

EXHIBIT A

LEGAL DESCRIPTION - CHESTNUT HILLS SUB NO. 1

A part of the Southwest ¼ of Section 11, Town 7 North, Range 8 East, Davison Township, Genesee County, Michigan; more particularly described as commencing at the Southwest Corner of said Section 11, for a POINT OF BEGINNING; thence North 01°34'03" West 1029.44 feet, along the West line of Said Section 11 and the centerline of Oak Road; thence North 88°25'57" East, 50.00 feet; thence South 30°36'24" East, 159.88 feet; thence South 01°34'03" East, 48.66 feet; thence North 88° 25'57" East, 150.00 feet; thence North 01° 34'03" West, 32.00 feet; thence North 88° 25'57" East, 210.52 feet; thence North 21°05'12" West 73.72 feet; thence North 01° 34'03" West, 67.13 feet; thence North 11° 13'47" East, 126.13 feet; thence South 78° 46'13" East, 120.87 feet; thence North 82°09'54" East, 188.06 feet; thence South 52°18'50" East, 107.69 feet; thence South 37°41'10" West 58.07 feet; thence South 23°59'01" West 122.87 feet; thence South 18°12'04" West 156.62 feet; thence 49.12 feet along a curve to the right, said curve having a radius of 283.00 feet, a central angle of 10°42'03", and a chord bearing and distance of South 81°46'02" East, 49.05 feet; thence South 13°35'00" West, 68.00 feet; thence South 01°27'44" East, 139.06 feet; thence South 38°55'11" East, 218.05 feet; thence South 17°03'19" East, 105.65 feet; thence North 89°18'00" West, 24.58 feet; thence South 00°44'00" West, 186.00 feet; thence North 89°16'00" West, 8.41 feet; thence South 00°44'00" West, 120.00 feet, to the Northerly boundary of "Supervisor's Plat #33", as recorded in Liber 17 of Plats, on Page 39, Genesee County Records; thence North 89°16'00" West, 883.82 feet, along the Northerly boundary of said "Supervisor's Plat #33", to the point of beginning. All of the above containing 19.347 Acres. This plat contains 45 lots numbered 1 to 45, both inclusive, and four (4) private parks.

LEGAL DESCRIPTION – PHASE II

A part of the Southwest ¼ of Section 11, T.7N., R.8E., Davison Township, Genesee County, Michigan more particularly described as commencing at the Southwest corner of said Section 11; thence S. 89 deg 16 min 00 sec E. 883.82 ft. to the POINT OF BEGINNING; thence N. 00 deg 44 min 00 sec E. 120.00 ft.; thence S. 89 deg 16 min 00 sec E. 8.41 ft.; thence N. 00 deg 44 min 00 sec E. 186.00 ft.; thence S. 89 deg 16 min 00 sec E. 24.58 ft.; thence N. 17 deg 03 min 19 sec W. 105.65 ft.; thence N. 38 deg 55 min 11 sec W. 218.05 ft.; thence N. 01 deg 27 min 44 sec W. 139.06 ft.; thence N. 13 deg 35 min 00 sec E. 66.00 ft. to a point on a curve; thence along a curve to the left, radius of 263.00 ft., through a central angle of 10 deg 42 min 03 sec, arc distance of 49.12 ft., chord bearing N. 81 deg 46 min 02 sec W. 49.05 ft. to a point; thence N. 18 deg 12 min 04 sec E. 156.62 ft.; thence N. 23 deg 59 min 01 sec E. 122.67 ft.; thence S. 29 deg 58 min 44 sec E. 157.34 ft.; thence S. 67 deg 00 min 50 sec E. 142.16 ft.; thence N. 72 deg 51 min 07 sec E. 138.74 ft.; thence N. 28 deg 59 min 24 sec E. 241.63 ft.; thence N. 41 deg 47 min 09 sec E. 91.70 ft.; thence S. 78 deg 21 min 18 sec E. 223.23 ft.; thence S. 50 deg 58 min 17 sec E. 70.95 ft.; thence S. 39 deg 01 min 43 sec W. 70.00 ft.; thence S. 50 deg 58 min 17 sec E. 155.00 ft.; thence S. 39 01 min 43 sec W. 84.00 ft.; thence s. 50 deg 58 min 17 sec E. 66.00 ft.; thence N. 39 deg 01 min 43 sec E. 86.21 ft.; thence S. 50 deg 58 min 17 sec E. 279.31 ft.; thence S. 75 deg 32 min 11 sec E. 2112.43 ft.; thence S. 00 deg 41 min 09 sec E. 683.83 ft.; thence N. 89 deg 08 min 55 sec W. 853.32 ft.; thence N. 89 deg 16 min 00 sec W. 431.79 ft. to the POINT OF BEGINNING, containing 28.656 acres, subject to the rights of the public or any governmental unit in any part thereof taken, used or deeded for street, road or highway purposes, also subject to easements and restrictions of record, if any.

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CHESTNUT HILLS DECLARATION OF PROTECTIVE COVENANTS

AMENDED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

AFFECTING THE PROPERTY OF:

CHESTNUT HILLS SUBDIVISION

DAVISON TOWNSHIP, MICHIGAN

THIS AMENDED DECLARATION is made this 6 day of May, 2006, by the owners of Chestnut Hills, a subdivision in Davison, Michigan.

Article 1. Title and Purpose

Section 1.1 Title

1.1.1 This document will be referred to as the Amended Declaration of Covenants, Conditions and Restrictions of Chestnut Hills Subdivision, the legal description of which is attached as Exhibit A.

