reflect the needs and desires of the majority of the Owners with respect to the Shared Improvements and Facilities maintained by the Master Association; provided that no Rule shall hinder or interfere with the use of any of the Shared Improvements and Facilities. Copies of all such Rules, regulations and any amendments shall be furnished to each Neighborhood Association for distribution to all of the Members.

Section 7.08 View Impairment. Neither Declarant, the Master Association nor the Neighborhood Associations shall be responsible for preservation or maintenance of any view from any Unit or any Shared Improvements and Facilities. Declarant, the Master Association and the Neighborhood Associations shall have no obligations to relocate, prune or thin trees and other landscaping except as set forth in this Declaration or the Master Deeds. Trees and other landscaping may be added to Units and to the Shared Improvements and Facilities subject to provisions of, applicable law, this Declaration and the Master Deeds. Any express or implied easements for view or for the passage of light and air are expressly disclaimed.

Section 7.09 Emergency Vehicle Access Easement. The Declarant reserves for the benefit of the Township, applicable governmental authorities, and any emergency service agency, an easement over all Roads for use by the Township, other applicable governmental authorities and/or emergency vehicles. Such easement 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 the Neighborhoods and Owners.
The foregoing easement shall not construed as a dedication of any streets, roads, or driveways to
the public.

Section 7.10 Additional Easements. Declarant and the Master Association shall have
the right to obtain easements for the benefit of the Community or any portion thereof and to enter
into agreements for such easements, which agreements may provide for certain maintenance,
landscaping or other obligations to be performed by the Master Association. All of the Owners
and mortgagees of Units, the Master Association, each Neighborhood Association and other
Persons now or hereafter interested in the Community from time to time shall be deemed to have
unanimously consented to the establishment of such additional easements or the execution of any
related maintenance agreement. All such interested parties irrevocably appoint Declarant as
agent and attorney-in-fact to execute such easements, assignments of easements, maintenance
agreements and other documents to effectuate the foregoing.

Section 7.11 Neighborhood Master Deeds. The Master Deed for each Neighborhood
shall be subject to the easements established in this Article VII with respect to the portions of the
Shared Improvements and Facilities located within each Neighborhood. In addition, the
foregoing easements shall apply regardless of whether such Shared Improvements and Facilities
constitute general common elements within such Neighborhood.

Section 7.12 Change in Use or Ownership of Shared Improvements and Facilities. The
Declarant, during the Declarant Control Period, without the approval or consent of the Members,
and thereafter, the Master Association, pursuant to an action of the Members taken at a duly
called meeting of the Members, shall have the power and authority to change the use or
ownership of all or any portion of the Shared Improvements and Facilities subject to any
requirements of applicable governmental authorities. Following the expiration of the Declarant
Control Period, any such change shall be pursuant to a resolution of the Board of Directors of the
Master Association that: (a) the present use, ownership or service is no longer in the best interest
of the Community; (b) the new use or service is for the benefit of the Community; (c) the new
use, ownership or service is consistent with any deed restrictions and zoning regulations
restricting or limiting the use of the Shared Improvements and Facilities; and (d) in the case of
any portion Shared Improvement or Facilities that is reserved for the use of Units within a
particular Neighborhood, such change has been approved by the applicable Neighborhood
Association.

Section 7.13 Easements for Maintenance of Encroachments. In the event any portion of
the Shared Improvements or Facilities encroaches upon a Unit or other area of the Community
due to shifting, settling or moving of a structure, or due to survey errors, or construction
deviations, reciprocal easements shall exist for such encroachment, and for the maintenance,
repair and restoration of such encroachment.

Section 7.14 Security: Gate House. It is the goal of all Owners, including Declarant, to
have a safe and healthy environment. No oral or written representations regarding the safe and
secure nature of the Community may be construed in whole or in part as guarantees thereof, it
being recognized that circumstances which are beyond the control of Declarant, the Master
Association and the Neighborhood Associations may arise. The Declarant or the Master
Association may maintain or support certain activities designed to make the Community safer than they otherwise might be, provided, however, the Master Association shall not be obligated to maintain or support such activities. The gate house at the entry to the Community along Baldwin road is not designed to and will not house an attendant. There will be no gate restricting entrance to the Community as the gate house is designed purely for landmark and aesthetic purposes.

Neither the Master Association, the Neighborhood Associations, the Declarant nor any managing agent of the Community shall be considered insurers or guarantors of security within the Community. None of the foregoing shall be liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any fire protection system, entry gate, patrol, burglar alarm system or other security system or measures, including any mechanism or system for limiting access to the Community cannot be compromised or circumvented, not that any such system or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designated or intended. Each Owner, and all Occupants, tenants, guests and invitees of the Unit assume all risks for loss or damage to persons, to Units, and to the contents of a Unit and further acknowledge that the Master Association, its Board of Directors and committees, the managing agent, any Neighborhood Association and Declarant have made no representation or warranty, nor has any such person relied upon any representation or warranty, expressed or implied, relative to any entry gate, patrolling of the Community, any fire protection system, burglar alarm system or other security system recommended or installed or any security measure undertaken within the Community.

ARTICLE VIII
MAINTENANCE AND INSURANCE COVENANTS

Section 8.01 Master Association Maintenance Obligations; Service Contracts with Neighborhood Associations.

8.01.1 The Master Association shall be responsible for snow removal from all of the Roads, Pathways, Sidewalks within the Community and for insurance, maintenance, repair, operation, administration and replacement of the Shared Improvements and Facilities, to the extent such insurance, maintenance, repair, operation, administration or replacement obligation is not specifically allocated to the Neighborhood Associations under Sections 8.02 or 8.03 below, and to the extent not dedicated to the Township or other governmental authority or to a utility company, including any irrigation systems within the Open Space Areas and Entranceway Improvements and Landscaping. The costs incurred by the Master Association to perform its obligations under this Section 8.01.1 shall be assessed in the manner set forth in Article IX;

8.01.2 In addition to its maintenance obligations under Section 8.01.1 above, the Master Association shall be responsible for snow removal from the front walkways and driveways of the Site Condominium Units, and residential buildings within which Attached Condominium Units are located and for maintaining any landscaping and other flora located on a Unit or adjacent to a residential building containing Units (except for any landscaping area
designated by Declarant for use by Unit Owners as described in Section 10.14 below), including, but not limited to, maintenance of sprinkler systems and grass cutting. The Board of Directors of the Master Association shall establish specific Rules regarding the scope and frequency of such maintenance, in its sole discretion. The cost incurred by the Master Association in performing its obligations under this Section 8.01.2 shall be assessed in the manner set forth in Article IX; provided, however, in the event such maintenance services apply to only one (1) Neighborhood, the cost shall be assessed against the Units located within that Neighborhood only and not the entire Community.

8.01.3 The Master Association may enter into service contracts with one or more of the Neighborhood Associations under which the Neighborhood Association contracts with the Master Association to perform all or a portion of the administration, operation, maintenance, repair and replacement responsibilities of the Neighborhood Association. In such event, the Master Association shall bill the Neighborhood Association for the cost of such administration, operation, maintenance, repair and replacement in accordance with the service contract which shall be paid by the Neighborhood Association and assessed to the Owners of Units in the Neighborhood as provided in this Declaration and the Master Deed and Bylaws of the Neighborhood. One or more Neighborhood Associations may include in its service contract with the Master Association designation of the Master Association as Collection Agent for the Neighborhood Association. In that case, the Master Association shall collect, on behalf of the Neighborhood Association, the assessments of Units in the Neighborhood as provided in the Neighborhood Master Deed and Bylaws, and shall remit the amount collected to the Neighborhood Association less any administration fee provided in the service contract.

Section 8.02 Grand Reserve Condominium Association Maintenance Obligations. The Grand Reserve Condominium Association, at its cost, shall be responsible for maintaining, repairing and replacing any portion of the Shared Improvements and Facilities located within the Grand Reserve Neighborhood, that have been designated by the Master Association as the responsibility of the Grand Reserve Condominium Association and that have not been dedicated to the Township or other governmental authority or to a utility company. In addition, the Grand Reserve Condominium Association shall be responsible for the maintenance of any landscaping within the common elements of the Grand Reserve that has designated by the Master Association as the responsibility of the Grand Reserve Condominium Association.

Section 8.03 Townes at Grand Reserve Condominium Association Maintenance Obligations. The Townes at Grand Reserve Condominium Association, at its cost, shall be responsible for maintaining, repairing and replacing any portion of the Shared Improvements and Facilities located within the Townes at Grand Reserve that have been designated by the Master Association as the responsibility of the Townes at Grand Reserve Condominium Association and that have not been dedicated to the Township or other governmental authority or to a utility company. In addition, the Townes at Grand Reserve Condominium Association shall be responsible for maintenance of the landscaping within the Townes at Grand Reserve, that has been designated by the Master Association as the responsibility of the Townes at Grand Reserve Condominium Association.
Section 8.04 Owner Maintenance Obligations: Snow Removal. The Master Association will be responsible for the removal of snow from the Sidewalks, driveways and walkways that are on or adjacent to an Owner’s Unit. The Master Association will establish standards concerning the frequency and timing of the snow removal contemplated by this Section. However, if the Master Association or an applicable Neighborhood Association elects not to perform such snow removal, each Owner shall be responsible for the removal of snow from the Sidewalks, driveways and walkways that are adjacent to such Owner’s Unit.

Section 8.05 Cost Centers. Notwithstanding anything in this Declaration or any Neighborhood Master Deed to the contrary, Declarant may designate, in an amendment to this Declaration, a particular portion of the Community as a Cost Center. The services that may be performed within a Cost Center include, without limitation, landscape maintenance and snow removal. After the end of the Declarant Control Period, the Owners of a majority of Units within a particular Neighborhood may, by affirmative vote, written consent, or a combination thereof, request that an area including their Units be designated as a Cost Center, and the Master Association shall provide the requested services, upon approval of the Board of Directors, which approval shall not be unreasonably withheld. The Board of Directors of the Master Association shall assess the cost of such services, which may include a reasonable administrative charge in such amount as the Board deems appropriate, against the Units within such Cost Center, as a “Cost Center Assessment” in the manner described in Section 9.05 below; provided that any such administrative charge shall apply at the same rate per Unit to all Units within Cost Centers receiving the same service.

Section 8.06 General Liability Insurance. The Master Association shall, at all times, maintain or cause to be maintained, general public liability insurance for bodily injury, personal injury and property damage occasioned by accidents occurring upon, in or about the Shared Improvements and Facilities, in such amounts as are determined by the Board of Directors of the Master Association, in its sole discretion. To the extent specifically requested by the Master Association, the Grand Reserve Condominium Association and Townes at Grand Reserve Condominium Association shall, at all times, maintain or cause to be maintained, general public liability insurance for bodily injury, personal injury and property damage occasioned by accidents occurring upon, the general common elements within such Neighborhood Association’s respective Neighborhood, in such amounts as are determined by the board of directors of such Neighborhood Association, in its sole discretion. All of the insurance policies described in this Section 8.06 shall be purchased by the applicable association for the benefit of such association, and the Owners of Units and their mortgagees within such Neighborhood, as their interests may appear. All premiums on insurance purchased by an association pursuant to this Section 8.06 shall be expenses of administration of such association.

