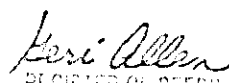


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KERI ALLEN
REGISTER OF DEEDS
MONROE COUNTY, MICH

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
MONTEVALLO PLAT 3**

BEDFORD TOWNSHIP, MONROE COUNTY, MICHIGAN

The undersigned L & D INVESTMENT CO., LTD., an Ohio limited liability company and (hereinafter referred to as "Owner" or "Developer"), as owner of real property known as Montevallo Plat 3 (including lots 63 - 98), as recorded in Liber 20 of Plat, Pages 3 through 7, Monroe County Register of Deeds Office imposes the following plat restrictions and covenants on the Subdivision for the benefit of all present and future owners of any lot in the Subdivision.

DECLARATIONS

All lots within the Subdivision shall be subject to the following development standards, restrictions, covenants, conditions and assessments, which are for the benefit of all lot owners and occupants within the Subdivision and which shall run with the property and shall be binding on all owners and all persons claiming under them until December 31, 2011 at which time said covenants, conditions, restrictions and assessments shall be automatically extended for successive periods of ten (10) years, unless by a majority vote of the then owners of the lots in the Subdivision it is agreed to change said covenants, conditions, restrictions and assessments in whole or in part, however said covenants, conditions, restrictions and assessments may be amended in whole or in part at any time, by three-fourths (3/4) of the lot owners of this subdivision:

Article 1. Use Restrictions

1.01 Each lot within the Subdivision (hereinafter "Building Lot") shall be used for single-family residential purposes only. However, the Owner, its agents or assigns, may use the Building Lots for construction and sales purposes during any building and sales period.

1.02 No residence, fence, flagpole, mailbox, light pole or fixture, swimming pool, tennis court, awning, wall or structure of any kind shall be erected, placed or altered on any Building Lot without first obtaining the written consent of the Architectural Control Committee subsequently described herein. All requests for written approvals from the Architectural Control Committee shall be accompanied by detailed plans and specifications for the proposed improvements showing, where applicable, the size, location, type, architectural design, spacing, quality, use, construction materials, color scheme, grading plan and finish grade elevation for said improvements. Mailboxes shall be constructed of cedar and shall be consistent in design throughout the Subdivision.

1.03 All structures or improvements commenced by an owner of any Building Lot within the Subdivision must be completed within twelve (12) months from the date of commencement.

1.04 No detached accessory building(s) or sheds of any kind shall be permitted on any Building Lot.

1.05 No towers or antennas of any description or satellite dish receivers greater than twenty-four (24) inches in diameter will be permitted on any Building Lot. Any satellite dish antenna twenty-four (24) inches or less in diameter shall require Architectural Control Committee approval as to location, color and other aesthetic considerations.

1.06 No portion of any lot nearer to any street than the building setback line of said lot shall be used for any purpose other than that of a lawn, provided however this covenant shall not be construed to prevent the use of such portion of said lot for walks, drives, trees, shrubbery, flowers, flower beds, ornamental plants, statuary, fountains, hedge, wall or left in its natural state, or other use which shall first have been approved by the Montevallo Plat 3 Architectural Control Committee for the purpose of beautifying said lot.

1.07 No structures or materials shall be placed or permitted within the utility or drainage easement areas as designated on the recorded plat of the Subdivision. Plantings within said utility or drainage easement areas are at the Building Lot owner's sole risk of loss if such plantings, as determined solely by the applicable utility company or the Architectural Control Committee, would damage or interfere with the installation or maintenance of utilities or would change or retard the flow of surface water from its proper course. Each Building Lot owner shall maintain such portion of any utility or drainage easement area as is located upon such Building Lot owner's lot.

1.08 No business activities of any kind shall be conducted on any Building Lot or open space in the Subdivision without the approval of the Homeowners' Association; provided, however, that the foregoing shall not apply to the business activities of Owner or the construction, sale or maintenance of Building Lots and residences by authorized builders or by Owner, its agents or assigns, during the construction sales period.

1.09 No clotheslines shall be located on any Building Lot. No laundry articles shall be left outdoors overnight or any time on Saturdays or Sundays.

1.10 No buses, campers, motor homes, trailers, boats, or other similar recreational vehicles shall be stored on any Building Lot unless housed within a garage. No inoperable vehicles shall be stored on any Building Lot.