Section 1.2 Purpose

1.2.1 To establish and promote proper use and appropriate development and improvements of Chestnut Hills; to protect the owners of the property therein against such improper use of surrounding lots as may depreciate the value of their property; to guard against the erection thereon of buildings built of improper or unsuitable materials; to promote adequate and reasonable development of said property; to encourage the erection of attractive improvements thereon, with appropriate locations thereof; to prevent haphazard and inharmonious improvements; to secure and maintain proper setbacks from streets, and adequate free spaces between structures; to promote desired high standards of maintenance and operations of community facilities and services for the benefit and convenience of all owners of property and all residents; and in general to provide adequately for a residential subdivision of high quality and character.

Article 2. Definitions

Section 2.1 Definitions

2.1.1 **ASSOCIATION.** Chestnut Hills Homeowners Association, a Michigan nonprofit corporation created to manage public space in Chestnut Hills and enforce the provisions of this Declaration.

2.1.2 **BASEMENT.** That portion of a building partly below the average grade and so located that the vertical distance from the average grade to the floor is greater than the vertical distance from the average grade to the ceiling. A basement shall not be counted as a story.

2.1.3 **BUILDING.** Any structure having a roof supported by columns or by walls and intended for the shelter, housing or enclosure of any person, animal or chattel.

2.1.4 **BUILDING ACCESSORY.** A subordinate building or portion of a principal building, the use of which is incidental to that of the principal building and customary in connection with that use.

2.1.5 **BUILDING HEIGHT.** the vertical distance measured from the established grade to the highest point of the roof surface for flat or dome roofs; to the deck line of mansard roofs; and to the average height between eaves and ridge for gable, hip and gambrel roofs.

2.1.6 **COMMERCIAL VEHICLE.** Any vehicle that exceeds 6,000 lbs GVW and/or a box-type truck designed for commercial endeavors.

2.1.7 **DECLARANT.** Chestnut Creek Farms Development, L.L.C., a Michigan limited liability company, and its successors and assigns.

2.1.8 **DWELLING.** A structure or portion thereof which is used exclusively for human habitation.

2.1.9 **FAMILY.** A single individual doing his own cooking and living upon the premises as a separate housekeeping unit; or a collective body of persons doing their own cooking, and living together upon the premises; or a separate housekeeping unit in a domestic relationship based upon birth, marriage or other domestic bonds distinguished from a group occupying a boarding house, lodging house, club, fraternity or hotel.

2.1.10 **FLOOR AREA.** For the purpose of computing the minimum allowable floor area in a residential dwelling unit, the sum of the horizontal areas of each story of the building shall be measured from the exterior faces of the exterior walls. The floor area measurement is exclusive of areas of basements, unfinished attics, attached garages, breezeways and enclosed and unenclosed porches.

2.1.11 **FRONT BUILDING LINE.** A line 25 feet from the front lot line.

2.1.12 **LOT.** A parcel of land occupied, or intended to be occupied, by a main building or a group of such buildings and accessory buildings, or utilized for the principal use and uses accessory thereto, together with such yards and open spaces as are required under the provisions of the Davison Township Zoning Ordinance. A lot may or may not be specifically designated as such on public records.

2.1.13 **LOT AREA.** The total horizontal area within the lot lines of a lot.

2.1.14 **LOT LINE, FRONT.** In the case of an interior lot, the front lot line is that line separating said lot from the street. In the case of a corner lot or double frontage lot, it is those lines separating said lot from either Street, or the Lot Owner, with the concurrence of the Township, shall have the right to choose which street shall be the front.

2.1.15 **LOT LINE, BACK.** That lot line opposite the front lot line. In the case of a lot pointed at the rear, the real lot line shall be an imaginary line parallel to the front lot line, not less than ten (10) feet long lying farthest from the front lot line and wholly within the lot.

- 2.1.16 **LOT LINE, SIDE.** Any lot line other than the front lot line or rear lot line. A side lot line separating a lot from another lot or lots is an interior side lot line.
- 2.1.17 **MEZZANINE.** An intermediate floor in any story occupying not to exceed one-third (1/3) of the floor area of such story.
- 2.1.18 **OPEN SPACE.** Any parcel or area of land or water essentially unimproved and set aside, dedicated, designated, or reserved for public or private use or enjoyment, or for the use and enjoyment of owners and occupants of land adjoining or neighboring such Open Space.
- 2.1.19 **SIDE STRIP.** The unpaid strip of land within a Street "right-of-way" which is parallel to the paved roadway, commonly located between the sidewalk and curb.
- 2.1.20 **STORY.** That part of a building, except a mezzanine as defined herein, included between the surface of one floor and the surface of the next floor, or if there is no floor above, then the ceiling next above. A basement shall not be counted as a story.
- 2.1.21 **SUBDIVISION.** The area encompassing the Chestnut Hills Subdivision as platted by the Declarant and set forth in the recorded plat thereof .
- 2.1.22 **PRIVACY FENCE.** This describes any fence that obstructs the view through to the property beyond.
- 2.1.23 **SCREEN.** Describes small fences that obstruct the view of specific areas such as hot tubs and the like, directly attached to the home and not taking up more than 100 square feet.

Article 3. Membership, Voting, Control Board and Powers

Section 3.1 Membership

3.1.1 The Chestnut Hills Homeowners Association of Michigan (the "Association") is a not-for-profit corporation. The purposes of the Association is to promote high standards of maintenance and operation of all property in Chestnut Hills reserved or dedicated for the common use of all residents and owners of property therein and to arrange the provision of services and facilities of common benefit, and in general to maintain and promote the desired character of Chestnut Hills.