Section 8.07 Waiver of Subrogation. The Master Association, as to all policies that it obtains, and the Neighborhood Associations, as to all policies that they obtain, shall use their best efforts to ensure that all property and liability insurance carried by the Master Association and any Neighborhood Association contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Owner, the Master Association or any Neighborhood Associations.
Section 8.08 Private Road Maintenance Obligations; Township Rights; Muirfield Drive Access. The Master Association shall be responsible for insurance, maintenance, repair and replacement of the Roads within the Community, including responsibility for snow removal and dust control. All Roads shall be maintained to a standard that will prevent the existence of extreme bumpy conditions, pot holes or other similar conditions that would cause vehicles to be immobilized. The Master Association shall be responsible for maintaining the Roads so as to allow for adequate access for emergency vehicles all year round except for limited periods of time where the Roads are inaccessible due to conditions beyond the control of the Master Association that were not reasonably foreseeable. In the event that the Roads are not maintained to the standard described in this section or in the event the Roads are not maintained so as to allow adequate access for emergency vehicles as required in this section, then, and in either such event, after reasonable notice to the Master Association, and a reasonable opportunity for the Master Association to cure such deficiency, the Township may order necessary repairs to the Roads and may levy the cost of such repairs on the annual tax bills of all of the Owners of the Units within the Community, pro rata. Such taxes are to be collected with the Township property tax. Notwithstanding the foregoing, the Township shall have the right to collect said costs in any other legal manner approved by the Township Board from time to time. As shown on the Grand Reserve Neighborhood Exhibit B drawings, Muirfield Drive is presently designed to provide access to land adjacent to the Community on the west.

Section 8.09 Wetland and Wetland Buffers; Open Space Areas. A portion of the Wetlands and wetland buffers may be located on Units. As set forth in Section 10.10 below, no modification, use or occupancy of any Wetlands or wetland buffers shall occur without the prior written approval of Declarant and applicable governmental authorities. The Open Space Areas are subject to the authority of the Master Association, and no Owner or Occupant shall modify or alter the Open Space Areas without the prior written approval of Declarant.

Section 8.10 Storm Water, Drainage Easements and Facilities. Storm water drainage easements and facilities are established to assure the perpetual functioning of the storm water drainage system across the Community as shown on Exhibit B to each Neighborhood Master Deed. A portion of the storm water drainage easements and facilities may be located on Units. To maintain the intended function of the storm water drainage easements and facilities, no modification, use or occupancy of such areas is allowed without the prior written approval of the Declarant, the Master Association and applicable governmental authorities. The Master Association shall be responsible for maintenance of the storm water, drainage easements and facilities of the Community in accordance with the requirements of applicable governmental authorities, and the cost of such maintenance shall be assessed to the owners of the Units of the Neighborhoods through the Master Association. Declarant reserves the right to dedicate easements to the Genesee County Drain Commissioner for drainage purposes and to establish a drainage district over all or a portion of the storm water, drainage easements and facilities in accordance with requirements of applicable governmental authorities and all Owners and their lenders consent to such dedication.
ARTICLE IX
ASSESSMENTS

Section 9.01 Payment of Assessments. Each Owner shall be responsible for and shall pay to the Master Association the assessments pertaining to such Owner’s Unit described below:

9.01.1 General assessments to meet regular Master Association expenses, including assessments necessary for the Master Association to perform any insurance, administration, operation, maintenance, repair or replacement obligation or services under this Declaration;

9.01.2 Special assessments for capital improvements, to be established and collected as set forth below;

9.01.3 All other assessments for taxes, levies, assessments or other charges lawfully imposed or charged to the Master Association; and

9.01.4 All user fees and assessments pertaining to the Community Center as described in Article VI above.

Section 9.02 Purpose of General Assessments. The Master Association shall use the general assessments levied under this Article IX for the purpose of: (i) performing its obligations pursuant to this Declaration; (ii) providing additional services and facilities for the benefit of Owners; and (iii) paying the insurance required by this Declaration.

Section 9.03 General Assessments. Commencing in the year in which the Master Association is formed, and for each fiscal year of the Master Association thereafter, general assessments shall be levied and paid in the following manner:

9.03.1 The Board of Directors of the Master Association shall levy against each Unit and its Owner an assessment, based upon the projected costs, expenses and obligations of the Master Association for the ensuing fiscal year. In the event the actual costs, expenses and obligations of the Master Association exceed the amount projected, the Board of Directors of the Master Association shall have the right to levy against each Unit and its Owner such additional assessments as may be necessary to defray such costs, expenses and obligations. Such assessments shall be payable in monthly installments unless otherwise determined by the Master Association. In its discretion, the Master Association may delegate to each Neighborhood Association, the responsibility for collecting from the Owners within its Neighborhood the assessments of the Master Association are allocated to the Owners within such Neighborhood. The Master Association shall establish and include in the general assessments an adequate reserve fund for maintenance, repairs and replacement of those Shared Improvements and Facilities that must be replaced on a periodic basis. At a minimum, the reserve fund shall be equal to ten (10%) percent of the Master Association’s current annual budget on a non-cumulative basis. The reserve fund may be funded by regular monthly, annual, or other periodic assessment payments as determined by the Board of Directors of the Master Association or by the Capitalization Fees described in Section 9.10 below. However, such reserve fund shall not be funded by special assessments.
9.03.2 With the exception of the Cost Center Assessments described in Section 9.05 below, and any remedial assessments described in Section 9.06 below, the assessments of the Master Association shall be levied against each Unit and each Unit Owner on a uniform basis. An Owner’s payment obligations will commence with the acquisition of ownership of a Unit. An Owner shall be in default of the assessment obligations if the Owner fails to pay any assessment installment when due. A late charge not to exceed twenty-five ($25.00) Dollars per month shall be assessed automatically by the Master Association on any assessment installment in default for ten (10) or more days until the assessment installment is paid in full, together with the applicable late charges and interest on such unpaid assessment from the date such assessment was due, until paid, as determined by the Master Association, in its discretion, which interest rate shall not exceed the highest rate permitted by law, are paid in full. Each Owner (whether one or more Persons) shall be, and remain, personally liable for the payment of all assessments (including fines for late payment, interest and costs of collection and enforcement of payment) relating to such Owner’s Unit levied while such Owner owns the Unit. Payments to satisfy assessment installments in default shall be applied as follows: first, to the costs of collection and enforcement of payment, including reasonable attorneys’ fees; second, to any interest charges and fines for late payment on such assessment installments; and third, to the assessment installments in default in the order of their due dates.

9.03.3 The fiscal year of the Master Association shall be established in the manner set forth in the Master Association Bylaws.

Section 9.04 Special Assessments for Capital Improvements. In addition to the general assessments authorized by Section 9.03 above, the Master Association may levy a special assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of the Shared Improvements and Facilities, including any fixtures, equipment and other personal property relating thereto. Notwithstanding the foregoing, no special assessments will be effective if vetoed by sixty six and two-thirds (66 2/3%) percent of the Members of the Master Association cast in person or by proxy at a meeting of the Master Association Members duly called for such purpose. Written notice of such meeting shall be sent to all Members at least thirty (30) days in advance of the meeting, which notice shall set forth the purpose of the meeting. Any such special assessments shall be due and payable according to the terms and conditions and in the manner specified in the resolution of the Master Association. Any special assessment not paid when due shall be deemed delinquent and interest shall accrue on such delinquent assessment at the interest rate established by resolution of the Master Association’s Board of Directors, which interest rate shall not exceed the highest rate allowed by law. The quorum required for the first meeting called for the purpose of voting on a special assessment shall be at least sixty (60%) percent of all the then authorized votes present, either in person or by proxy. If the required quorum is not present at the first meeting called for the purpose of considering the special assessment, another meeting may be called for such purpose, with notice thereof to be given as provided for in this Section 9.04 and the required quorum at any such subsequent meeting shall be reduced to forty (40%) percent of all then authorized votes present, provided that such second meeting is held within sixty (60) days from the date of the first meeting.
Section 9.05 Cost Center Assessments. In addition to the general assessments authorized by Section 9.03 above, the Master Association may levy a Cost Center Assessment for the expenses associated with the Cost Centers established in accordance with Section 8.05 above, against those Units located within such Cost Centers. Any Cost Center Assessments shall be due and payable according to the terms and conditions and in the manner specified in the resolution of the Master Association. Any Cost Center Assessment not paid when due shall be deemed delinquent and interest shall accrue on such delinquent assessment at the interest rate established by resolution of the Board of Directors of the Master Association, which interest rate shall not exceed the highest rate allowed by law.

Section 9.06 Remedial Assessments. If any Owner fails to properly maintain or repair such Owner’s Unit in accordance with the provisions of this Declaration, which failure, in the opinion of the Board of Directors of the Master Association, adversely affects the appearance of the Community as a whole, or the safety, health or welfare of the other Owners in the Community, the Master Association may, following notice to the delinquent Owner, take any actions reasonably necessary to maintain or repair such Unit, and an amount equal to one hundred fifty (150%) percent of the cost thereof shall be specially assessed against the Unit and its Owner.

Section 9.07 Liens for Unpaid Assessments. The sums assessed by the Master Association which remain unpaid, including but not limited to regular assessments, special assessments, Cost Center Assessments and remedial assessments, fines, interest and late charges and the reasonable cost of collection, including attorney fees, shall constitute a lien upon the Unit or Units owned by the Owner at the time of the assessment, and upon the proceeds of sale of such Unit or Units. Any such unpaid sum shall constitute a lien against the Unit as of the first day of the fiscal year to which the assessment, fine or late charge relates and shall be a lien prior to all claims except real property taxes and first mortgages of record. All charges which the Master Association may levy against any Owner shall be deemed to be assessments for purposes of this Section 9.07.

Section 9.08 Enforcement.

9.08.1 Remedies. In addition to any other remedies available to the Master Association, the Master Association may enforce the collection of delinquent assessments by a suit at law or in equity or by foreclosure of the statutory lien that secures payment of assessments in the same manner as foreclosure of mortgages. In the event any Owner defaults in the payment of any annual assessment installment levied against such Owner’s Unit, the Master Association shall have the right to declare all unpaid installments of the annual assessment for the applicable fiscal year immediately due and payable. An Owner in default shall not be entitled to vote at any meeting of the Master Association until the default is cured. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Owner or any persons claiming under the Owner. The Master Association may also assess fines for late payment or non-payment of assessments in accordance with the provisions of Section 9.03.2 of this Declaration. All of these remedies shall be cumulative and not alternative.
9.08.2 Foreclosure Proceedings. Each Owner shall be deemed to have granted to the Master Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as 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 obligations of the parties to such actions. In addition, each Owner shall be deemed to have authorized and empowered the Master Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Owner of a Unit in a Neighborhood acknowledges review of the provisions of this subparagraph at the time of acquiring title to such Unit, and voluntary waiver of notice of any proceedings brought by the Master Association to foreclose any assessment liens by advertisement and waiver of the right to a hearing prior to the sale of the delinquent Unit.

