Liber 1090
pg 743

DECLARATION OF COVENANTS AND RESTRICTIONS

A PLAT OF SANSTONE ESTATES NO. 2

This Declaration, made this ____ day of _____, 1996, by **CRANDELL ENTERPRISES, INC.**, a Michigan Corporation, 800 Island Hwy., Charlotte, MI 48813, hereinafter called Developer.

WITNESSETH:

ARTICLE I

DEFINITIONS

Section 1. The following words when used in this Declaration or any Supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

(a) "Association" shall mean and refer to the Sanstone Estates Association.

(b) "The Properties" shall mean and refer to all such existing properties, and additions thereto, as are subject to this Declaration or any Supplemental Declaration under the provisions of Article II, hereof.

(c) "Common Properties" shall mean and refer to those areas of land shown on any recorded subdivision plat of The Properties and intended to be devoted to the common use and enjoyment of the Owners of the Properties and any properties that the developer deeds to the Association for the common use of all of the lot owners of the subdivision.

(d) "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision plat of The Properties with the Exception of Common Properties as heretofore defined.

(e) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot or the land contract purchaser of any lot situated upon The Properties, but, notwithstanding any applicable theory of the mortgage, shall not mean or refer to the mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceedings in lieu of foreclosure.

(f) "Member" shall mean and refer to all those Owners who are members of the Association as provided in Article III, Section 1, hereof.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION ADDITIONS THERETO

Section 1. EXISTING PROPERTY: The real property which is, and shall be held transferred, sold conveyed, and occupied subject to this Declaration is described as Sanstone Estates No. 2, a subdivision on part of the NE 1/4 of Section 8 and NW 1/4 of Section 9, T2N, R4W, City of Charlotte, Eaton County, Michigan, as recorded on _____, 1996 in Liber ___ of Plats, pages _____ and ____, Eaton County Register of Deeds Office; all of which property shall hereinafter be referred to as "Existing Property".

Section 2. ADDITIONS TO EXISTING PROPERTY. Additional lands may become subject to this declaration in the following manner:

(a) **ADDITIONS IN ACCORDANCE WITH A GENERAL PLAN OF DEVELOPMENT.** The Developer its successor and assigns, shall have the right to bring with in the scheme of the Declaration additional properties in future stages of development.

The additions authorized under this and the succeeding subsection, shall be made by filing of record a Supplementary Declaration of Covenants and Restrictions with respect to the additional property which shall extend the scheme of the covenants and restrictions of this Declaration to such property.

Such Supplementary Declaration may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the scheme of this Declaration. In no event, however, shall such Supplementary Declarations revoke, modify or add to the covenants established by this Declaration within the Existing Property.

(b) **OTHER ADDITIONS.** Upon approval in writing of the Association pursuant to a vote of its members as provided in its Articles of Incorporation, the Owner of any property who desires to add it to the scheme of this Declaration and to subject it to the jurisdiction of the Association, may file of record a Supplementary Declaration of Covenants and Restrictions, as described in subsection (a) hereof.

(c) **MERGERS.** Upon a merger or consolidation of the Association with another association as provided in its Articles of Incorporation, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties right and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association

as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Existing Property together with the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration within the Existing Property except as hereinafter provided.

ARTICLE III

PROPERTY OWNERS ASSOCIATION MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1 (A) Developer intends to make this as a supplemental declaration to the original covenants and restrictions recorded in Liber 896, Pages 777-788, Eaton County Records, in which case the rights, obligations, membership, assessments, voting, etc., will be in the original Sanstone Estates Association as stated therein except as modified by this document.

Section 1 (B) In the event this document is construed as not a supplemental declaration under the prior restrictions filed in Liber 896, Page 777-788, Eaton County Records, and Sanstone Estates No. 2 Association is required to be formed, then all references to Sanstone Estates Association shall be construed to mean Sanstone Estates No. 2 Association to carry out the intent of this document.

Section 1. (C) PROPERTY OWNERS ASSOCIATION. At such time following the recordation of these restrictions, the Developer shall incorporate the Sanstone Estates No. 2 Residential Property Owners Association as a Michigan non-profit, no-stock membership corporation, which they shall cause to be formed not later than the time when they have developed and sold ninety percent (90%) in number of the dwelling units to be constructed within the Sanstone Estates No. 2 Subdivision. The Developer shall cause by-laws to be drawn to govern the affairs of the Association and shall cause an initial board of not less than three directors to be named in the Articles of Incorporation to oversee the completion of creation of the Association as a Corporation, the adoption of its original by-laws and such other matters as may be properly the responsibility of the members of the Board of Directors, including the election of officers and the appointment of committees to manage the affairs and properties of the association. In any event the Association shall be formed by the Developer within eight (8) years following the recordation hereof or at such earlier time as the Developer may determine.