1.11 No exterior portion of any Building Lot shall be used as a dumping ground or storage area for rubbish, machinery, scrap, paper, glass or other such materials. Garbage or other waste shall be kept in trash containers. All containers used for the storage or disposal of trash or recyclable materials shall be kept in a clean and sanitary condition and screened from public view. Building materials to be used in the construction of approved structures may be stored on a Building Lot, provided such building materials are incorporated into the approved improvement within ninety (90) days after their delivery to such Building Lot.

1.12 No sod, dirt or gravel, other than incidental to the construction of an approved structure or the normal maintenance of lawn areas, shall be removed from any Building Lot without the written approval of the Architectural Control Committee.

1.13 No weeds, underbrush or unsightly growths or objects of any kind shall be permitted to remain on any Building Lot within the Subdivision. All lawn areas shall be maintained in a neat and orderly manner and shall be mowed on a regular basis. The Homeowners' Association may regulate and control the maintenance of lawn areas by publishing rules and regulations as it deems necessary from time to time.

1.14 No geothermal or solar heating system shall be installed on any Building Lot or on any dwelling hereon without the prior approval of all applicable agencies and the Architectural Control Committee.

1.15 No animals, livestock or poultry of any kind shall be raised, bred or kept on any Building Lot, except that dogs, cats or other usual household pets may be kept on a Building Lot, so long as such pets are not kept, bred or maintained for any commercial purpose. No animal shall be permitted to run loose or become a nuisance to any owner of any Building Lot in the Subdivision. The Homeowners' Association may regulate and control the maintenance of such household pets by publishing such rules, and regulations as it deems necessary from time to time.

1.16 No sign or billboard shall be erected or displayed on any Building Lot except (a) one (1) sign of no more than five (5) square feet advertising the property for sale; (b) signs used by Owners, its successors and/or assigns, to advertise lots or residences for sale during the construction and sales period; and (c) signs approved by the Architectural Control Committee.

1.17 All tanks for the storage of propane gas, fuel or oil shall be located beneath ground level, except that propane tanks for service to the entire Subdivision or, on a temporary basis for construction of an approved structure may be located above ground.

1.18 No well for the production of gas, water or oil, whether intended for temporary or permanent purposes, shall be drilled or maintained on any Building Lot without the written consent of the Architectural Control Committee.

1.19 All fencing, except for landscape type fencing as specifically approved by the Architectural Control Committee, on any Residential Lot shall be split-three-rail wood fencing and shall not be permitted in front of a line extending from the rear line of the Dwelling extended to the side property line of the Residential Lot, provided however, on Residential Lots bordering on two streets (i.e. corner lots) no fencing shall be permitted in front of the rear and side building lines of the Dwelling, extended to the side and rear property lines of the Residential Lot, respectively. Wire fencing may be attached to the fencing on the property owner's side of the fence. All fence plans shall be subject to the Architectural Control Committee's approval.

1.20 No above ground swimming pools in place for more than forty-eight (48) consecutive hours will be permitted on any Building Lot in the Subdivision.

1.21 No private water supply systems or private sewage disposal systems shall be permitted on any Building Lot in the Subdivision.

1.22 Nothing shall be done, placed or stored on any Building Lot which may endanger the health or unreasonably disturb the occupants of the dwellings on neighboring Building Lots.

1.23 The owner of each Building Lot within the Subdivision, upon acquisition of title to such lot, shall automatically become a member of the Homeowners' Association created in accordance with Article 3.01 hereof. Such membership shall be an appurtenance to and shall not be separated from ownership of the Building Lot and such membership shall terminate upon the sale or other disposition by such member of such lot ownership.

1.24 No basketball backboard or similar improvement shall be erected or attached to a Dwelling or garage.

1.25 Temporary structures or fixtures of any nature (including basketball backboards) shall not remain in front of the building line or in plain view from the street for any time period exceeding 24 hours without prior approval from the Architectural Control Committee.

1.26 There shall be no direct vehicular access from Lots 89, 90 and 91 to Monroe Road. Driveways for Lot 89, 90 and 91 must connect to Kensington Road and not Monroe Road.