9.08.3 Notices of Action. Notwithstanding the provisions of Section 9.08.2, the Master Association shall not commence a judicial foreclosure action or a suit for a money judgment or publish any notice of foreclosure by advertisement, until the Master Association has provided the delinquent Owner with written notice, sent by first class mail, postage prepaid, addressed to the delinquent Owner at the Owner’s last known address, that one or more assessment installments levied against the Owner’s Unit is or are delinquent and that the Master Association may invoke any of its remedies under this Declaration if the default is not cured within ten (10) days from the date of the notice. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Master Association that sets forth (i) the affiant’s capacity to make the affidavit, (ii) the statutory or other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney fees and future assessments), (iv) the legal description of the subject Unit(s) and (v) the name(s) of the Owner(s) of record. Such affidavit shall be recorded in the office of the Genesee County Register of Deeds prior to the commencement of any foreclosure proceeding. If the delinquency is not cured within the ten (10) day period, the Master Association may take such remedial action as may be available to it under this Declaration and under Michigan law. In the event the Master Association elects to foreclose the lien by advertisement, the Master Association shall notify the delinquent Owner of the Master Association’s election and shall inform the Owner of the Owner’s right to request a judicial hearing by bringing suit against the Master Association.

9.08.4 Expenses of Collection. The expenses incurred by the Master Association in collecting unpaid assessments (or of each Neighborhood Association in the event such collection responsibility has been allocated to such Neighborhood Association), including interest, costs, actual attorneys’ fees (not limited to statutory fees) and advances for taxes or other liens paid by the Master Association to protect its lien, shall be chargeable to the defaulting Owner and shall be secured by a lien on such defaulting Owner’s Unit.

Section 9.09 Liability of Mortgagees. Notwithstanding any other provision of this Declaration, the holder of any first mortgage on any Unit in a Neighborhood that comes into possession of the Unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, and any purchaser at a foreclosure sale, shall take the Unit
free of any claims for unpaid assessments or charges against the mortgaged Unit which accrued prior to the time such holder comes into possession of the Unit (except for claims for a pro rata share of assessments or charges resulting from a pro rata reallocation of assessments or charges to all Units including the mortgaged Unit).

Section 9.10 Capitalization Fee. The Master Association shall have the power to levy a Capitalization Fee, due upon transfer of a Unit, subject to the terms and conditions set forth below. Notwithstanding Section 9.11 of this Declaration, the Capitalization Fee is in addition to any administrative fee covering the costs of lease or transfer, and the limitations on the lease or transfer fee is not applicable to the Capitalization Fee.

9.10.1 Authority. As an additional funding source, in addition to the administrative or transfer fee collected to cover administrative costs of membership transfer; the Master Association shall collect a Capitalization Fee upon each transfer of title to a Unit, other than exempt transfers as set forth below. Upon initial transfer, the Capitalization Fee shall be paid by the grantee. Subsequent Capitalization Fees shall be charged to the grantee of the Unit, and payable, by grantor or grantee as their contract provides, to the Master Association at the closing of the transfer, and shall be secured by the Master Association’s lien for assessments. Each Owner transferring a Unit shall notify the Master Association’s secretary or designee at least seven (7) days prior to the scheduled closing. Such notice shall include the name of the buyer, the date of title transfer, and other information the Master Association may reasonably require.

9.10.2 Fee Limit. The fee shall equal one-third (1/3) of one (1) percent of the gross selling price of the Unit, with all improvements, upgrades and premiums included, and shall be due upon the closing of the sale of the Unit. The gross selling price shall be the total cost to the purchaser of the Unit, excluding transfer taxes and title fees, if any.

9.10.3 Purpose. Capitalization Fees shall be used for purposes that the Master Association Board deems beneficial to meet the general operating needs of the Master Association. By way of example and not limitation, Capitalization Fees may be used to assist the Master Association or one or more tax-exempt entities in funding operating and maintenance costs for the Shared Improvements and Facilities, establishing reserve funds and for all other funding needs for operating the Master Association.

9.10.4 Exempt Transfers. Notwithstanding the foregoing, no Capitalization Fee shall be levied upon transfer of title of a Unit:

9.10.4.1 To the Declarant by a builder or Declarant holding title solely for purposes of development and resale;

9.10.4.2 By an Owner to any Person who was an Owner immediately prior to such transfer;

9.10.4.3 To the Owner’s estate, surviving spouse, or heirs at law upon the death of the Owner;
9.10.4.4 To an entity wholly owned by the grantor or to a family trust created by the grantor for the direct benefit of the grantor and his or her spouse and/or heirs at law; provided, upon any subsequent transfer of an ownership interest in such entity, the New Member Fee shall become due; or

9.10.4.5 To an institutional lender as security for the performance of an obligation pursuant to a Mortgage.

Section 9.11 Additional Fees. In addition to the Capitalization Fee referred to in Section 9.10, the Master Association shall have the right to establish additional fees payable by new Members which will insure that the Master Association is properly funded, and to cause a portion of the general assessment to be paid in advance, at the closing for an Owner’s Unit.

Section 9.12 Exempt Property.

The following property shall be exempt from payment of general assessments and special assessments:

9.12.1 All Shared Improvements and Facilities and portions of the Property owned by Declarant;

9.12.2 Any property dedicated to and accepted by any governmental authority or public utility; and

9.12.3 Property owned by any Neighborhood Association for the common use and enjoyment of its members.

In addition, both Declarant and the Master Association shall have the right, but not the obligation, to grant exemptions to certain Persons qualifying for tax exempt status under Section 501(c) of the Internal Revenue Code so long as such Persons own property subject to this Declaration for purposes listed in Section 501(c).

Section 9.13 Declarant’s Responsibility for Assessments. Declarant, although a Member of the Master Association and Owner of a Unit, shall not be responsible at any time for the payment of Master Association assessments or user fees, except with respect to Units owned by Declarant which contain a completed and occupied residential dwelling. A residential dwelling is complete when it has received a certificate of occupancy from the Township and a residential dwelling is occupied if it is occupied as a residence. Model and “spec” homes shall not constitute completed and occupied dwellings. In addition, in the event Declarant is selling a Unit with a completed residential dwelling by land contract to an Owner, the Owner shall be liable for all assessments and user fees and Declarant shall not be liable for any assessments levied up to and including the date, if any, upon which Declarant actually retakes possession of the Unit following extinguishment of all rights of the land contract purchaser in the Unit.

Section 9.14 Certificate of Assessments. Upon the written request of any Member, the Master Association shall furnish, within a reasonable time, a written certificate regarding the status of any assessments levied against such Member’s Unit. Any such certificate, when
properly issued by the Master Association, shall be conclusive and binding with regarding to the status of the assessment as between the Master Association and any bona fide purchaser of such Unit described in the certificate and the lender who has taken a lien on such Unit as security for the repayment of a loan.

**ARTICLE X**

**COMMUNITY STANDARDS**

Section 10.01 Residential Use. Except as provided below, all Units in the Community shall be used solely for residential purposes. No building shall be constructed or placed within any Site Condominium Unit except one single-family private Dwelling or model home and an attached front or side entry garage for the sole use of the Owner or Occupants of the dwelling. No other accessory building or structure may be erected in any manner or location within a Site Condominium Unit without the prior written consent of Declarant or the Architectural Review Committee as described in Article XI below.

Section 10.02 Home Occupations and Nuisances. No home occupation, profession or commercial activity that requires members of the public to routinely visit an Owner’s Unit or requires commercial vehicles to routinely travel to and from an Owner’s Unit shall be conducted in any Dwelling located in the Community, with the exception of model homes owned by, and the sales activities of, Declarant or builders, developers and real estate companies who own or hold any Units for resale to customers in the ordinary course of business. Notwithstanding the foregoing, any Occupant may conduct ancillary business activity within a Unit so long as: (a) such use is approved by Declarant, during the Declarant Control Period, or the Master Association, thereafter, which approval may be withheld in its sole discretion; (b) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Unit; (c) the business activity conforms to all zoning requirements; and (d) the business activity is consistent with the residential character of the Community and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Community, as may be determined by the Master Association, in its sole discretion. No burning of refuse shall be permitted in the Community. No occupied or unoccupied Unit shall be used or maintained as a dumping ground for rubbish or trash.

No noxious or offensive activity shall be carried on in or upon any Unit or within any Shared Improvement or Facility nor shall anything be done thereon which may be, or may become, an annoyance or nuisance to the Community, other than normal construction activity.

Section 10.03 Vehicular Parking and Storage: Driveways. No trailer, mobile home, bus, boat trailer, boat or other watercraft, aircraft, camping vehicle, motorcycle, recreational vehicle, golf cart, commercial or inoperative vehicle of any description shall, at any time, be parked or maintained on any Unit, Common Element, or Shared Improvements and Facilities, unless stored fully enclosed within an attached garage or similar structure; provided, however Declarant’s sales and construction trailers, trucks and equipment may be parked and used on any Site Condominium Unit and the Shared Improvements and Facilities during construction operations. No commercial vehicle lawfully upon any Unit for business purposes shall remain on such Unit or the Shared Improvements and Facilities except in the ordinary course of business and in
conformity with all applicable laws and ordinances. Unless otherwise specifically permitted by the Master Association, driveways within the Community may only be used to park commercial vehicles, recreational vehicles, snow mobiles, boats, trailers or other similar vehicles for not more than twenty-four (24) hours total during any seven (7) day period at a time, and to park automobiles. The driveways in the Grand Reserve Community will be constructed of asphalt material. No additions to the driveways in the Community by Unit Owners are allowed. Unit Owners are advised that asphalt can be damaged by heavy loads, such as large lumber loads, and that driveways should be protected from such damage. Repair of any damage to driveways caused by the Unit Owner’s use, occupancy or construction activities will be the sole responsibility of the Unit Owner. Owners are advised that the asphalt driveways will be seal coated by the Master Association on an as needed basis as determined by the Master Association.

Section 10.04 Garbage and Refuse. Trash, garbage or other waste shall be kept only in closed, sanitary containers and shall be promptly disposed of so that it will not be objectionable to neighboring Owners. No outside storage for refuse or garbage shall be maintained or used, except on designated trash pick up days. The burning or incineration of rubbish, trash, construction materials or other waste is strictly prohibited. If the Township, by ordinance, has a mandatory rubbish removal and waste recycling program, each Owner shall participate in such program and shall be billed separately by the Township for such services. If the Township does not have a mandatory rubbish removal and recycling program, the Master Association shall be responsible for contracting for rubbish removal and waste recycling and the cost thereof shall be deemed to be a cost of administering the Community and assessed to the Unit Owners.

Section 10.05 Motorized Vehicles: Firearms. No motorcycles, snowmobiles or other vehicles shall be operated in any Shared Improvements and Facilities within the Community, provided that motorcycles may use the Roads and bicycles and other non-motorized vehicles may use the paved Sidewalks within the Shared Improvements and Facilities. No firearms, air rifles, pellet guns, B-B guns, bows and arrows, or other similar dangerous weapons, projectiles or devices shall be used anywhere on or about the Community.

Section 10.06 Signs: Illumination: Mailboxes. No signs of any kind shall be placed or located within the Community unless the plans and specifications showing the design, size, materials, message and proposed location(s) have been submitted to, and approved in writing by Declarant (or the Architectural Review Committee), with the exception of one non-illuminated sign on a Unit which is not more than six (6) square feet in area pertaining only to the sale of the Unit on which it is located. Such sign must be removed within two (2) working days following the close of the sale of the Unit, or the termination of the listing agreement. “Open House” and directional signs that provide directions to a home that is for sale or for lease to which the public is invited for inspection are not permitted.

“No Soliciting” and security/alarm notifications shall be limited to placard or stickers not exceeding five inches by seven inches (5" x 7") in size placed on the front door or doorframe or in a window near the front door or within the mulch bed nearest to the front door of a Site Condominium Unit.
The foregoing restrictions shall not apply to signs that may be installed or erected by
Declarant or any builder who owns Units for resale in the ordinary course of business, during
any construction period or during any period that a residence may be used as a model or for
display purposes.