Section 2. MEMBERSHIP. Every person or entity who is a record owner of a fee, an undivided fee, or a land contract purchaser's interest, in any Lot which is subject by covenants or record to assessment by the Association shall be a member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member.

Section 3. VOTING RIGHTS. There will be one vote for each lot. If the lot is owned by more than one person or entity, then the owners must decide among themselves how to cast the vote; provided however a land contract purchaser shall take precedence over the fee title holder.

ARTICLE IV

PROPERTY RIGHTS IN THE COMMON PROPERTIES

Section 1. MEMBERS' EASEMENTS OF ENJOYMENT. Subject to the provisions of Section 3, every member shall have a right and easement of enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title to every lot, subject to rules and regulations established by Developer and/or Association, or established in the future.

Section 2. TITLE TO COMMON PROPERTIES. The Developer may retain the legal title to the Common Properties until such time as it has completed improvements thereon and until such time as, in the opinion and the Developer, the Association is able to maintain the same; provided however the Developer hereby covenants for itself, its successors and assigns, that it shall convey the Common Properties to the Association not later than 25 years from the date hereof.

Section 3. EXTENT OF MEMBERS' EASEMENTS. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Developer and of the Association to borrow money for the purpose of improving the Common Properties in aid thereof to mortgage said properties. In the event of a default upon any such mortgage, the lender shall have a right, after taking possession of such properties, to charge admission and other fees as a condition to continued enjoyment by the members and, if necessary, to open the enjoyment of such properties to a wider public until the mortgage debt is satisfied whereupon the possession of such properties shall be returned to the Association and all rights of the Members hereunder shall be fully restored; and

(b) The right of the Developer or Association to take such steps as are reasonably necessary to protect the above-described properties against foreclosure; and

(c) The right of the Developer or Association, as provided in its Articles and By-Laws, to suspend the enjoyment rights of any Member for any period during which any assessment remains unpaid, and for any period not to exceed ninety (90) days for any infraction of its published rules and regulations; and

(d) The right of the Developer or Association to charge reasonable admission and other fees for the use of the Common Properties; and

(e) The right of the Developer or Association to dedicate or transfer all or any part of the Common Properties to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members; provided that no such dedication or transfer, determination as to the purposes or as to the conditions thereof, shall be effective unless an instrument signed by Members entitled to cast two-thirds (2/3) of the votes has been recorded, agreeing to such dedication, transfer, purpose or condition, and unless written notice of the proposed agreement and action thereunder is sent to every Member at lease ninety (90) days in advance of any action taken.

(f) The right of Developer or Association to regulate the use of common property and establish rules and regulations regarding the use of common property.

Section 4. MORTGAGES: OTHER INDEBTEDNESS

(a) The Association shall have power to mortgage the Common Properties.

(b) The total debts of the Association including the principal amount of such mortgages, outstanding at any time, shall not exceed the total of two (2) years' assessments current at that time, provided that authority to exceed said maximum in any particular case may be given by an affirmative vote of two-thirds (2/3) of the votes of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all members of at least thirty (30) days in advance and shall set forth the purpose of the meeting.

(c) The quorum required for any action hereunder shall be as follows:

At the first meeting duly called as provided therein, the presence of members, or of proxies, entitled to cast sixty (60) percent of all of the votes shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirements set forth in said Articles, and the required quorum at any subsequent meeting shall be one half of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following such preceding meeting. A meeting called for this purpose shall be by written notice sent to all members at least 30 days and not more than 60 days in advance and shall set forth the purpose of the meeting.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS. The Developer, for each lot owned by it within The Properties, and each owner of any lot by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, hereby covenants and agrees to pay to the Association: (1) annual assessments or charges; and (2) special assessments for capital improvements or purchase of land, such assessments to be fixed, established, and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof as herein after provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

Section 2. PURPOSE OF ASSESSMENTS. The assessments levied by the Developer or Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in The Properties and in particular for the improvement and maintenance of such properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Properties including, but not limited to, the payment of taxes and insurance thereon, repair, replacement, and additions thereto, and for the cost of labor, equipment, materials, management and supervision thereof.