1.27 There shall be maintained on the west side of Lots 89, 90 and 91, a landscape easement, containing healthy plantings as specified in a certain landscape plan on file with Bedford Township. Although Bedford Township may require the Owner to install the landscape easement and initial plantings, the individual lot owners shall be responsible for maintaining the portion of the landscape easement located on their particular lot. No buildings or structures, including stockade fences, of any kind may be constructed within the landscape easement. Bedford Township shall be authorized, but not required to enforce this provision relating to a landscape easement against the individual lot owners in the same manner as the Owner, association or lot owners. There shall also be maintained along the west 20 feet of the detention area (along Monroe Road), which is part of Montevallo Park, healthy plantings as specified in a certain landscape plan on file with Bedford Township. The Association and all of the lot owners shall be responsible for maintaining the landscaping in the detention area. Bedford Township shall be authorized, but not required to enforce this provision relating to landscaping the detention area against the Association or lot owners, in a court of law or as permitted in these restrictions.

1.28 There is a 6 foot common walkway area, entitled "Montevallo Walkway", between Lots 16 and 17 Montevallo Plat 1, for a pedestrian access, running from Windsor Lane to Woodmont Drive located in the adjacent Woodmont Manor Subdivision. The walking area shall be owned by the lot owners of this Subdivision, including this plat and all other plats, but considered useable by those lot owners and lot owners of Woodmont Manor Subdivision (all plats), and their successors and assigns. The use of said walkway area shall be for pedestrian and bicycle travel, but said walkway area may not be used at any time as a road, or for any vehicular traffic, or for any motorized travel. Said walkway shall be no less than four feet wide and no more than five feet wide, constructed of asphalt with barriers of either natural landscaping or some other man-made structure so as to impede vehicular traffic and motorized travel, but not so as to impede pedestrian and bicycle travel. Barriers will be located at both the Windsor Lane and Woodmont Drive ends of the walkway. In connection with final plat approval for Montevallo Plat 1, Bedford Township required a bond to guarantee, among other things, the construction of such sidewalk and barriers in the walkway area. If the Owner did not construct the sidewalks and barriers satisfactorily to Bedford Township, then Bedford Township would have been permitted to keep the bond, enter upon the walkway area and construct the sidewalks and the barriers to its satisfaction, and utilize any or all of the bond money for this purpose. In addition, Bedford Township would have been authorized, whether the bond was used or not used, to file suit and seek an injunction against the Owner, or seek other remedies consistent with the rights retained by the Township. Neither Bedford Township nor the lot owners of Woodmont Manor Subdivision shall ever, at any time, be construed to be the responsible party for maintenance of the walkway area or for any other purpose regarding the walkway area, including the liability for and/or maintenance of the land, improvements, sidewalk and/or the barrier items. The responsibility and liability for the walkway area, including all improvements therein, such as the sidewalk and the barrier items, shall lie with the lot owners of Montevallo Subdivision, including Plat 1, Plat 2, Plat 3, and any subsequent plats. The walkway area shall at all times be considered private. If at any time the walkway area is not being properly maintained, Bedford Township may enter upon the walkway area and maintain said walkway area, including all the improvements made thereon, such as the sidewalk and the barrier items, and may spread that charge equally among all of the lots in Montevallo Subdivision, including Plat 1, Plat 2, Plat 3 and any subsequent plats, and such charges shall thereafter become a lien against each lot on the first day of the year in which the charges are approved by Bedford Township, and said charges shall become a lien on the property which shall be collected in the same manner as real estate taxes are collected for said lots. Nothing herein shall be construed to require Bedford Township to maintain the walkway area. Bedford Township, by and through a Resolution of its Board, shall have the right to further define and/or restrict the extent of pedestrian and bicycle travel upon the walkway area, or the type and style of barrier items to be used, by filing an Affidavit with the Monroe County Register of Deeds Office, and sending a copy of said Affidavit to all the lot owners of Montevallo Subdivision, including those in Plat 1, Plat 2, Plat 3 and in any subsequent plats, and by sending a copy to any lot

owners association of Woodmont Manor Subdivision, or to the lot owners of Woodmont Manor Subdivision, and by posting same on the walkway area, which shall thereafter become the defining limitations pertaining to said pedestrian and bicycle travel on the walkway area. Prior to an occupancy permit being given for any lot in Montevallo Plat 3 by Bedford Township, the Owner shall construct and install all of the improvements required in this paragraph on the walkway area. This paragraph relating to the walkway area may not be modified or deleted without prior written approval by the Bedford Township Board, and any attempt at modification or deletion shall not be in effect without said prior Bedford Township Board approval.