No additional exterior illumination of any kind shall be placed or allowed on any portion
of a Unit in the Community unless first approved by Declarant (or the Architectural Review
Committee after the Declarant Control Period). Declarant or the Architectural Review
Committee shall approve such illumination only if the type, intensity and style are compatible
with the style and character of the Community. No lights shall be placed higher than fifteen (15')
feet above the ground.

Declarant shall install a mailbox for each Unit (which may be grouped on stands or
located on just one side of the street as determined by Declarant or as requested by the local
postmaster). Mailboxes and stands shall be subject to review and approval by the Architectural
Review Committee. The Owner of each Unit shall maintain, repair, and replace, as necessary, the
individual mailbox and any mailbox stand serving the Owner’s Unit. Provided, grouped
mailboxes serving more than one Unit shall be maintained by the Master Association with the
costs assessed to the Unit Owners served in the manner provided in Article IX above. All
mailboxes shall be of a common type as determined by the Architectural Review Committee, or
otherwise approved by the Architectural Control Committee, in writing. An Owner shall not
install or maintain a separate receptacle for newspapers, magazines or other similar materials. If
a Unit Owner or Occupant or their respective guests or invitees, damages any mailbox or
mailbox stand, the Unit Owner shall be responsible for repair and replacement of the damaged
mailbox or stand. If the Owner fails to repair or replace the damaged mailbox or stand, the
Master Association shall undertake such work and the Owner shall reimburse the Master
Association for the cost incurred within ten (10) days after billing. Failure of the Owner to
reimburse the Master Association as required under this Section shall entitle the Master
Association to assess the costs against the Owner’s Unit as provided in Article IX above.

Section 10.07 Objectionable Sights: Landscape Ornaments: Fires. No above or below
ground fuel or other storage tanks shall be permitted. No exterior stockpiling or storage of
building or landscape materials or equipment shall be permitted, except for materials or
equipment that are used within a reasonable length of time of not more than thirty (30) days.
Stockpiling or storage of firewood for use in a Dwelling shall be permitted only on a Site
Condominium Unit and only to the rear of and adjacent to the Dwelling, or in another location
completely screened from view from any area outside of the Unit. No exterior laundry drying
equipment shall be erected or used and no laundry shall be hung for drying outside of a
Dwelling. No exterior statues, sculptures, objects of art, lawn ornaments or any other similar
objects shall be permitted, except as expressly provided in the Design Guidelines for the
Community. No open fires shall be lighted or permitted, except for a barbecue grill that is
attended and used for cooking purposes or an outdoor freestanding fireplace that has been
approved in writing by the Architectural Review Committee or within any interior Dwelling
fireplace or otherwise in accordance with the specifications set forth in the Design Guidelines.
Built-in and portable barbeques shall be for cooking only and must be located on a deck or patio
or within the rear yard of a Site Condominium Unit as designated in the Design Guidelines and

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must be designed as an integral part of the home. Location must be carefully planned to minimize smoke or odors affecting neighboring properties. All outdoor fires must be natural gas, propane, electric, charcoal (or wood if a portable fireplace is used), subject to local ordinances. Outdoor wood burning is prohibited except at approved events at the Community Center or in a portable fire place. No Owner shall engage in any activity that materially disturbs or destroys the vegetation, wildlife, or air quality within the Community or that results in unreasonable levels of sound or light pollution.

Section 10.08 Awnings. Awnings and other manufactured screens and shade devices must be approved by the Reviewing Entity, must appear as an integral part of the building elevation and must be made of materials that complement the Dwelling and the Neighborhood. Roof mounted installation is prohibited. Such devices are permitted on the side and rear of the Dwelling only. Colors and materials must be consistent with the Dwelling and Community standards. No advertising or logos are allowed on such devices.

Section 10.09 Furniture. No unsightly condition shall be maintained on any patio, porch or deck. Only furniture and equipment consistent with the normal and reasonable seasonable use of a patio, porch or deck shall be permitted to remain on such area. No furniture or equipment of any kind shall be stored on decks, patios or porches during seasons when the same are not reasonably in use. Outdoor furniture shall be of high quality and shall consist of typical deck, porch or patio furniture. The use of couches, car seats or other non-traditional outdoor furniture or equipment is prohibited.

Section 10.10 Tree Removal. No tree may be removed from any Unit or the Shared Improvements and Facilities during the Declarant Control Period without Declarant’s prior written approval. Thereafter, trees shall only be removed after approval of the Architectural Review Committee and after approval of the Township and any other governmental authority having jurisdiction.

Section 10.11 Television Antenna and Similar Devices. No exterior television antenna or other antenna, or aerial, saucer, dish, receiving device, signal capture and distribution device or similar device shall be placed, constructed, altered or maintained in the Community except a “mini dish” (not to exceed one meter in diameter) that is fully screened from view on the side or rear exterior of a Dwelling on a Site Condominium and approved by the Declarant, during the Declarant Control Period, and the Architectural Review Committee, thereafter. Installation of such devices shall comply with the Design Guidelines, and all other applicable rules and guidelines established by the Master Association, provided that such rules or regulations do not unreasonably increase the cost of installing, maintaining, or using such devices. For the Attached Condominium Units, the location of any mini dish must be approved in writing by the Declarant and the Architectural Review Committee, and the contractor installing the satellite dish must be approved in writing by the Declarant and the Architectural Review Committee. Declarant or the Master Association shall have the right, but not the obligation, to erect an aerial, satellite dish, or other apparatus (of any size) for a master antenna, cable, or other communication system for the benefit of all or any portion of the Community. The provisions of this subsection shall not apply to those devices covered by 47 C.F.R. § 1.4000, promulgated pursuant to the Telecommunications Act of 1996, Pub. L. No. 104. 110, § 207 Stat. 56 (1996), as amended. In
addition, all satellite dishes including mini dishes must be approved in writing by the Master Association, using the Association Satellite Installation Form provided by the Master Association.

Section 10.12 Open Space Areas: Wetlands.

10.12.1 The Open Space Areas may be used by all Owners for open space and recreational purposes only. The Master Association shall preserve and maintain the Open Space Areas, with minimal intrusion, subject only to the activities permitted in this Declaration. The Master Association shall have the right to establish additional rules and regulations with respect to the preservation, upkeep and activities allowed within the Open Space Areas as the Board of Directors deem necessary or desirable to insure the proper preservation and functioning of the Open Space Areas.

10.12.2 No Wetlands or wetland buffers within the Community shall be modified in any manner, including, without limitation, alteration of the topography, placing fill material, dredging, removing or excavating any soil or minerals, draining surface water, constructing or placing any structure, plowing, tilling, cultivating, or otherwise altering or developing the Wetlands or buffers, unless a permit for such modification has been issued by Michigan Department of Environmental Quality and all other governmental units or agencies having jurisdiction over the Wetlands or buffers and unless such modification is approved in writing by Declarant during the Declarant Control Period and by the Master Association thereafter.

Section 10.13 Structures in Easement Areas. No structures of any kind may be installed within any easements within the Community without the prior written approval of Declarant, during the Declarant Control Period, and by the Master Association thereafter.

Section 10.14 Leasing and Rental.

10.14.1 Right to Lease. An Owner may lease an Owner’s Unit for the residential purposes set forth in this Declaration and the applicable Neighborhood Master Deed; provided that such lease is with a Qualified Occupant and provided further that written disclosure of such lease transaction is submitted to the Board of Directors of the Master Association in the manner specified in subsection 10.14.2 below. With the exception of a first mortgage lender in possession of a Unit as a result of foreclosure or a conveyance or assignment in lieu of foreclosure, no Owner shall lease less than the entire Unit and no tenant shall be permitted to occupy a Unit except under a lease having an initial term of at least twelve (12) months, unless specifically approved in writing by the Master Association. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of this Declaration and the applicable Neighborhood Master Deed. Declarant may lease any number of Units in its discretion without being required to obtain the approval of the Master Association.

10.14.2 Leasing Procedures. The leasing of Units in the Community shall conform to the following:
10.14.2.1 An Owner desiring to rent or lease a Unit, shall provide the Master Association, at least ten (10) days prior to presenting a lease form to a potential lessee, with a written notice of the Owner's intent to lease his Unit, together with a copy of the exact lease form that the Owner intends to use, for the review and approval of the Master Association. The Master Association shall be entitled to request that changes be made to the lease form that are necessary to insure that the lease will comply with this Declaration and the Neighborhood Master Deed. If no lease form is to be used, then the Owner shall supply the Master Association with the name and address of the potential lessee, along with the rental amount and the due dates under the proposed agreement.

10.14.2.2 Tenants and other non-owner Occupants shall comply with all of the provisions of this Declaration and the applicable Neighborhood Master Deed, including, without limitation, the age restriction requirement, and all leases and rental agreements shall incorporate the age restriction requirement.

10.14.2.3 If the Master Association determines that the tenant or non-owner occupant has failed to comply with the provisions of this Declaration or the applicable Neighborhood Master Deed, the Master Association may take the following actions:

10.14.2.3.1 The Master Association shall notify the Owner by certified mail of the alleged violation by the tenant or occupant.

10.14.2.3.2 The Owner shall have fifteen (15) days from his receipt of such notice to investigate and correct the alleged breach by the tenant or occupant or advise the Master Association that a violation has not occurred.

10.14.2.4 If, at the expiration of the above-referenced fifteen (15) day period, the Master Association believes that the alleged breach is not cured or may be repeated, the Master Association may institute on behalf of the Master Association a summary proceeding eviction action against the tenant or non-owner Occupant. The Master Association may simultaneously, bring an action for damages against the Owner and tenant or non-owner Occupant for breach of this Declaration. The Master Association may hold both the tenant and the Owner liable for any damages to the Shared Improvements and Facilities caused by the Owner or tenant or non-owner Occupant in connection with the Unit or the Shared Improvements and Facilities and for actual legal fees incurred by the Master Association in connection with legal proceedings hereunder.

10.14.2.5 When an Owner is in arrears to the Master Association for assessments, the Master Association may give written notice of the arrearage to the tenant occupying an Owner's Unit under a lease or rental agreement and the tenant, after receiving the notice, shall deduct from the rental payments due to the Owner the amount of the arrearage and all future assessments as they fall due and shall pay such amounts directly to the Master Association. The deductions shall not constitute a breach of the rental agreement or lease by the tenant. The form of lease used by Owner shall explicitly contain the foregoing provisions.
10.14.2.5.1 Issue a statutory notice to quit for non-payment of rent to the tenant and shall have the right to enforce that notice by summary proceeding.

10.14.2.5.2 Initiate proceedings pursuant to 10.14.2.4 above.

Section 10.15 Animals and Pets. No animals of any kind, including livestock and poultry, shall be raised, bred, or kept on any portion of the Community, except that for each Dwelling there shall be permitted up to a total of three (3) dogs or three (3) cats or a combination of dogs and cats not to exceed three (3) in total, no more than two (2) birds, and a reasonable number, as determined by the Board of Directors, of other usual and common household pets, subject to compliance with applicable laws and ordinances. In no event, however, shall monkeys, snakes, pigs, or ferrets be permitted in any Dwelling. Pets that are permitted to roam free, or that, in the sole discretion of the Master Association, make objectionable noise, endanger the health or constitute a nuisance or inconvenience to other Owners shall be removed from the Community upon notice from the Board of Directors. If the Owner fails to comply with such notice, the pet may be removed by the Board of Directors. The Board of Directors may adopt reasonable rules designed to minimize damage and disturbance to other Owners and Occupants, including rules requiring damage deposits, waste removal, leash controls, noise controls and pet occupancy limits; provided, however, that any rule prohibiting the keeping of ordinary household pets shall apply prospectively only and shall not require the removal of any pet that was kept at the Community in compliance with prior rules. Nothing in this provision shall prevent the Master Association from requiring removal of any animal that presents a threat to the health or safety of any Person or from requiring abatement of any nuisance or unreasonable source of annoyance. No pets shall be kept, bred, or maintained for any commercial purpose. Owners of Units in which pets are kept shall be responsible for the action of such pets. The Master Association shall have no responsibility for the acts of an Owner’s pets.