Section 3.2 Voting

3.2.1 The owner of a lot shall be a Member of the Association and shall be entitled to one vote regardless of the number of lots of record.

Section 3.3 Powers of the Association

- 3.3.1 To the extent such services are not provided by any governmental body:
- 3.3.2 To care for, spray, trim, protect and replant trees on all streets and in other public places.
- 3.3.3 Where trees have once been planted, and to care for, protect and replant shrubbery and grass in the side strips which are in streets set aside for the use of residents and owners of property in Chestnut Hills.
- 3.3.4 To provide for the plowing and removal of snow from public streets, with written permission from the Genesee County Road Commission.
- 3.3.5 To spray and to take other measurements for mosquito and fly abatement within Chestnut Hills.

3.3.6 To employ duly qualified security guards for the purpose of providing such security services as the Association may deem necessary or desirable in addition to that provided by any governmental body. The Association shall notify all applicable local police agencies that security guards are patrolling the property, and shall cooperate fully with all reasonable requests of such agencies.

3.3.7 To maintain the entranceway to Chestnut Hills.

3.3.8 To improve and maintain all Open Space areas, including retention basins located therein subject to any applicable local ordinances or state and/or federal law, except as provided in Section 4.18.

3.3.9 To maintain Street Lighting pursuant to Section 4.5.

3.3.10 To mow, care for and maintain vacant and unimproved property and remove rubbish from same and to do any other things necessary or desirable in the judgment of the officers of the Association to keep any vacant and unimproved property and side strips in front of any property in Chestnut Hills neat in appearance and in good order and to make and collect reasonable charges therefore from owners of such property.

3.3.11 To provide for the maintenance of facilities in any public street, Open Spaces or entranceway or on any land set aside for the general use of the property owners and residents in Chestnut Hills.

3.3.12 To own or lease such real estate as may be reasonably necessary in order to carry out the purposes of the Association, and to pay taxes on such real estate as may be owed by it.

3.3.13 To make such improvements to the entranceway of Chestnut Hills and to side strips within streets in Chestnut Hills and to provide such other facilities and services as may be authorized from time to time by the affirmative vote of a majority of the votes cast; provided, however, that any such action so authorized shall always be for the express purpose of keeping Chestnut Hills a residential subdivision of high quality and character.

3.3.14 To assess and collect from the lot owners of Chestnut Hills the costs and expenses billed to the Association pursuant to Section 3.4 hereof.

3.3.15 To enforce the use and occupancy restrictions set forth in Article 4 of this Declaration.

3.3.16 The Board shall have authority to promulgate rules to effectively run the subdivision, which do not conflict with the covenants and restrictions.

Section 3.4 Dues

3.4.1 The annual dues payable by the owners of lots provides for the maintenance and improvements of all the land included in the plat of Chestnut Hills, including private road, if any, Open Spaces and wetlands.

3.3.2 The Directors of the Association shall set the amount of the dues and due date for payment of the dues.

3.4.3 The Directors of the Association shall be entitled to adjust said dues by increasing the same from time to time to cover the actual or anticipated costs of all fees and charges necessary to retain legal counsel in representing the Association for the purpose of enforcing these restrictions or to take such other action deemed necessary to retain the integrity of the standards established for Chestnut Hills.

3.4.4 In the event of failure of any lot owner to pay any assessment on the scheduled due date thereof, then such assessment shall become delinquent and shall bear a penalty of \$50.00. After 90 days of delinquency, the Association may place a lien on each lot against which such assessment is levied to secure payment thereof plus penalty. When delinquent, payment of both principal and penalty may thereafter be enforced against the owner personally or as a lien on said real estate. It shall be the duty of the Association to bring suit to enforce such liens before the expiration thereof. The Association may, at its discretion, file certificates of nonpayment of assessments in the office of the Register of Deeds whenever any such assessments are delinquent. For each certificate so filed,

the Association shall be entitled to collect from the owner or owners of the real property described therein the cost of current filing fees, which fee is hereby declared to be a lien upon the real estate so described in said certificate. Such fee shall be collectible in the same manner as the original assessments provided for herein and in addition to the interest and principal due thereon.

3.4.5 The Association is also able to collect any legal fees from the homeowner(s) for the placing of the liens and collection of dues and penalties due to non-payment.

3.4.6 The liens herein provided shall be subject and subordinate to the lien of any valid mortgage or deed of trust now existing or which may hereafter be placed on said real property prior to the effective dates of such liens. In the event of the issuance of a deed pursuant to foreclosure of such mortgage or deed of trust or in lieu of foreclosure, the grantee of such deed shall take title free and clear from any liens herein provided which accrue prior to the recording of such deed.

3.4.7 Such liens shall continue until paid or until such time suit shall have been filed for the collection of the assessment, in which case the lien shall continue until the termination of the suit and until the sale of the property under execution of the judgment in such suit.

Section 3.5 Expenses

3.5.1 The Association shall not expend more money within any one year than the total amount of the assessment for that particular year, plus any surplus which it may have on hand from previous assessments; nor shall said Association enter into any contract whatever binding the assessment of any future year, except for contracts for utilities, and no such contract shall be valid or enforceable against the Association.

Section 3.6 Community Meetings

3.6.1 Parliamentary Procedure; The rules contained in the currently revised *Robert's Rules of Order* shall govern all meetings to which they are applicable and in which they are not inconsistent with these bylaws. These rules may be suspended with 2/3 majority vote.