Section 3. BASIS FOR AND MAXIMUM OF ANNUAL ASSESSMENTS. The annual assessment for an improved lot shall not exceed Two Hundred Fifty and 00/100 Dollars ($250.00); provided, however, for the assessment year beginning January 1, 1997, and every three (3) years thereafter, the members may vote, in the manner hereinafter provided in Section 5 hereof, to increase the maximum annual assessment amount and/or the basis for determining the assessment.

The annual assessment for an unimproved lot shall be equal to twenty-five percent (25%) of the annual assessment for an improved lot.

An improved lot shall be defined as a lot upon which, for which, excavation for a building foundation has been commenced prior to November 1, in the year preceding the due date of the net annual assessment.

Section 4. SPECIAL ASSESSMENTS FOR CAPITOL IMPROVEMENTS. In addition to the annual assessment authorized by Section 3 hereof,

the Developer or Association may levy in any assessment year a special assessment for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto, or for purchase of real estate, provided that any such assessment shall have the consent of three-fourths of the votes of Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members at least thirty (30) days and not more than (60) days in advance and shall set forth the purpose of the meeting.

Section 5. CHANGE IN BASIS AND MAXIMUM OF ANNUAL ASSESSMENTS. In accordance with the provisions of Section 3 hereof, the Members may change the maximum assessment and/or the basis for determining the assessment as fixed by Section 3 hereof; provided that any such change shall have the consent of two thirds (2/3) of the votes of Members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all Members at least thirty (30) days and not more than sixty (60) days in advance and shall set forth the purpose of the meeting; and provided further that the provisions of Section 3 hereof shall not apply to any change in the maximum assessment and/or the basis of determining the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation and under Article II, Section 2 hereof.

Section 6. QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTION 4 AND 5. The Quorum required for any action authorized by Section 4 and 5 hereof, shall be as follows:

At the first meeting called, as provided in Section 4 and 5 hereof, the presence at the meeting of Members, or of proxies, entitled to cast sixty (60) percent of all the votes shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Section 4 and 5, and the required quorum at any such subsequent meeting shall be one-half of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS: DUE DATES. The annual assessments provided for herein shall be due and payable on January 1 of each year.

The due date of any special assessment under Section 4 hereof shall be fixed in the resolution authorizing such assessment.

Section 8. DUTIES OF THE BOARD OF DIRECTORS. The Developer or Board of Directors of the Association shall fix the amount of

the assessment against each lot for each assessment period at least thirty (30) days in advance of the assessment due date, and they shall at that time prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

Prior to December 1 of each year a written notice of the assessment shall be sent to every Owner. The due date of said assessment shall be January 1 of each year. Assessments shall not be prorated.

The Association shall, within a reasonable time after demand, furnish to the Owner liable for said assessment a certificate in writing signed by an officer of the Association setting fourth whether said assessment has been paid. Such a certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. EFFECT OF NONPAYMENT OF ASSESSMENT: THE PERSONAL OBLIGATION OF THE OWNER: THE LIEN: REMEDIES OF ASSOCIATION. If an assessment is not paid within 30 days of due date then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon become a lien on the property which shall bind such property in the hands of the then Owner, his heirs, devises, personal representatives, successors and assigns. The assessments shall be the personal obligation of the Owner and the personal obligation to pay the assessment shall not pass to his successor in title unless expressly assumed by them.

If the assessment is not paid within thirty (30) day after the due date it is deemed delinquent and the assessment shall bear interest from the due date at an annual percentage rate equal to the then maximum legal rate for land contracts in the state of Michigan; provided however, it shall not exceed 25% per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or to foreclose the lien against the property, and there shall be added to the assessment reasonable attorney fees, interest, and the costs of the action.

Section 10. EXEMPT PROPERTY; The following property subject to this Declaration shall be exempted from the assessments, charges and liens created herein; (a) all properties to the extent of any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use; (b) all Common Properties as defined in Article I, Section 1 hereof; (c) all properties exempted from taxation by the laws of the State of Michigan upon the terms and to the extent of such legal exemption.

ARTICLE VI

RESTRICTIVE COVENANTS

Section 1. LAND USE AND BUILDING TYPE. No lot shall be used except for residential purposes. However, a model home or homes with displays and sales activities may be maintained by the builders, developer or Real Estate Broker as long as it is well maintained and it is not a nuisance to the general neighborhood. No building shall be erected, altered, placed or permitted to remain on any lot other than one detached single-family dwelling of new construction not to exceed two and one half stories in height and a private garage for not more than three cars, unless however the enclosed storage for the fourth or fifth vehicle is contained within the building structure, so that there are no more than 27 total lineal feet of garage doors.