Section 10.16 Landscaping. Each Unit will have designated areas located in the rear yards within which the Owner may plant flowers, small trees, bushes and other landscaping, in accordance with the Design Guidelines established under Article XI (“Designated Planting Areas”). The Owner installing such landscaping will be solely responsible for maintaining such landscaping. In the event an Owner fails to properly maintain an Owner’s plantings in the Designated Planting Areas or other landscaping installed by a Unit Owner in accordance with the Design Guidelines, the Master Association may undertake such maintenance and assess the costs to the delinquent Owner. Except for plantings in the Designated Planting Areas as described above, no Owner shall perform any landscaping, including but not limited to mowing, application of insecticides, fertilizing, irrigation or other similar activities, or plant any trees, shrubs or flowers or place any ornamental materials upon a Unit or the common areas unless approved in accordance with the Design Guidelines.

Section 10.17 Rule Making Authority.

10.17.1 Declarant’s Authority. Declarant shall establish the initial Rules and regulations of the Community, in its sole discretion, which rules and regulations may be amended, modified or supplemented by Declarant, in its sole discretion during the Declarant Control Period. Notwithstanding anything to the contrary in this Declaration, during the
Declarant Control Period, the Rules and regulations established by Declarant may not be amended, modified or supplemented without Declarant’s prior written consent, which may be withheld in Declarant’s sole discretion.

10.17.2 Board’s Authority. After the Declarant Control Period, the Board of Directors may amend, supplement or modify the Rules and regulations established by Declarant or adopt additional Rules and regulations from time to time to reflect the needs and desires of the Owners in the Community, subject to the approval of a majority of the Members cast in person or by proxy at a meeting of the Members duly called for such purpose. Copies of all such Rules, regulations and amendments shall be furnished to all Owners. Any such Rules, regulation or amendment may be revoked at any time by the affirmative vote of a majority of the Members cast in person or by proxy at a meeting of the Master Association Members duly called for such purpose, except that the Owners may not revoke any Rule, regulation or amendment prior to the expiration of the Declarant Control Period. The Board of Directors shall send notice to all Owners concerning any proposed action on or amendment to the Rules as set forth in the Bylaws.

10.17.3 No Application. Notwithstanding anything to the contrary in this Article X, the procedures required under this Section shall not apply to the enactment and enforcement of administrative rules and regulations governing use and operation of the Community Center or other Shared Improvements and Facilities, unless the Board chooses in its discretion to submit to such procedures. Examples of such administrative rules and regulations shall include, but not be limited to, hours of operation of a recreational facility, speed limits on private roads, and the method of allocating or reserving use of a facility (or any portion of a facility) by particular individuals at particular times. The Board shall exercise business judgment in the enactment of such administrative rules and regulations.

Section 10.18 Protection of Owners and Others.

Notwithstanding anything in this Declaration to the contrary, no Rule shall be adopted in violation of the following provisions:

10.18.1 Abridging Existing Rights. If any Rule would otherwise require any Owner or Occupant to dispose of personal property maintained in or on the Owner’s or Occupant’s Unit prior to the effective date of such Rule, or to vacate a Unit and such property was maintained or such Occupancy was in compliance with this Declaration and Rules in effect prior to the effective date of the new Rule, then the new Rule shall not apply to any such Owner or Occupant without the written consent of such Owner or Occupant.

10.18.2 Activities Within Dwelling. No Rule shall interfere with the activities carried on within the confines of a Dwelling, except that the Master Association may prohibit activities not normally associated with residential use, and it may restrict or prohibit any activities that create increased costs for the Master Association or other Owners, that create a danger to the health or safety of Owners or Occupants of other Units, that generate excessive noise or traffic, that create unsightly conditions visible outside the Dwelling, that create an unreasonable source of annoyance, or that otherwise violate local, state, or federal laws,
regulations or ordinances. Notwithstanding the foregoing, the Master Association shall not be responsible for enforcing any violations of local, state or federal laws, regulations or ordinances.

10.18.3 Allocation of Burdens and Benefits. No Rule shall alter the allocation of assessment obligations without the consent of the affected Owners. Nothing in this provision shall prevent the Master Association from changing the available Shared Improvements and Facilities, from adopting generally applicable Rules for use of the Shared Improvements and Facilities, or from denying use privileges to those who abuse the Shared Improvements and Facilities or violate this Declaration or the applicable Neighborhood Master Deed. This provision does not affect the Master Association's right to increase assessments as provided in Article IX.

10.18.4 Displays. The rights of Owners to display religious and holiday signs, symbols, and decorations inside Dwelling of the kinds normally displayed in Dwellings located in residential neighborhoods shall not be abridged, except that the Master Association may adopt time, place, and manner restrictions with respect to displays visible from outside the Dwellings. Seasonal lighting is permitted during the period commencing thirty (30) days prior to and expiring ten (10) days following the applicable holiday. If extreme weather conditions become a factor in the removal of seasonal lights within the designated time frame, the Master Association, in its sole discretion, may grant an extension of the allowable time period for removal. Seasonal lighting and electrical cords shall be located in a manner that does not impair driveway and sidewalk snow removal operations. Cords shall not be placed over Sidewalks.

No Rule shall regulate the content of political signs; however, the Master Association may designate Rules that regulate the time, place and manner of posting such signs (including design criteria). No exterior flags or flag poles of any kind shall be placed or allowed on any portion of a Site Condominium Unit or a building containing Attached Condominium Units unless first approved by the Architectural Review Committee. The Architectural Review Committee shall approve such flags or flag poles only if the type and style are compatible, in the Architectural Review Committee's discretion, with the style and character of the Community.

10.18.5 Similar Treatment. The Master Association shall treat similarly all Owners under the same or similar circumstances, except to the extent different treatment would be required under an applicable Neighborhood Master Deed or Cost Center designation.

10.18.6 Household Composition. Except as set forth in this Declaration, no Rule shall interfere with the freedom of Owners or Occupants to determine the composition of their households, except that the Master Association shall have the power (a) to limit the total number of Occupants permitted in each Dwelling based on the size and facilities of the Dwelling and fair use of the Shared Improvements and Facilities, (b) to require that one or more Members be older than a certain age, and, (c) to require that no Person under a certain age reside in a Dwelling for longer than a specified period during any twelve (12) month period.

10.18.7 Reasonable Rights To Develop. No Rule, or any other action by the Master Association or Board shall unreasonably interfere with Declarant's right to develop the Community in accordance with the rights reserved to the Declarant in this Declaration.
The limitations in this Section shall only limit rulemaking authority exercised under this Section and shall not apply to amendments to this Declaration adopted in accordance with Section 14.01 of this Declaration.

Section 10.19 Flagpoles. No Unit shall be allowed to have freestanding flagpoles of any type. Flags shall comply with 10.16.4 above and may only be flown only on poles mounted to the Dwelling by a bracket.

Section 10.20 Swimming Pools. The installation of any permanent swimming pool within a Unit is prohibited. Outdoor jacuzzis and hot-tubs may be permitted within a Site Condominium Unit subject to prior written approval of the Declarant, or the Architectural Review Committee, as applicable, in accordance with the Design Guidelines. Such jacuzzis and hot tubs shall be screened from view of neighboring common areas, Units and streets, and shall be installed in ground or no more than three feet (3') above the existing grade.

Section 10.21 Occupants Bound. All provisions of this Declaration, and the provisions of each applicable Neighborhood Master Deed, shall also apply to all Occupants, guests and invitees of any Unit. Every Owner shall cause all Occupants, guests and invitees of the Owner’s Unit to comply with the provisions of this Declaration and the applicable Master Deed, and every Owner shall be responsible for all violations, damage, cost or expense incurred by the Declarant, the Master Association or the applicable Neighborhood Association as a result of any such violation by Owner’s Occupants, guests and invitees.

ARTICLE XI
ARCHITECTURAL CONTROLS; DESIGN GUIDELINES

Section 11.01 General. For purposes of this Declaration, “Regulated Work” shall consist of and include excavating, filling, grading, installation or alteration of landscaping, construction of a building, driveway, walkway, fence, porch, patio, deck, balcony, sign or other advertising or promotional devices or any other temporary or permanent improvement to any portion of the Community, any structural modification of any Unit (including interior walls of attached Condominium Units through or in which there are easements for support of utilities) or make any changes in the Common Elements, Limited or General, or any modification, alteration, major repair, renovation, addition or removal of or to any of the foregoing which is visible from outside of a Dwelling. Regulated Work shall not include repainting the exterior of a residence on a Site Condominium Unit in accordance with the originally approved color scheme or rebuilding of a damaged Site Condominium Unit in accordance with originally approved plans and specifications. Regulated Work shall also not include work done by the Declarant during the Declarant Control Period. Architectural Controls and Design Guidelines apply primarily to Site Condominium Units. Attached Condominium Units are in duplex or triplex buildings, the exterior of which are common elements that cannot be modified, altered or renovated by Attached Condominium Unit Owners except in limited circumstances.

During the Declarant Control Period, this Article may not be amended without the Declarant’s written consent.
Section 11.02 Architectural and Design Review. Responsibility for administration of the Design Guidelines, as defined below, and review of all applications to do Regulated Work under this Article shall be as described in subsections 11.02.1 and 11.02.2. The Reviewing Entity (defined below), may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers or other professionals. The Declarant and the Master Association may employ architects, engineers, or other persons as deemed necessary to perform the review. The Board of Directors may include the compensation of any such persons employed by the Master Association in the Association’s annual operating budget.

11.02.1 Declarant Control. During the Declarant Control Period, the Declarant shall have exclusive right and power to review and approve or disapprove any and all proposed Regulated Work. The Declarant may (but shall not be obligated to), in its sole discretion, delegate all or a portion of its reserved rights under this Article to the Architectural Review Committee to review modifications to existing structures. Any such delegation shall be in writing, specifying the scope of responsibilities delegated, and shall be subject to (i) the right of Declarant to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated; and (ii) the right of Declarant to veto any decision which it determines, in its sole discretion, to be inappropriate or inadvisable for any reason. Until the end of the Declarant Control Period, the jurisdiction of the Architectural Review Committee shall be limited to such matters as are specifically delegated to it. In acting pursuant to this subparagraph the Declarant shall be acting solely in its interests and shall owe no duty to the Master Association or any Owner or Occupant.

11.02.2 Architectural Review Committee. The Board of Directors shall establish an Architectural Review Committee which may consist of Qualified Occupants. Until the end of the Declarant Control Period, the Architectural Review Committee shall only have such rights and powers to review and approve or disapprove modifications or alterations to be made to existing structures as may be delegated to it by the Declarant. The Architectural Review Committee shall assume exclusive jurisdiction over all Regulated Work at the end of the Declarant Control Period. During the Declarant Control Period, the Declarant shall have the right to veto any action taken by the Architectural Review Committee, which the Declarant determines, in its sole discretion, to be inconsistent with the Design Guidelines.