Article 4. General Restrictions

Section 4.1 Land Use and Building Type

4.1.1 All lots in Chestnut Hills shall, except as provided for under Section 4.7, be used for private residence purposes only, and no person shall erect, re-erect or maintain on any lot any building, except as specifically authorized elsewhere in this Declaration, except one dwelling, erected for occupancy by one family, and a private garage containing not less than two or more than four parking spaces for the sole use of the owners or occupants of the dwelling. No other accessory building or structures may be erected in any manner or location except as may be provided by Article XVII, Section 1705, of the Township Zoning Ordinance and approved in writing by the Board.

4.1.2 It is the intention and purpose of these Covenants to assure that all dwellings in Chestnut Hills shall be of a quality of design, workmanship and materials approved by the Board. All dwellings shall be constructed in accordance with the applicable governmental Building Code and with more restrictive standards that may be required by or in accordance with these Covenants. The minimum floor area of the dwelling shall be not less than 1200 square feet. The rear exterior elevation of the homes shall be designed with the same care and variety of materials used in designing the front elevations.

4.1.3 No person shall erect or maintain a building in Chestnut Hills nearer to the front lot line than 25 feet. No person shall erect or maintain a dwelling within 35 feet of a rear lot line or within 10 feet of a side lot line. Recreational structures, including swimming pools, which shall be governed by Section 1730 of the Davison Township Zoning Ordinance for the regulation of swimming pools, shall be screened from any street lying entirely

within Chestnut Hills by a wall or fence as approved in writing by the Board and Davison Township. No person shall erect or maintain a recreational structure, including a swimming pool, nearer than 25 feet from the front lone or a side lot line adjoining a street.

4.14 Access driveways and other paved areas for vehicular use on a lot shall be made of concrete. The owner or developer shall submit plans for driveways, pavement edging or markers to the Board for prior approval.

4.1.5 No person shall alter, permit or allow the alteration of the natural drainage courses and patterns, except to the extent that natural drainage courses and patterns shall be redirected within the boundaries of a lot in a manner consistent with the construction of improvements on such lot and in a manner which does not alter the points of entry to and exit from such lot without the prior written consent of the owners of lots adjacent to such points of entry and exit.

4.1.6 A complete working set of all plans, specifications and site plans proposed for any structure in the subdivision for the subject lot must be submitted for approval to the Board. The committee shall have the absolute authority to approve or disapprove all plans or specifications including exterior materials, designs and colors.

Section 4.2 Home Occupations

4.2.1 Home occupations, including uses involving business mailing addresses and business telephone numbers in residences, shall be permitted subject to the following conditions:

4.2.2 The use of the dwelling unit for the home occupation shall be clearly incidental and subordinate to its use for residential purposes by its occupants. Not more than twenty-five (25%) percent of the area of the dwelling unit, (exclusive of areas of unfinished attics, attached garages, breezeways, and enclosed or unenclosed porches) shall be used for purposes of the home occupation, whether conducted within the dwelling unit and/or an accessory structure.

4.2.3 There shall be no change in the outside appearance of the structure or premises, or other visible evidence of the conduct of such home occupation, other than signs pursuant to Section 1723 of the Davison Township Zoning Ordinance.

4.2.4 The outdoor storage of goods and materials shall be prohibited. No interior display shall be visible from the exterior of a dwelling unit used for purposes of a home occupation. No more than one (1) home occupation per dwelling shall be permitted.

4.2.5 No traffic shall be generated by such home occupation in greater volumes or type than would normally be expected in a residential neighborhood.

4.2.6 No equipment or process shall be used in such home occupation which creates noise, vibration, glare, flumes, odors, or electrical interference detectable to the normal senses of persons off the lot. In the case of electrical interference, no equipment or process shall be used which creates visual or audible interference with any radio or television receivers off the premises, or causes fluctuations in the line voltage off the premises.

4.2.7 A permit must be obtained from the Davison Township Building Official prior to the establishment of any home occupation. Fees for such permits shall be established by resolution of the Township Board.

Section 4.3 Nuisance and Livestock

4.3.1 No person shall conduct a noxious activity on, in or upon land in Chestnut Hills or do anything thereon which may be, or may become, an annoyance or nuisance to the neighborhood.

4.3.2 No animals (except for not more than any combination of two dogs/cats over four months of age), poultry or reptiles or birds (except caged house birds) shall be kept or maintained on any lot. The birthing of dogs and cats consistent with Section 1727.2 of the Davison Township Zoning Ordinance shall be allowed.

4.3.3 No person shall burn refuse outside the dwelling, except that the burning of brush shall be permitted as or if allowed by ordinance of the Township of Davison.

4.3.4 The use of any driveway or parking area which may be in front of, adjacent to or part of any lot as a habitual parking place for house trailers, boats, camping vehicles, camping trailers, aircraft, boat trailers, motorcycles, snowmobiles, snowmobile trailers, jet skis, jet ski trailers, or other recreational vehicles is prohibited unless in a suitable, private, attached garage.

4.3.5 No person shall use the side strip located between pavement and the lot line of each lot for the parking of any vehicle set forth above.

4.3.6 Commercial vehicles are prohibited from being parked or stored in the subdivision. See 2.1.6 for a definition of "commercial vehicle."

4.3.7 No plants or seeds, or other things or conditions, harboring or breeding infectious plant diseases or noxious insects shall be introduced or maintained upon any part of a lot.

Section 4.4 Accessories (nameplates, lighting, antennas, signage, laundry drying equipment)

4.4.1 There shall be no more than one nameplate on each lot. A nameplate shall not be more than 48 square inches in area, and shall contain the name of the occupant and/or the address of the dwelling. It may be located on the door of the dwelling or the wall adjacent thereto, or free-standing in the front or side yard, provided that the height of the nameplate is not more than 12 inches above the adjoining ground grade.