Section 2. ARCHITECTURAL CONTROL. No building, fence, wall, basketball backboard or other structure of any type for any purpose shall be commenced, erected, placed or altered on any Lot or upon the Properties, nor shall any exterior addition to, change, or alterations thereof be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted in writing to, and approved in writing as to the harmony of external design, location in relation to surrounding structure, topography and finish grade elevations, and quality of workmanship and materials, as provided in Article VII.

Section 3. DWELLING QUALITY AND SIZE. The minimum square footage of livable floor space will be as follows: One story home 1,500 sq. ft.; One and one-half story 1,400 sq. ft. on first floors with two bedrooms and a full bath upstairs, two-story 2,000 sq. ft.; Bi-Level or Split-Level 2,200 livable space on top two floors.

A. The term "Livable Floor Space, or Area" shall include all the area enclosed by, and including, the exterior walls of the dwelling, but shall not include any space or area in garages, basements, breezeways, carports, porches and terraces.

B. Exterior of building will be covered with wood siding, brick veneer, natural stone, or other material approved in accordance with Article VII.

C. No exposed foundation over 16" in height shall be permitted to remain uncovered.

Section 4. BUILDING LOCATION. The building location shall be approved in accordance with Article VII, and shall meet all City zoning and building ordinances and codes. The front set back requirement for a building shall be 35 feet, unless modified by the Developer or Association.

Section 5. LOT AREA AND WIDTH. Lots shall not be split unless approved by the Developer and/or Association.

Section 6. EASEMENTS. Easements are reserved along and within 10 ft. of the front and rear lines of each lot for the purposes of laying, maintaining, and operating pipes and pole lines for the transmission of water, gas, electricity, telephone lines and other public and quasi-public utilities, and to use and occupy said premises for a said purpose, with the right to an ingress and to egress from, to repair the same when necessary and to trim and to cut trees which at any time may interfere with the operation or maintenance of said public and quasi-public utilities. It shall not be considered a violation of the provision herein contained if wires or cables carried by such pipes and poles over some portion of said premises are not within this easement as long as the same do not hinder, interfere with or obstruct the construction of any dwelling.

Section 7. NUISANCES. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance of a nuisance to the neighborhood.

Section 8. TEMPORARY STRUCTURES. No structure of any temporary character, trailer, basement, tent, shack, garage, barn, or other outbuilding shall be used on a lot at any time as a residence whether temporary or permanent.

Section 9. SIGNS. No sign of any kind shall be displayed to the public view on any lot except one sign of not more than six square feet advertising the property for sale, or signs used by a builder to advertise the property during construction and sales period or a political sign limited to three (3) per lot with each sign not exceeding six square feet with removal within 30 days after an election. A permanent sign for the subdivision entrance shall be erected and maintained by the Association.

Section 10. ANIMALS. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any lot, except that dogs, cats or other household pets may be kept provided that they are not kept, bred, or maintained for any commercial purpose. Lot owners must not allow their pets to trespass on other lots. Those who do are subject to fines or other penalties provided by the Developer or Association. The Developer or Association may limit the number of specific pets in anyone household. Pets may use only specific parts of the common area as designated by the Developer or Association.

Section 11. GARBAGE AND REFUSE DISPOSAL. No fuel storage tanks shall be permitted upon or below the ground. No refuse pile or other unsightly or objectionable material or object shall be allowed or maintained on any lot, whether improved or unimproved.

No outdoor incinerator may be installed, permitted, or connected to the plumbing system.

Section 12. SIGHT DISTANCES AT INTERSECTIONS. No fence, wall, hedge, shrub, or planting which obstructs sight lines at the roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points 25 feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. No trees shall be permitted to remain within such distances of such intersections unless foliage line is maintained at sufficient height to prevent obstruction of such sightliness.

Section 13. DRIVES. No lot shall be used for residential purposes unless the driveway approach and driveway leading from the hard-surfaced street to the garage shall be made of concrete materials, paving bricks or asphalt.

Driveways shall be located no closer than two feet (2') to a side yard lot line.

Section 14. PLANTING STRIP. The planting strip situated between the lot line or sidewalk and the curb line shall be seeded or sodded in a neat, orderly and aesthetically pleasant manner within six months of occupation of the dwelling. The remainder of the lot not occupied by dwellings, driveways, gardens, or landscaped or wooded areas, shall be grass seeded or sodded within six months from the date of occupation of the dwelling and the lawn shall be properly kept and maintained. These obligations are the responsibility of the Owner of such lots.