11.02.3 Reviewing Entity. For purposes of this Article, the term “Reviewing Entity” shall mean the Declarant or the Architectural Review Committee, as applicable.

Section 11.03 Guidelines and Procedures. During the Declarant Control Period, the Declarant, and after the end of the Declarant Control Period, the Architectural Review Committee may prepare and may amend Design Guidelines and Policies and Procedures which shall apply to all Regulated Work within the Community. Any amendments to the Design Guidelines shall apply to Regulated Work commenced after the date of such amendment only and shall not apply to require modifications to or removal of Regulated Work previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Design Guidelines. The Design Guidelines may be
amended to remove requirements previously imposed or otherwise to make the Design Guidelines less restrictive.

The Design Guidelines may contain general provisions applicable to the entire Community, as well as specific provisions, which vary from one (1) Neighborhood to another depending upon the location, unique characteristics, intended use the applicable zoning ordinances. The Design Guidelines are intended to provide guidance to Owners and builders regarding matters of particular concern in considering applications hereunder. The Design Guidelines are not the exclusive basis for decisions of the Reviewing Entity and compliance with the Design Guidelines does not guarantee approval of any application.

The Master Association shall make the Design Guidelines available to Owners and builders who seek to engage in development or construction within the Community and all such Persons shall conduct their activities in accordance with such Design Guidelines. In the Declarant’s discretion, such Design Guidelines may be recorded in the public records, in which event the recorded version, as it may unilaterally be amended from time to time, shall control in the event of any dispute as to which version of the Design Guidelines was in effect at any particular time.

All Regulated Work shall be done in strict compliance with the Design Guidelines in effect at the time the plans for the Regulated Work are submitted to and approved by the Declarant or the Architectural Control Committee, as applicable, unless a variance has been granted in writing pursuant to Section 11.06. So long as the Reviewing Entity has acted in good faith, its findings and conclusions with respect to appropriateness of, applicability of or compliance with the Design Guidelines and this Declaration shall be final.

Section 11.04 Submission of Plans and Specifications.

11.04.1 Prior to commencing any Regulated Work, an Owner shall submit an application for approval of the proposed Regulated Work to the appropriate Reviewing Entity. Such application shall be in the form required by the Reviewing Entity and shall include plans and specifications ("Plans") showing site layout, structural design, exterior elevations, exterior materials and colors, signs, landscaping, drainage, lighting, irrigation, utility facilities layout and screening therefor and other features of proposed construction, as applicable. The Design Guidelines shall set forth the procedure and any additional information for submission of the Plans. Before the Owner may begin the proposed Regulated Work, the application must be approved by the Reviewing Entity in accordance with the procedures described below.

11.04.2 In reviewing each submission, the Reviewing Entity may consider whatever factors it deems relevant. The Declarant or the Architectural Control Committee, as applicable, may require relocation of native plants within the construction site or the installation of an irrigation system for the landscaping including the natural plant life on the Dwelling as a condition of approval of any submission.

The Reviewing Entity shall, within the period specified in the Design Guidelines, advise the party submitting the same, in writing, at an address specified by such party at the time
of submission, of (i) the approval of Plans, or (ii) the segments or features of the Plans which are deemed by the Reviewing Entity to be inconsistent or not in conformity with this Declaration and/or the Design Guidelines, and the reasons for such finding. In the event the Reviewing Entity fails to advise the submitting party by written notice within the period specified in the Design Guidelines of either the approval or disapproval, approval shall be deemed to have been given. Notice shall be deemed to have been given at the time the envelope containing such notice, properly addressed, and postage prepaid, is deposited with the U.S. Postal Service, registered or certified mail, return receipt requested. Personal delivery of such written notice or confirmed facsimile and simultaneous mailing thereof shall, however, be sufficient and shall be deemed to have been given at the time of delivery to the submitting party.

11.04.3 If construction does not commence on a project for which Plans have been approved within one hundred twenty (120) days of such approval, such approval shall be deemed withdrawn, and it shall be necessary for the Owner to resubmit the Plans to the Reviewing Entity for reconsideration. If construction is not completed on a project for which plans have been approved within the period set forth in the Design Guidelines or in the approval, such approval shall be deemed withdrawn, and such incomplete construction shall be deemed to be in violation of this Article and subject to the enforcement provisions of this Article.

11.04.4 If landscaping is not installed, or not to be installed, by the Declarant or builder, each Owner of a Dwelling shall, within a period of two hundred ten (210) days from the conveyance of the Dwelling to the Owner by the Declarant or a builder, install full landscaping in the Owner’s yard in accordance with plans approved by the Reviewing Entity and meeting the minimum requirements set forth in the Design Guidelines.

Section 11.05 No Waiver of Future Approvals. Each Owner acknowledges that the persons reviewing applications will change from time to time and that opinions on aesthetic matters, as well as the interpretation, application and enforcement of the Design Guidelines, may vary accordingly. Approval of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval.

Section 11.06 Variance. The Reviewing Entity may authorize, in writing, variances from its guidelines and procedures, but only: (a) in accordance with duly adopted rules and regulations, (b) when unique circumstances dictate, such as unusual topography, natural obstructions, hardship or aesthetic or environmental considerations, and (c) when construction in accordance with the variance would be consistent with the purposes of the Declaration and compatible with existing and anticipated uses of adjoining properties. Inability to obtain, or the terms of, any governmental approval, or the terms of any financing shall not be considered a hardship warranting a variance. Notwithstanding the above, during the Declarant Control Period, the ARC may not authorize variances without the written consent of the Declarant. As used above in this Section, the word “variance” refers to a change from the guidelines or procedures of the Reviewing Entity and not a Township variance defined and governed by the Grand Blanc Township ordinances. Any Plans that would require a Township variance under the
Grand Blanc Township ordinances shall comply with both this Article and the provisions of the Grand Blanc Township ordinances governing Township variances.

Section 11.07 **Limitation of Liability: Responsibility for Maintenance.** The standards and procedures established by this Article are intended as a mechanism for maintaining and enhancing the overall aesthetics of the Community; they do not create any duty to any Person. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only, and the Reviewing Entity shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements, nor for ensuring that all dwellings are of comparable quality, value or size, of similar design, or aesthetically pleasing or otherwise acceptable to neighboring property owners.

Declarant, the Master Association, the Board of Directors, any committee, or member of any of the foregoing shall not be held liable for soil conditions, drainage or other general site work, any defects in plans revised or approved hereunder, any loss or damage arising out of the action, inaction, integrity, financial condition or quality of work of any contractor or its subcontractors, employees or agents, whether or not Declarant has approved or featured such contractor as a builder in the Community, or any injury, damages, or loss arising out of the manner or quality or other circumstances of approved construction on or modifications to any Dwelling.

In addition to complying with the Design Guidelines and obtaining the approval of the Reviewing Entity as described in the Declaration, any Owner installing or causing the installation of any improvement, addition or alteration ("Improvement") shall be responsible for all costs associated with repair, maintenance and replacement of such Improvement, and all costs associated with the repair or replacement of any landscaping, driveway or other areas damaged as a result of the Owner’s installation of any Improvement. If under the Declaration or applicable Neighborhood Master Deed the Master Association or Association is responsible for the repair, maintenance or replacement of the Improvement then the Master Association or Association, as applicable, will specially assess the Owner for the costs associated with repair, maintenance and replacement of such Improvement and the cost of repair or replacement of any landscaping, driveway or other area damaged as a result of the Owner’s installation of any Improvement.

Section 11.08 **Enforcement.** Any construction, alteration or other work done in violation of this Article or the Design Guidelines shall be deemed to be non-conforming. Upon written request from the Declarant, the ARC, or the Board of Directors, Owners shall, at their own cost and expense and within such reasonable time frame as set forth in such written notice, cure such nonconformance to the satisfaction of the requester or restore the property, Dwelling and/or Unit to substantially the same condition as existed prior to the non-conforming work. Should an Owner fail to remove and restore as required, the Declarant, the Master Association or its designees shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. All such costs, together with the interest at the rate established by the Board of Directors (not to exceed the maximum rate then
allowed by law), or a service charge established by the Board of Directors may be assessed against the benefited Unit and collected as provided in this Declaration.

All approvals granted hereunder shall be deemed conditioned upon completion of all elements of the approved work and all work previously approved with respect to the same Unit, unless approval to modify any application has been obtained. In the event that any Person fails to commence and diligently pursue to completion all approved work by the deadline set forth in the approval, the Declarant or the Master Association shall be authorized, after notice to the Owner of the Unit and an opportunity to be heard, to enter upon the Unit and remove or complete any incomplete work and to assess all costs incurred against the Unit and the Owner thereof as an assessment unless otherwise prohibited in this Declaration.

All acts by any contractor, subcontractor, agent, employee, or invitee of an Owner shall be deemed as an act done by or on behalf of such Owner. Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Design Guidelines may be excluded from the Community. In such event, none of the Declarant, the Master Association, its officers, or directors shall be held liable to any Person for exercising the rights granted by this paragraph.

The Master Association shall be primarily responsible for enforcement of this Article XI. If, however, in the discretion of the Declarant, the Master Association fails to take appropriate enforcement action, as authorized herein, within a reasonable time period, the Declarant, during the Declarant Control Period, may, but shall not be obligated to, exercise enforcement rights in the same manner as set forth above. In addition to the foregoing, the Master Association and the Declarant shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the Reviewing Entity.

ARTICLE XII
EXPANSION OF PROPERTY

Section 12.01 Expansion by Declarant. Declarant may, at any time during the Declarant Control Period, subject to the provisions of this Declaration, annex all or any portion of any property contiguous (including, without limitation, any property separated from the Community by a public road right of way) with the Community by recording a supplemental declaration describing the additional property to be annexed ("Supplemental Declaration"). A Supplemental Declaration recorded pursuant to this Section shall not require the consent of any Person except the owner of such annexed property, if other than Declarant. Declarant’s right to expand the Community includes the right to create Units and Shared Improvements and Facilities within such annexed property.

Nothing in this Declaration shall be construed to require Declarant or any successor to subject additional property to this Declaration or to develop any property adjacent to the Community in any manner whatsoever.

Annexation shall be accomplished by recording a Supplemental Declaration describing the property being annexed. All Units subject to this Declaration, whether initially described in
Exhibit "A" or annexed pursuant to a Supplemental Declaration, shall have equal voting rights and an equal, pro rata share of liability for assessment obligations under Article IX.

In the event Declarant determines that the Community would be best served by adding all or a portion of such additional land as a part of a Neighborhood, the Declarant shall have the right to amend the Neighborhood Master Deed to include such additional land as a future development area of the Neighborhood and to add all or a portion of such future development area as units and common elements of the Neighborhood subject to and in accordance with this Declaration and the Neighborhood Master Deed.

Section 12.02 Expansion by the Master Association. The Master Association may also subject additional property to the provisions of this Declaration by recording a Supplemental Declaration describing the additional property. Any such Supplemental Declaration shall require the affirmative vote of sixty (60%) percent of the total votes of Members in the Master Association at a meeting duly called for such purpose. In addition, so long as Declarant owns Property subject to this Declaration or which may become subject to this Declaration in accordance with Section 12.01, the consent of Declarant shall be necessary for any expansion of the Community by the Master Association. The Supplemental Declaration shall be signed by the President and Secretary of the Master Association, by the Owner of the property, and by Declarant, if Declarant’s consent is necessary. Any Supplemental Declaration under this Section shall comply with the requirements of applicable law, including any necessary Township approvals.