4.4.2 No television or radio antenna shall be erected or used outdoors, whether attached to a building or otherwise unless specifically approved by the Township and/or the Board.

4.4.3 Flag poles are permitted provided the pole is not more than 25 feet in height, unless otherwise approved by the Board.

4.4.4 Except as set forth in Sections 1723.5 and 1723.9 of the Davison Township Zoning Ordinance, no person shall place, erect or maintain a sign or billboard on any lot in Chestnut Hills except:

4.4.5 One sign advertising the lot, or the house and lot, are for sale or lease, which sign shall have a surface of not more than six square feet, and the top of which shall be three feet or less above the ground; provided, however, that such signs shall have been constructed and installed in a professional manner and its design and color must have been previously approved by the Board.

4.4.6 Such sign shall be kept clean and in good repair during the period of its maintenance on the said lot and shall in no event be placed and maintained nearer than 15 feet from the front lot line. Such other signs are subject to the above referenced sections of the Davison Township Zoning Ordinance may be erected and maintained as permitted in writing by the Board and the provisions of this Section shall not apply to such signs as may be installed or erected on any lot by the Board, or any builder which is may designate during the construction period; or during such periods as any residence may be used as a model or for display purposes.

4.4.7 Outside clothes drying equipment of any kind may not be used.

Section 4.5 External Street Lighting

4.5.1 The purpose of street lighting is to provide a safe environment for residents of the Subdivision, as well as promote attractive and harmonious residential development.

4.5.2 Street lighting as specified by the Association shall be attached to the main circuit of the individual lot owner.

4.5.3 Lights will be required to be scheduled either on a timer or photocell as set by the Association. Maintenance of the physical street light, excluding energy costs and attachment to the main circuit, shall be borne by the Association.

4.5.4 In the event a resident fails to maintain the street light attachment or energy costs in a manner that is consistent with this section, the Association shall provide notice of deficiencies and demand cure within 30 days.

4.5.5 In the event that the deficiencies are not cured within the 30 day period, the Homeowners Association reserves the right to assess appropriate fines as determined by the Board. Fines are not to exceed \$100 per month of delinquency and shall cease on cure of the defect. The Board shall provide notice of fines to the lot owners.

4.5.6 In the event of failure of any lot owner to pay any fine on or before the thirty (3) days following notice to such owner of such fines or the scheduled due date thereof, if later, then such fine shall become delinquent and bear a penalty of \$10 per day from the due date thereof to the date of payment, and the Association shall have a lien on each lot against which such fine is levied to secure payment thereof plus interest. When delinquent, payment of both principal and interest may thereafter be enforced against the owner personally or as a lien on said real estate. It shall be the duty of the Association to bring suit to enforce such liens before the expiration thereof. The Association may, at its discretion, file certificates of nonpayment of fines in the office of the Register of Deeds whenever any such fines are delinquent. For each certificate so filed, the Association shall be entitled to collect from the owner or owners of the real property described therein a fee of Ten and 00/100 (\$10.00) Dollars, which fee is hereby declared to be a lien upon the real estate so described in said certificate. Such fee shall be collectible in the same manner as the original fines provided for herein and in addition to the interest and principal due thereon.

4.5.7 The liens herein provided shall be subject and subordinate to the lien of any valid mortgage or deed of trust now existing or which may hereafter be placed on said real property prior to the effective dates of such liens. In the event of the issuance of a deed pursuant to foreclosure of such mortgage or deed of trust or in lieu of foreclosure, the grantee of such deed shall take title free and clear from any liens herein provided which accrue prior to the recording of such deed.

4.5.8 The liens herein provided shall be subject and subordinate to the lien of any valid mortgage or deed of trust now existing or which may hereafter be placed on said real property prior to the effective dates of such liens. In the event of the issuance of a deed pursuant to foreclosure of such mortgage or deed of trust or in lieu of foreclosure, the grantee of such deed shall take title free and clear from any liens herein provided which accrue prior to the recording of such deed.

4.5.9 Such liens shall continue until paid or until such time suit shall have been filed for the collection of the fine, in which case the lien shall continue until the termination of the suit and until the sale of the property under execution of the judgment in such suit.

Section 4.6 Weapons

4.6.1 No owner shall use or permit to be used by any occupant, agent, employee, invitee, guest or member of his or her family of any firearms, air rifles, pellet guns, BB guns, bows and arrows, sling shots, or other similar weapons, projectiles or devices anywhere on or about the Subdivision or any lot or Open Space therein.

Section 4.7 Temporary Structures

4.7.1 No trailer, basement of an uncompleted building, tent, shack, garage, barn (except as permitted in Section 4.1) and no temporary building or structure of any kind shall be used at any time for a residence either temporary or permanent. Temporary buildings or structures used during the construction of a dwelling shall be on the same lot as the dwelling, and such buildings or structures shall be removed upon the completion of construction. Nothing contained in this Declaration shall require the removal, or limit the use by Declarant, of temporary real estate sales offices to transact the sale of lots in Chestnut Hills.

Section 4.8 Swimming Pools

4.8.1 No permanent swimming pool shall be erected or maintained on or in any Site without the prior written approval of the Board.

4.8.2 All permitted swimming pools must be approved by the Board as to size, location, materials, and type of construction, including the design of any fencing required by the Township of Davison.

4.8.3 The maximum height and style of fencing shall, in all cases, be in compliance with the ordinances of the Township of Davison.