It shall be the responsibility and obligation of the Association to enforce the above covenants in the same manner as described in Section 18 below.

Section 15. GARAGES. Any dwelling built on any lot shall have at least a 484 square foot garage attached to, connected with, or built as a part of the dwelling.

Section 16. EXTERIOR STORAGE. All dwellings and garages constructed on the lots shall be of new construction. There shall be no outdoor storage of a mobile home, motor home, house trailer, or other recreational vehicle or trailer, boat, snowmobile, utility trailer, camping trailer, or any other kind of trailer. No carport shall be erect or maintained on any lot. "Storage" is considered anything more than forty-eight (48) hours in one week.

Section 17. RESTORATION. Any dwelling and garage on any lot which may in whole or in part be destroyed by fire, windstorm, or other casualty must be rebuilt or all debris removed and the lot restored to a sightly condition within reasonable dispatch.

Section 18. LOT CONDITION AND MAINTENANCE. The Owner of any lot with a dwelling on it shall at all times keep and maintain the same in an orderly manner causing grass and other growth to be regularly cut, prevent accumulations of rubbish and debris, and in general, maintain the lot in a sightly condition. Should the Owner refuse or neglect to maintain any lot in an orderly manner as herein provided after notice in writing is given him by the Architectural Control Committee of violation of the requirements herein contained; the Association or its agent may enter upon the property and do the necessary work to place it in an orderly manner and the Owner shall be required to pay the cost thereof. Collection of the cost shall be made by the Association in the same manner as the collection of the annual assessment, and said assessment of cost until paid, shall be a lien on the property. Each assessment of cost together with such interest thereon and cost of collection thereof, shall be the personal obligation of the person who was the Owner of such property at the time when the assessment of cost fell due, precisely in the same manner as with regard to collection and enforcement of annual assessments.

Section 19. SWIMMING POOLS. Swimming pools will not be nearer than ten (10) feet to any Lot line and will not project with their coping more than two feet above the established grade. No aboveground swimming pools will be permitted. All pools must be approved by Developer or the Association before construction begins.

Section 20. DESIGN CRITERIA OF PLAT, LOTS, RESIDENCES. In order to achieve high quality design in the Sanstone Estates No. 2 Subdivision, the Developer will require the following criteria to be used in all plot plans, landscape plans, building plans, and related specifications:

A. Preserve nature contours and vegetation as practicable.

B. Orient all improvements such as to blend in with surroundings, creating the least impact on the environment as possible.

C. Architectural design of the residences to be harmonious with surrounding environment and each other. Each residence should compliment its neighbor.

D. Exterior colors shall be consistent with normal color compliments.

E. A Landscape plan shall be prepared and submitted for approval by Developer or Association, or Architectural Control Committee for approval, along with plans for building upon any lot.

Section 21. RESERVATION OF MINERAL RIGHTS. Developer reserves to itself, its successors and assigns, all oil, gas and

other subsurface minerals within the lots subject to this Declaration.

Section 22. SOIL FROM EXCAVATION. All soil to be removed from any of the Lots either in grading or excavating will, at the option of the Developer, become the property of the Developer and when removed will be placed by the owner of the Lot in such a place or places within Sanstone Estates as the Developer will designate at the Lots owner's expense.

Section 23. WATER SYSTEMS. No individual water supply system will be permitted on a Lot.

Section 24. SEPTIC SYSTEMS. No septic tank or drainage field will be permitted on any lot.

Section 25. OCCUPANCY. No building erected upon any Lot will be occupied in any manner while in the course of construction, nor at any time prior to its being fully complete. Nor will any residence, when completed, be in any manner occupied until made to comply with the approved plans and all of the Restrictions.

Section 26. ELEVATIONS No changes in the elevation of the land will be made on a Lot without the prior written consent of the Developer.

Section 27. ASSIGNMENT. Developer may at any time assign all or part of it's rights, privileges and duties to the Homeowners' Association in Sanstone Estates No. 2 Subdivision or to any other person, firm, entity or corporation and upon the execution and recording of appropriate instruments of Assignment and Conveyance, the Assignee shall have and exercise all the same rights as Developer, and Developer shall be fully released and discharged from further obligations and responsibilities with reference to these Restrictive Covenants.

ARTICLE VII

ARCHITECTURAL CONTROL COMMITTEE

Developer shall designate an Architectural Control Committee to act until such time as the Association is formed. Whenever there is a reference herein to Homeowner's Association, rules, Directors, Association, or any other entity which has not yet been formed, the duties or activities of a said entity shall be performed by Developer herein.