Section 12.03 Additional Covenants and Easements: Benefit of Existing Easements and Facilities. Declarant may subject any portion of the Community to additional covenants and easements, including covenants obligating the Master Association to maintain and insure such additional property and authorizing the Master Association to recover its costs through assessments of a Neighborhood Association. Such additional covenants and easements may be set forth either in a Supplemental Declaration subjecting such property to this Declaration or in a separate Supplemental Declaration referencing the additional property. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property in order to reflect the different character and intended use of such property. In the event of an expansion of the Community pursuant to a Supplemental Declaration, the Shared Improvements and Facilities, including any easements and utilities serving the Property shall be subject to the use and enjoyment of Owners and Occupants of Units added pursuant to the Supplemental Declaration. The Supplemental Declaration shall contain such further definitions or redefinitions of the Shared Improvements and Facilities, and related easements as may be necessary to adequately describe, serve and provide access to the Community and Units as expanded, and otherwise comply with requirements of applicable governmental authorities for development of the Community.

Section 12.04 Effective Date of Supplemental Declaration. Any Supplemental Declaration recorded pursuant to this Article shall be effective upon recording with the Genesee County Register of Deeds, unless otherwise specified in such Supplemental Declaration.
ARTICLE XIII
RESERVED RIGHTS OF DECLARANT

Section 13.01 Withdrawal of Property. Declarant reserves the right to amend this Declaration for the purpose of removing and withdrawing any portion of the Community, including any portion of the Shared Improvements and Facilities, from the coverage of this Declaration, whether originally described in Exhibit “A” or added by a Supplemental Declaration; provided, no property in a particular Neighborhood shall be withdrawn except in compliance with the requirements of the applicable Neighborhood Master Deed. Any withdrawal of the Units shall proportionally reduce the number of votes in the Master Association, and the Units subject to assessment. No such amendment shall require the consent of any Person except as required in the applicable Neighborhood Master Deed.

Section 13.02 Right to Develop: Use of Roads. Declarant and its employees, agents, and designees shall have a right of access and use and an easement over and upon all of the Property and the Shared Improvements and Facilities for the purpose of making, constructing, and installing improvements to the Shared Improvements and Facilities and Units.

Every Person that acquires any interest in the Community acknowledges that the Community, the development is likely to extend over many years, and agrees not to protest, challenge, or otherwise object to (a) changes in uses or density of property outside the immediate vicinity of the Unit in which such Person holds interest, or (b) any changes in any development agreement pertaining to the Community.

Declarant intends to construct model homes and Units and maintain a model home area in the Community during the construction and sale period. Declarant reserves the right to limit access to those private Roads in the Community along which the model homes are constructed, during the period of Declarant’s development, construction and sale of homes and Units in the Community, as it may be expanded.

Section 13.03 Right to Designate Sites for Governmental and Public Interests. As long as Declarant owns any Property within the Community, Declarant may designate sites within the Community for government, education, or religious activities and interests, including without limitation, fire, police, and utility facilities, schools and educational facilities, houses of worship, parks, and other public facilities. The sites may include Shared Improvements and Facilities, in which case the Master Association shall take whatever action is required with respect to such site to permit such use, including dedication or conveyance of the site, if so directed by Declarant.

Section 13.04 Right to Approve Additional Covenants. No Person shall record any declaration of covenants, conditions, and restrictions, or Master Deed or similar instrument affecting any portion of the Community without Declarant’s review and written consent, so long as Declarant owns any property within the Community. Any attempted recording without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by recorded written consent signed by Declarant.
Section 13.05 Right to Approve Changes in Community Standards. No amendment to or modification of any Rules, during the Declarant Control Period shall be effective without prior notice to and the written approval of Declarant.

Section 13.06 Right to Merge or Consolidate the Master Association. Declarant reserves the right to merge or consolidate the Master Association with another common interest community of the same form of ownership or make the Master Association subject to another master association, so long as Declarant owns any property within the Community.

Section 13.07 Right to Appoint and Remove Officers and Directors During Declarant Control Period. Declarant may appoint and remove the Master Association officers and directors during the Declarant Control Period as provided in the Bylaws.

Section 13.08 Right to Transfer or Assign Declarant Rights. Any or all of the special rights and obligations of Declarant set forth in this Declaration or the Bylaws may be transferred in whole or in part to other Persons; provided, the transfer shall not reduce an obligation nor enlarge a right beyond that which Declarant has under this Declaration or the Bylaws. No such transfer or assignment shall be effective unless it is in a recorded written instrument signed by Declarant. The foregoing sentence shall not preclude Declarant from permitting other Persons to exercise, on a one time or limited basis, any right reserved to Declarant in this Declaration where Declarant does not intend to transfer such right in its entirety, and in such case it shall not be necessary to record any written assignment unless necessary to evidence Declarant’s consent to such exercise.

Section 13.09 Easement to Inspect and Right to Correct.

13.09.1 Easement. Declarant reserves for itself and such other Persons as it may designate perpetual, non-exclusive easements throughout the Community to the extent reasonably necessary for the purposes of access, inspection, testing, redesigning, correcting, or improving any portion of the Community, including Units and the Shared Improvements and Facilities. Declarant shall have the right to redesign, correct, or improve any part of the Community, including Units and the Shared Improvements and Facilities and shall have access to Dwellings to complete such repairs upon reasonable notice to the Occupants of the Dwelling.

13.09.2 Right of Entry. In addition to the foregoing easement, Declarant reserves the right of entry onto Units. Except in an emergency, Declarant shall provide the Unit Owner with reasonable notice prior to entry and Declarant shall use reasonable efforts to notify the Unit Occupant and arrange a mutually agreeable time to enter the Dwelling. Each Owner and Occupant agrees to cooperate in a reasonable manner in Declarant’s exercise of the rights provided to it by this Section.

Entry onto any Shared Improvement and Facility and any related improvements and structures may be made by Declarant at any time, provided advance notice is given to the Master Association, except in an emergency.

13.09.3 Damage. Any damage to a Unit or the Shared Improvements and Facilities resulting from the exercise of the easement and right of entry described in subsections
13.09.1 and 13.09.2 above shall promptly be repaired by, and at the expense of, Declarant. The exercise of these easement rights shall not unreasonably interfere with the use of any Unit and entry onto any Unit shall be made only after reasonable notice to the Owner or Occupant, except in the event of an emergency.

Section 13.10 Exclusive Rights to Use Name of Development. No Person shall reproduce or use the names “Grand Reserve” or “Grand Reserve Community” or “Townes at Grand Reserve,” or any derivative of such names, in any printed or promotional material without Declarant’s prior written consent. However, Owners may use the name “Grand Reserve” in printed or promotional matter where such term is used solely to specify that particular property is located within “Grand Reserve.” Further, the Master Association shall be entitled to use the words “Grand Reserve” solely in its name. Neither Master Association nor any Owners acquires any goodwill or other legal rights or interest in such names, and all rights in such names not expressly granted herein are reserved.

Section 13.11 Trade Marks. Any reproduction or use by the Master Association of any names, marks, or symbols ("collectively, “Marks”) of Pulte Land Company, LLC, Del Webb, Pulte Homes, Inc., Grand Reserve or Townes at Grand Reserve or any of their affiliates (collectively “Pulte”), and all goodwill established thereby and/or association therewith, shall inure exclusively to the benefit of Pulte Homes, Inc. and shall be subject to Pulte’s sole control and supervision, as well as periodic review for quality control. Prior to any reproduction or use of any Marks, the Master Association must enter into license agreements with Pulte Homes, Inc., terminable with or without cause and in a form specified by Pulte Homes, Inc. in its sole discretion, with respect to permissive use of the Marks. The Master Association shall not use any Marks without prior written consent of Pulte Homes, Inc.

Section 13.12 Equal Treatment. So long as Declarant owns any property within the Community, neither the Master Association, nor any subsequently created subassociation shall, without the prior written consent of Declarant, adopt any policy, rule, or procedure that:

13.12.1 Limits the access of Declarant, its successors, assigns, and affiliates or their personnel or guests, including visitors, to the Shared Improvements and Facilities or to any property owned by Declarant;

13.12.2 Limits or prevents Declarant, its successors, assigns, and affiliates or their personnel from advertising, marketing, or using the Master Association or its Shared Improvements and Facilities or any property owned by any of them in promotional materials;

13.12.3 Limits or prevents purchasers of new residential housing constructed by Declarant, its successors, assigns, and affiliates in the Community from becoming members of the Master Association or enjoying full use of Shared Improvements and Facilities, subject to the membership provisions of this Declaration and the Bylaws;

13.12.4 Adversely affects the ability of Declarant, its successors, assigns, and affiliates, to carry out to completion its development plans and related construction activities for The Grand Reserve Community, as such plans are expressed in any Community development
agreement, as such may be amended and updated from time to time. Policies, rules, or procedures affecting the provisions of existing easements established by Declarant and limiting the establishment by Declarant of easements necessary to complete The Grand Reserve Community shall be expressly included in this provision. Easements that may be established by Declarant shall include but shall not be limited to easements for development, construction, and landscaping activities and utilities; or

13.12.5 Adversely affects the ability of Declarant, its successors, assigns, and affiliates to develop and conduct customer service programs and activities in a customary and reasonable manner. Neither the Master Association nor any subassociation shall exercise any authority over the Shared Improvements and Facilities (including, but not limited to, any gated entrances and other means of access to the Community) to interfere with the rights of Declarant set forth in this Declaration or to impede access to any portion of the Community over the streets and other Shared Improvements and Facilities within the Community.

Section 13.13 Right to Use Common Area for Special Events. During the Declarant Control Period, Declarant shall, at no cost to Declarant (subject to Section 13.13.2 below), have the right to use all Shared Improvements and Facilities, including any recreational facilities, to sponsor special events for charitable, philanthropic, political, or marketing purposes as determined by Declarant in its sole discretion. Any such event shall be subject to the following conditions:

13.13.1 The availability of the facilities at the time a request is submitted to the Master Association;

13.13.2 Declarant shall pay all costs and expenses incurred and shall indemnify the Master Association against any loss or damage (excluding lost revenue) resulting from the special event; and

13.13.4 Declarant shall return the facilities and personal property owned by the Master Association and used in conjunction with the special event to the Master Association in the same condition as existed prior to the special events.

Declarant shall have the right to assign the rights contained in this Section 13.13 to charitable organizations or foundations selected by Declarant. Declarant's right to use the Shared Improvements and Facilities for special events shall be enforceable by injunction, by any other remedy in law or equity, and by the terms of this Declaration.

Section 13.14 Architectural Control. Declarant shall have the right to exercise the architectural controls, as set forth in Article XI above.

Section 13.15 Models, Sales Offices and Management Offices. During the Declarant Control Period, and for a period of twelve (12) months thereafter, Declarant, and any Builders authorized by Declarant, may maintain and carry on upon any Unit owned by Declarant, or such Builder, or any portion of the Shared Improvements and Facilities, such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient or incidental to the construction or sale of Units or other real estate, including, but not limited to, business offices,
signs, model units, marketing trailers, and sales offices. Declarant shall have easements for access to and use of such facilities. Except as provided below, Declarant's right to use the Shared Improvements and Facilities for such purposes shall not be exclusive and shall not unreasonably interfere with the use of such Shared Improvements and Facilities by the Members.