Section 4.9 Landscaping and Weed Control

4.9.1 Upon the completion of any dwelling on any lot, the owner shall cause the lots, as well as any of the unpaved portion of the right-of-way in front of the lot (except that portion thereof used for driveways and walks) to be finish graded, sodded and suitably planted as soon after completion of construction as weather permits. The grading, sodding and planting shall be completed in accordance with the landscape plan approved by the Board at the time of approval of plans, specifications and site plans. Thereafter, the lawn and landscaped area shall be maintained by the owner.

4.9.2 If the Association performs any of the grading or installs any of the sod or planting pursuant to the direction of Davison Township, the owner of the lot shall reimburse the Association for the cost thereof upon demand by the Association.

4.9.3 The owner of any vacant lot shall be subject to applicable estate statutes and local ordinances. In no instance shall weeds exceed a height of 18 inches.

Section 4.10 Old Buildings

4.10.1 No building situated elsewhere may be moved onto any lot in Chestnut Hills.

Section 4.11 Casualty

4.11.1 The owner of a lot on which a building or other structure is substantially damaged or destroyed by fire, storm or other casualty shall promptly remove from such lot all resultant debris and with reasonable dispatch shall either repair or rebuild such building or other structure or raze it and restore the lot to its condition prior to the construction of such structure.

Section 4.12 Architectural Controls

4.12.1 The purpose of architectural controls is to promote an attractive and harmonious residential development having continuing appeal.

4.12.2 Until the construction plans and specifications are submitted to and approved in writing by the Board:

1. No building, wall or other structure shall be commenced, erected or maintained;
2. Nor shall any addition, change or alteration therein be made except for interior alterations;
3. Nor shall exterior color changes be made.

4.12.3 The construction plans and specifications shall show the nature, kind, shape, color, height, materials (including samples of exterior building materials upon request).

4.12.4 The Board shall have the right to refuse to approve any such construction plans or specifications, or grading, which are not suitable or desirable, in the opinion of the Board, for aesthetic or other reasons; and in so passing upon such construction plans or specifications, the Board shall have the right to take into consideration the suitability of the proposed building or other structure with the surroundings, and the effect of the building or other structure on the outlook from adjacent or neighboring properties,

4.12.5 It is desirable that natural landscape and trees be left in their natural state as much as possible or practical.

4.12.6 All plans, specifications and other material shall be filed in the office of the Association, located in Davison, Michigan, for submission to the Board for approval or disapproval. The Board shall have the sole authority to review, approve, and disapprove the conditions, covenants, restrictions, reservations and grants contained in this Declaration. A report in writing setting forth the decisions of the Board and the reasons therefore shall be transmitted to the applicant by the Board within thirty (30) days after the date of filing complete plans, specifications and other material by the applicant. The Board will aid and collaborate with prospective builders and make suggestions from preliminary sketches.

4.12.7 Prospective builders are encouraged to submit preliminary sketches for informal comment prior to the submittal of architectural drawings and specifications for approval. In the event:

1. The Board fails to approve or disapprove within thirty (3) days after complete submission, the final plans, specifications and other materials, as required by this Declaration;
2. Or no suit to enjoin construction has been filed within fifteen (15) days after commencement of such construction, approval shall not be required, and the related requirements of this Declaration shall be deemed to have been complied with.

4.12.8 All of the powers and authority granted or delegated to the Board described in Section 3.6, or to the Association described in Section 3.3, shall be deemed to be rights and not obligations, and neither the Board nor the Association shall have any liability or obligation to any owner or any other person or entity whatsoever for any action, approval, disapproval or failure to act in connection with any matter provided for in these restrictions.

Section 4.13 Fences

4.13.1 No person shall erect or maintain a fence, wall or solid hedge on any lot except when required by ordinance or other governmental regulation in relationship to such a purpose as a swimming pool without the express written consent of the Board.

4.13.2 The committee shall have the sole and absolute discretion in any event to determine the suitability of the location, design, shape, height, size and materials proposed for same.

4.13.3 Fences shall also comply with any ordinances of the Township of Davison.

4.13.4 Chain link or composite fences with a maximum four-foot height may be permitted for the rear yard only upon approval of the Board. No privacy fencing is allowed.

Section 4.14 Dog Kennels, Runs and Similar Shelters

4.14.1 Dog kennels or runs or other enclosed shelters for permitted animals shall not exceed 150 square feet in size, shall be an integral part of the approved residence, shall be located in the rear of the residence only and shall extend no more than 12 feet beyond the rear of the residence.

4.14.2 The location and design of fencing for dog kennels, runs and similar shelters shall be approved by the Board and, if necessary, the municipality in which the residence is located.

4.14.3 If the kennel, run or fence is visible from the street, it shall be screened with suitable landscaping, the suitability of which shall be determined by the Board.

4.14.4 Each lot owner must keep any such kennel, shelter or run in a clean and sanitary condition.

Section 4.15 Public Utilities and Drainage Easement Areas

4.15.1 A permanent five-foot wide easement is granted for the benefit of the Association, and the Township of Davison, over each lot along all interior side lot lines for installation and maintenance of utilities, surface drainage and/or storm drains.

4.15.2 In the case of the five-foot permanent easements, there is also granted an additional temporary easement five-feet wide for the purpose of servicing and/or installing any utilities or drainage systems, provided that as a result of such access, said easements are reasonably restored to their original condition following entry. Prior to or after utilities and/or storm drains have been installed within any easement, driveways, plantings, fencing and other landscaping shall be allowed within the easement subject to all reasonable and necessary access for the installation and maintenance of the utilities and/or storm drains, for the installation of additional utilities and/or storm drains of the continued availability for access to the adjoining buildings and structures for the maintenance purposes above described.