Section 1. REVIEW BY COMMITTEE. Any reference contained in these covenants and restrictions to the Architectural Control Committee and the action which are requested of it shall be submitted in writing to, considered by, and approved in writing by either the Board of Directors of the Association or Architectural

Control Committee Composed of one or more representatives appointed by such Board. In the event the entity to which said proposal has been submitted shall have failed to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, further approval will not be required. Provided, however, in the case of construction of a new dwelling on any lot, Crandell Enterprises, Inc. by its president or vice president may approve plans without submitting said plans to the Architectural Control Committee or Board of Directors. The approval of any request by one of the above entities shall be binding upon the others.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. DURATION. The covenants and restrictions of this declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of 25 years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the then Owners of two-thirds (2/3) of the lots has been recorded, agreeing to change said covenants and restrictions in whole or in part; provided, however that no such agreement to change shall be effective unless made and recorded one (1) year in advance of the effective date of such change, and unless written notice of the proposed agreement is sent to every Owner at least ninety (90) days in advance of any action taken; provided further however, changes can be made in this Declaration at any time upon the recording of an instrument, signed by the then Owners of eighty(80) percent of the lots agreeing to said changes.

Section 2. NOTICES. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, first class postage paid, to the last known address of the person who appears as Members of Owner on the records of the Association at the time of such mailing.

Section 3. ENFORCEMENT. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, or against the land to enforce any lien created by these covenants; and failure by The Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 4. SEVERABILITY. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise effect any other provision which shall remain in full force and effect.

Section 5. AMENDMENT. In the event any of these restrictions are in violation of township ordinance or other law, Developer may waive, in writing, any such restrictions and conditions or modify and amend the same to conform with applicable law. In the event of national emergency, Developer, or its authorized representative, may waive or amend any requirement contained in this declaration of restrictive covenants which conflicts with governmental regulations or with the national welfare.

Pending transfer of administration of the Restrictive Covenants to the Homeowners' Association, Developer reserves the right to amend and modify them to reflect changed circumstances during the development process, so long as such changes are in conformity with applicable ordinance and law. Upon transfer of administration to the Association these Restrictive Covenants may be changed, modified, amended or eliminated upon the vote of at least 66 2/3% of the lots subject to this Declaration, provided that any such change, modification, amendment or elimination will not constitute a violation of applicable law and provided further that any such change, modification, amendment or elimination will be prospective in nature and duly recorded with the Eaton County Register of Deeds and duly disseminated to all lot owners in a timely fashion to allow time for knowledge and compliance.

ARTICLE IX

FLOODPLAIN RESTRICTIONS

No filling or occupation of the floodplain area will be allowed without approval of the Michigan Department of Environmental Quality and any building used or capable of being used for residential purposes and occupancy within or affected by the floodplain shall comply with all of the following requirements.

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

B. Have openings into the basements not lower than the elevation of the contour defining the flood plain limits.

C. Have basement walls and floors, below the elevation of the contour defining the flood plain limits, watertight and designed to withstand hydrostatic pressures from a water level equal to the elevation of the contour defining the flood plain limits.

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

E. Be properly anchored to prevent flotation.

F. The elevation of the floodplain contour abutting Lot 37 is 885.2 N.G.V. Datum, and the elevation of the floodplain contour abutting Lot 34 is 884.0 N.G.V. Datum. The elevation of the floodplain contour abutting Lots 45-52 is 878.5 N.G.V. Datum.

G. These floodplain restrictions shall be observed in perpetuity and may not be amended.

In Witness Whereof, the parties hereto have caused this Declaration to be executed the day and date first above written.

Witnesses:

Developer: Signed on behalf of

CRANDELL ENTERPRISES, INC.

BY: Randolph A. Crandell
Randolph A. Crandell
President

Daniel D. Crandell
Daniel D. Crandell
Vice-President

STATE OF MICHIGAN)
)SS
COUNTY OF EATON)

The foregoing instrument was acknowledged before me this 5th day of February, 1996, by Randolph A. Crandell, the President and Daniel D. Crandell, the Vice-President of Crandell Enterprises, Inc., a Michigan Corporation, on behalf of the Corporation.

Shirley A. Gearhart
Notary Public, Eaton County,
State of Michigan
My commission expires: April 21, 1997

Drafted by: Lyle B. Skalland
Attorney at Law
107 W. Lawrence
Charlotte, MI 48813
(517) 543-3606