ARTICLE XIV
GENERAL PROVISIONS

Section 14.01 Amendment.

14.01.1 Declarant may amend this Declaration without the consent of any Owner or any other Person whatsoever (whether or not any such Person shall now or hereafter have any interest in any Unit or portion of the Community, including mortgagees and others), at any time during the Declarant Control Period.

14.01.2 Following the expiration of the Declarant Control Period, this Declaration may be amended only with the consent of at least seventy-five (75%) percent of the Members, at a meeting called by the Board of Directors for the express purpose of amending this Declaration, which meeting may be called by the Board of Directors, at its election, or at the request of at least sixty-six and two thirds (66 2/3%) percent of the Members. The quorum required for the first meeting called for the purpose of amending this Declaration shall be at least sixty (60%) percent of all the then authorized votes present, either in person or by proxy. If the required quorum is not present at the first meeting called for such purpose, another meeting may be called for such purpose, with notice thereof to be given as provided for in Section 9.04 above and the required quorum at any such subsequent meeting shall be reduced to forty (40%) percent of all then authorized votes present, provided that such second meeting is held within sixty (60) days from the date of the first meeting.

Section 14.02 Term. The covenants, conditions, restrictions and agreements of this Declaration shall continue in full force and effect and shall run with and bind the land for a period of thirty (30) years from the date this Declaration is recorded and shall thereafter automatically be extended for successive periods of ten (10) years each, unless terminated by written instrument executed by: (i) the Owners of not less than eighty (80%) percent of the total Units in the Community and (ii) Declarant, in the event Declarant continues to own any Units or any portion of the Community.

Section 14.03 Enforcement. Subject to the requirements of Article IX, above, Declarant, the Master Association and the Neighborhood Associations shall have the right to enforce, by proceedings at law or in equity, all covenants, conditions, restrictions, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by Declarant, the Master Association or any Neighborhood Association to enforce any covenants or restrictions herein contained shall in no event be deemed a waiver thereof or a waiver of any right to enforce the same at any time thereafter.

Section 14.04 Insurance Proceeds. All proceeds of any insurance maintained with respect to any assets of the Master Association, or any Shared Improvements and Facilities and
all proceeds of any condemnation proceedings or sales in lieu of condemnation relating to the assets of the Master Association or the Shared Improvements and Facilities shall be paid to the Master Association and shall be the property of the Master Association and not of its Members or any other persons or entities.

Section 14.05 Severability. The invalidation of any one or more of the covenants, conditions, restrictions and agreements of this Declaration by judgment or court order, shall in no way affect the validity of any of the other provisions of this Declaration, and the same shall remain in full force and effect.

Section 14.06 Notices. Each Owner shall file the correct mailing address of such Owner with Declarant and shall promptly notify Declarant in writing of any subsequent change of address. A written or printed notice, deposited in the United States Mail, postage prepaid and addressed to any Owner at his last known address shall be sufficient and proper notice to such Owner, wherever notices are required in this Declaration.

Section 14.07 Execution of Additional Documents. Each of the Owners, at no expense to itself, hereby agrees, at the request of Declarant or the Master Association, to perform such further acts and execute all such further documents as may be required or desirable in the sole discretion of Declarant or the Master Association, to carry out the purposes of this Declaration.

Section 14.08 Assignment of Declarant’s Rights. Declarant shall have the right to assign all of its rights and obligations under this Declaration, including the power to approve or disapprove any act, use or proposed action, to any other person or entity or to the Master Association. Any such assignment shall be made by appropriate instrument in writing duly recorded in the office of the Genesee County Register of Deeds.

Section 14.09 Township Approval. Notwithstanding anything to the contrary in this Declaration, any amendment to this Declaration that would be inconsistent with the approved final site plan for the Community shall require the approval of Grand Blanc Township.

ARTICLE XV
ARBITRATION

Section 15.01 Scope and Election. Disputes, claims, or grievances arising out of or relating to the interpretation or the application of this Declaration, or any disputes, claims or grievances arising among or between the Members, or the Members and the Master Association, upon the election and written consent of the parties to any such disputes, claims or grievances (which consent shall include an agreement of the parties that the judgment of any circuit court of the State of Michigan may be rendered upon any award pursuant to such arbitration), and upon written notice to the Master Association, shall be submitted to arbitration, and the parties shall accept the arbitrator's decision as final and binding, provided that no question affecting the claim of title of any person to any fee or life estate in real estate is involved. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time shall be applicable to any such arbitration.
Section 15.02 Judicial Relief. In the absence of the election and written consent of the parties pursuant to Section 15.01 above, any Member or the Master Association may petition the courts to resolve any disputes, claims, or grievances.

Signed on the day and year first set forth above.

Dated: **August 29**, 2006

PULTE LAND COMPANY, LLC,
A Michigan limited liability company

By: [Signature]

Its: Vice President

STATE OF MICHIGAN )
COUNTY OF OAKLAND )

The foregoing instrument was acknowledged before me this **29th** day of **August**, 2006, by Clark G. Doughty, the Vice President of Pulte Land Company, LLC, a Michigan limited liability company.

PREPARED BY AND WHEN RECORDED RETURN TO:
Sandra Sorini Elser (P36305)
Bodman LLP
110 Miller, Suite 300
Ann Arbor, Michigan 48104
(734) 761-3780

[Notary Public Stamp]

ALLISON ELMER
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF MACOMB
My Commission Expires: June 29, 2012
Acting in the County of [initial]

MACOMB County, Michigan
Acting in Oakland, County, Michigan
My Commission Expires: 06.29.12
EXHIBIT A TO
DECLARATION OF EASEMENTS, COVENANTS, CONDITIONS
AND RESTRICTIONS
THE GRAND RESERVE COMMUNITY

LEGAL DESCRIPTION OF THE COMMUNITY

PARCEL A
A PART OF THE SOUTH 1/2 OF SECTION 25, T-6-N., R-7-E., GRAND BLANC TOWNSHIP, GENESEE COUNTY, MICHIGAN, BEING MORE PARTICULARLY DESCRIBED AS: COMMENCING AT THE SOUTH 1/4 CORNER OF SECTION 25; THENCE N 0°31' 40" W, 50.00 FEET ALONG THE NORTH-SOUTH ¼ LINE OF SAID SECTION TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF BALDWIN ROAD (50 FOOT 1/2 WIDTH), SAID POINT BEING THE POINT OF BEGINNING; THENCE S 89° 36' 19" W, 1327.07 FEET ALONG SAID NORTH RIGHT-OF-WAY LINE; THENCE N 0° 39' 37" W, 1282.00 FEET; THENCE S 89° 36' 19" W, 1326.48 FEET TO A POINT ON THE EAST LINE OF "WARWICK HILLS NO. 1" AS RECORDED IN LIBER 31, PAGE 16 AND 17 OF PLATS, GENESEE COUNTY RECORDS, SAID POINT ALSO BEING A POINT ON THE WEST LINE OF SAID SECTION 25; THENCE N 0° 11' 00" W, 1315.74 FEET ALONG THE EAST LINE OF SAID "WARWICK HILLS NO. 1", TO THE WEST 1/4 CORNER OF SAID SECTION 25; THENCE N 88° 28' 01" E, 2649.00 FEET ALONG THE EAST-WEST 1/4 LINE OF SECTION 25 TO THE CENTER OF SECTION 25; THENCE N 88° 43' 31" E, 2639.17 FEET ALONG THE EAST-WEST 1/4 LINE OF SECTION 25 TO THE EAST 1/4 CORNER OF SECTION 25; THENCE S 0° 17' 39" E, 2591.92 FEET LONG THE EAST LINE OF SECTION 25 (VASSER RD) TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF BALDWIN ROAD (50 FOOT 1/2 WIDTH) AND ITS EXTENSION THEREOF; THENCE ALONG SAID NORTH RIGHT-OF-WAY THE FOLLOWING FOUR COURSES: (1) ALONG A CURVE TO THE RIGHT 54.31 FEET, SAID CURVE HAVING A RADIUS OF 22868.31 FEET, A CENTRAL ANGLE OF 0° 08' 10", AND A LONG CHORD BEARING OF S 85° 30' 26" W, 54.31 FEET, AND (2) S 85° 34' 31" W, 218.23 FEET, AND (3) ALONG A CURVE TO THE RIGHT 1084.30 FEET, SAID CURVE HAVING A RADIUS OF 22868.31 FEET, A CENTRAL ANGLE OF 2° 43' 00" AND A LONG CHORD BEARING OF S.86° 56' 01"W., 1084.19, AND (4) S 88° 17' 29" W, 1273.62 FEET TO THE POINT OF BEGINNING AND CONTAINING 280.04 ACRES.

PROPOSED FUTURE DEVELOPMENT AREA DESCRIPTION

A PART OF THE NORTHEAST 1/4 OF SECTION 36, T-6-N., R-7-E.,GRAND BLANC TOWNSHIP, GENESEE COUNTY, MICHIGAN, BEING MORE PARTICULARLY DESCRIBED AS : COMMENCING AT THE NORTH 1/4 CORNER OF SAID SECTION 36; THENCE N. 88°17'31" E.,181.59 FEET ALONG THE NORTH LINE OF SAID SECTION 36 (BALDWIN ROAD; THENCE S. 00°03'12" W., 50.02 FEET; TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF BALDWIN ROAD (50 FOOT 1/2 WIDTH), SAID POINT BEING THE POINT OF BEGINNING; THENCE N. 88°17'29" E., 1129.73 FEET ALONG SAID SOUTH RIGHT-OF-WAY LINE; THENCE S.
88°55'16" W., 1319.36 FEET; TO A POINT ON THE NORTH-SOUTH 1/4 LINE OF SAID SECTION 36; THENCE N. 00°03'12" E., 408.73 FEET ALONG SAID LINE; THENCE N. 88°17'31" E., 181.59 FEET; THENCE N. 00°03'12" E., 857.91 FEET TO THE POINT OF BEGINNING AND CONTAINING 34.88 ACRES

Parcel Nos.: 12-25-400-001 (Parcel 1)
12-25-400-002 (Parcel 2)
12-25-300-001 (Parcel 3)
12-36-200-007 (Parcel 4)
EXHIBIT B TO
THE GRAND RESERVE COMMUNITY
DECLARATION OF EASEMENTS, COVENANTS, CONDITIONS
AND RESTRICTIONS

SITE PLAN

(see attached)
EXHIBIT "B"

TO THE GRAND RESERVE COMMUNITY DECLARATION OF EASEMENTS, COVENANTS, CONDITIONS, AND RESTRICTIONS - THE SHARED IMPROVEMENTS AND FACILITIES.

LEGEND

STORM
SANITARY
WATER

SCALE: 1" = 400'

DATE: 08/11/06  CHECKED BY DATE:  
DRAWN: H.R.   JNR:
DESIGN:
SECTION: 25

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ENGINEERS  LAND SURVEYORS  PLANNERS  LANDSCAPE ARCHITECTS
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EXHIBIT "B"

TO THE GRAND RESERVE COMMUNITY DECLARATION OF EASEMENTS, COVENANTS, CONDITIONS, AND RESTRICTIONS - THE SHARED IMPROVEMENTS AND FACILITIES.