Section 4.16 Underground Wiring

4.16.1 No permanent lines or wires for distribution of electric current or power to the residences shall be constructed, placed or permitted to be placed above ground anywhere in Chestnut Hills without the prior written consent of the Board.

Section 4.17 Side Strips

4.17.1 The owners of lots in Chestnut Hills shall be responsible for the maintenance of parkways or public rights-of-way located between their lot lines and edges of street pavements on which said lots abut.

Section 4.18 Wetlands, Open Spaces and Drainage Areas

4.18.1 the Association and the lot owners and their respective contractors, agents, employees and persons otherwise working on behalf of or with the permission of the Association and/or lot owners shall prohibit all disturbances of wetlands and drainage areas except as approved by the local and state governmental authorities having jurisdiction.

4.18.2 The Association shall further more maintain all Open Spaces.

4.18.3 The Association shall take all actions necessary to maintain the wetland areas in their natural condition, or in such modified condition as has been approved by all local and state governmental authorities having jurisdiction, and shall maintain the drainage areas so as to ensure their continued functioning as intended.

4.18.4 In the event that the Association shall at any time fail to maintain any of the Open Spaces in reasonable order and condition, Davison Township may serve written notice upon the Association or upon said lot owners setting forth the manner in which the Association has failed to maintain the Open Spaces in reasonable condition and said notice shall include a demand that deficiencies of maintenance be cured within thirty (30) days thereof and, further, shall state the date and place of a hearing thereon before the Davison Township Board of Trustees or such other board, body or official to whom the Township shall delegate such responsibility, which shall be held within fourteen (14) days of the notice.

4.18.5 At such hearing, the Township may modify the terms of the original notice as to the deficiencies and may give an extension of time within which the deficiencies shall be cured.

4.18.6 If the deficiencies set forth in the original notice or if the modifications thereof shall not be cured within said thirty (30) days or any extension thereof, the Township, in order to preserve the taxable value of the properties within the Subdivision and to prevent the Open Spaces from becoming a public nuisance:

4.18.7 May enter upon said Open Spaces and maintain the same for a period of one (1) years.

4.18.8 Said maintenance by the Township shall not constitute a taking of the Open Spaces nor vest in the public any right to use the same.

4.18.9 Before the expiration of the said year, the Township shall upon its own initiative or upon the request of the Association call a public hearing upon notice to the Association and to the residents of the Subdivision at which hearing such Association or the residents of the Subdivision shall show cause why such maintenance by the Township should not, at the election of the Township, continue for a succeeding year.

4.18.10 If the Township shall determine that the Association is ready and able to maintain the Open Spaces in a reasonable condition, the Township may, in its discretion, continue to maintain said Open Spaces during the next succeeding year and, subject to similar hearing and determination, in each year thereafter.

4.18.11 The cost of such maintenance, including reasonable administrative costs by the Township, shall be assessed equally against the properties within the Subdivision and shall become a lien on said properties.

4.18.12 The Township at the time of entering upon any Open Spaces for the purpose of maintenance shall file a notice of lien in the office of the Register of Deeds of the County of Genesee upon the lots affected by the lien within the Subdivision.

4.18.13 If said costs are not paid by the Association, the Township may pursue the collection of same through appropriate court actions and in such case the Association shall pay in addition to said costs, all costs of litigation, including attorney fees.

Section 4.19 Construction Periods

4.19.1 All buildings which are constructed on any lot shall be completed within twelve (12) months after commencement of construction.

4.19.2 During the period of construction on any lot, the owner of such lot shall cause the lot to be maintained in a neat and clean condition and shall remove all construction debris, rubbish and other waste materials as soon as possible after construction.

Section 4.20 Sheds

4.20.1 An accessory building (shed) may be erected under the following conditions:

4.20.2 Maximum size is 10 x 12 feet.

4.20.3 The shed must be built on either a concrete slab or treated wood platform with rat wall.

4.20.4 Must be sided and shingled to match exterior of the house.

4.20.5 Must be approved by the Board prior to construction beginning.

Article 5. General Provisions

Section 5.1 Term

5.1.1 Each of the Covenants set forth in this Declaration shall continue and be binding as set forth in Article 5 in perpetuity.

Section 5.2 Enforcement

5.2.1 The Covenants herein set forth shall run with the land and bind the Association and its members, grantees and assigns, and all parties claiming by, through or under them. The Association, and each owner or owners of any land in Chestnut Hills from time to time shall have the right, jointly and separately, to sue for and obtain a prohibitive or mandatory injunction to prevent the breach of, or to enforce the observance of, the Covenants above set forth, or any of them, in addition to the right to bring an ordinary legal action for damages.

5.2.2 Whenever there shall have been built on any lot in Chestnut Hills any structure which is and remains in violation of the Covenants above set forth, or any of them, for a period of thirty (30) days after actual receipt by the owner of such lot of written notice of such violation from the Association, then the Association shall have, in addition to the foregoing rights, the right to enter upon the property where such violation exists and summarily abate or remove the same at the expense of the owner, and such entry and abatement or removal shall not be deemed a trespass.

5.2.3 In no event shall the failure of the Association and such owners to enforce any of the Covenants herein set forth as to a particular violation be deemed to be a waiver of the right to do so as to any subsequent violation.

Section 5.3 Amendments

5.3.1 The members of the Association may revoke, modify, amend or supplement in whole or in part any or all of the Covenants and conditions contained in this Declaration and may release from any part or all of said Covenants all or any part of the real property subject thereto, but only at the following times and in the following manner:

5.3.2 Any such change or changes may be made effective at any time after the date of recording of this Declaration following the affirmative vote thereon by a two-thirds majority of those voting.

5.3.3 Any such consents shall be effective only if expressed in written instrument or instruments executed and acknowledged by each of the consenting owners and recorded in the Office of the Register of Deeds of Genesee County, Michigan; provided, however, that Article 5 hereof may be amended at any time in the manner therein set forth. A recordable certificate by an accredited abstractor or title guaranty company doing business in Genesee County, Michigan, as to the record ownership of said property shall be deemed conclusive evidence thereof with regard to compliance with the provisions of this Section. Upon and after the effective date of any such change or changes, it or they shall be binding upon all persons then owning property in Chestnut Hills and shall run with the land and bind all persons claiming by, through or under any one or more of them.

5.3.4 The members of the Association may not revoke, modify, amend or supplement, and may not release real property subject thereto from the Covenants contained in Section except upon the prior written approval of the Township of Davison.

Section 5.4 Severability Clause

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

Section 5.5 Indemnification

5.5.1 The Association shall, to the extent legally permissible, indemnify each person who may serve or who has served at any time as an officer, director, or employee of the Association against all expenses and liabilities, including, without limitation, counsel fees, judgments, fines, excise taxes, penalties and settlement payments, reasonably incurred by or imposed upon such person in connection with any threatened, pending or completed action, suit or proceeding in which he or she may become involved by reason of his or her service in such capacity; provided that no indemnification shall be provided for any such person with respect to any matter as to which he or she shall have been finally adjudicated in any proceeding not to have acted in good faith in the reasonable belief that such action was in the best interests of the Association; and further provided that any compromise or settlement payment shall be approved by a majority vote of a quorum of directors who are not at that time parties to the proceeding.

5.5.2 The indemnification provided hereunder shall inure to the benefit of the heirs, executors and administrators of persons entitled to indemnification hereunder. The right of indemnification under this Article shall be in addition to and not exclusive of all other rights to which any person may be entitled.

5.5.3 No amendment or repeal of the provisions of this Article which adversely affects the right of an indemnified person under this Article shall apply to such person with respect to those acts or omissions which occurred at any time prior to such amendment or repeal, unless such amendment or repeal was voted by or was made with the written consent of such indemnified person.

5.5.4 This Article constitutes a contract between the Association and the indemnified officers, directors, and employees. No amendment or repeal of the provisions of this Article which adversely affects the right of an indemnified officer, director, or employee under this Article shall apply to such officer, director, or employee with respect to those acts or omissions which occurred at any time prior to such amendment or repeal.

VARIOUS POLICIES

These are binding and legal rules by which the association operates. The difference from the Declaration of Protective Covenants is that these rules are generally written by and adopted by the Committee. They address matters that are not specifically addressed in the Covenants. These policies will not conflict with the Covenants. They simply identify procedures by which the board will act so as to uphold the purposes of the Covenants. At times, policies may be brought to a vote by the community if deemed necessary and expedient.

Because these policies are transitory, we are providing a policy per page so you may update your folder by simply adding or replacing pages as necessary.

VARIOUS POLICIES

Competitive Bid Process, adopted January 28, 2006

Rationale for the policy:

Open accounting and financial controls provide our community one side of financial protection. The other side is the way by which funds are spent. We asked the question, "How can we provide a measure of confidence to the community that the monies are spent the most effective, profitable way." We adopted the following policy to set parameters for making decisions when it comes to contracting the services/products of others.

The policy:

When the community seeks to engage in a given project, the following conditions shall be met:

- If the project exceeds \$1,000, then at least two written estimates for said project must be secured.
- If the project exceeds \$5,000, then at least two written estimates for said project must be secured and presented to the community for a vote unless the project has been budgeted.
- If a friend, relative or individual with whom a current officer or committee member is given an opportunity to bid on a project, then that officer or committee member is to suspend his/her voting privileges on said issue.

VARIOUS POLICIES

Enforcing Violations January 28, 2006

Rationale for the policy:

The Declaration of Protective Covenants were designed to create a harmonious atmosphere and to maintain property values. Enforcing the Covenants requires a mixture of proactive and reactive attention. Their enforcement also deserves a high degree of reasonableness. Therefore, we are giving advance notice that the Board will proactively inspect for violations. These inspections will neither violate the privacy of homes, nor will they be so regular that they are cumbersome. We adopted the following policy to give due notice to the community that they are to inspect their own properties and make the necessary corrections by the following dates.

The policy:

We will proactively enforce violations by inspecting properties from the street on a biannual basis. The dates are the last Saturdays in April and August.

VARIOUS POLICIES

Officers: Qualifications, May 6, 2006

Must be a resident of Chestnut Hills Subdivision for at least 1 year (2 years for President)

Must be current with association dues

Must be of reputable character

Must be a US citizen

VARIOUS POLICIES

Community Meetings: Date and Nomination Procedures, May 6 2006

The board will determine the date for an annual meeting. The date should generally be held during the month of October.

At the annual meeting, the following are to be presented to the community for vote and approval.

- Budget for the following year
- Election of Committee members due for the filling of terms expired
- Any board approved business

Neither nominations nor new business will be taken from the floor

Nominations for committee members must be submitted in writing to the Board 3 weeks prior to the annual meeting.

All new business must be presented to the Board before it is brought to the meeting.

The only motion to be accepted from the floor is a “no confidence” motion.

At all meetings twenty percent (20%) of association members present will constitute a quorum.

A simple majority vote of those present shall apply to all matters except as otherwise specified in the bylaws.

All matters of voting shall be by ballot.

Special meetings may be called by the Board.

Due notice of special meetings shall be given to the community of at least two weeks prior to the date

The president shall preside at all meetings. If he is unavailable the Vice-President shall preside.