1.29 Every purchaser of any lot in Montevallo Plat 3 shall install at the Lot Owner's expense a sidewalk upon his lot. Said sidewalk shall be located within the street right-of-way, parallel to the lot line(s) and in conformance with county road and township sidewalk provisions and/or specifications. Said sidewalk to be installed within three (3) months of completion of construction of premises or within twelve (12) months of purchase but in no event, later than three (3) years after the date of final plat approval of Montevallo Plat 3 by the Township Board of the Township of Bedford. In the event that any lot owner fails to install a sidewalk within the prescribed time requirements, the developer may install the sidewalk. The cost of any sidewalks installed by the developer shall become a lien upon that lot and interest shall be charged, accrue, and become due at the highest rate permitted by law until said lien is paid in full. This paragraph relating to sidewalks shall not be modified or deleted without prior written approval by the Bedford Township Board, and any attempt at modification or deletion shall not be in effect without said prior Bedford Township Board approval. Bedford Township shall be authorized but not required to enforce this provision relating to sidewalks against the individual lot owners in the same manner as the Developer, Association or lot owners.

1.30 Invalidation of any of these covenants and restrictions by judgment or court order shall in no way affect any other provision hereof, all of which shall remain in full force and effect.

1.31 It shall be lawful for the Owner, Monroe County, Bedford Township, the Homeowners' Association or any person or persons owning any real property within the Subdivision to prosecute any proceedings at law or in equity against a person or persons violating or attempting to violate any covenant or restriction contained herein. The proceeding may seek to prevent such person or persons from violating or continuing to violate the restrictions or to recover damages for such violation together with the costs incurred in enforcement of the restrictions.

Article 2. Additional Drainage Easement and Park Restrictions

Drainage easements and Montevallo Park shown on the recorded plat of the Subdivision may include storm water detention or retention areas designed to direct, detain or retain water. The following covenants and restrictions are for the benefit of all Building Lot owners in the Subdivision and are to run with the land and shall be binding on all parties, on all owners, and all persons claiming under them forever, as follows:

2.01 The Montevallo Park (known as "Park") and Montevallo Walkway (known as "Walkway"), designated on Montevallo Plat 1 recorded in Liber 18 of Plats, Pages 7 through 11, Monroe County Register of Deeds Office, subject to any drainage and storm water detention rights that may have been granted to the Monroe County Drain Commissioner by easement or on Montevallo Plat 1, are private and for the use of the lot owners of this plat, and the lot owners of future and/or past contiguous plats, if any, where title is traceable to the Developer of this plat, and where said future and/or past contiguous plats are or were made subject to the same or similar restrictions as are contained in this paragraph. The Park and Walkway shall be considered owned by the lot owners of this plat and those of future and/or past contiguous plats, if any, where title is traceable to the Developer of this plat, and where said future and/or past contiguous plats are or were made subject to the same or similar restrictions as are contained in this paragraph and where the Developer deeds or deeded an equal undivided fractional interest in the Park and Walkway to said lot owners. The owner of each of such lots shall own, in addition to the particular lot, an equal undivided fractional interest in the Park and Walkway, proportionate to the total number of lots in this plat and in future and/or past contiguous plats, if any, where title is traceable to the Developer of this plat, and where said future and/or past contiguous plats are or were made subject to the same or similar restrictions as are contained in this paragraph and where the Developer deeds or deeded an equal undivided fractional interest in the Park and Walkway to the lot owners of said plats. The ownership of a proportionate equal undivided fractional interest in the Park and Walkway by a lot owner shall be acquired upon the lot owner receiving title to a lot in this plat or in a future and/or past contiguous plat where title is traceable to the Developer of this plat, and where said future and/or past contiguous plat is or was made subject to the same or similar restrictions as are contained in this paragraph. Neither the proportionate equal undivided fractional interest in the Park and Walkway nor the lot to which said undivided interest attaches may ever be separately transferred, conveyed, assigned, or encumbered, or otherwise separated from each other. The Developer, and each subsequent owner of a lot in this and any other applicable plat, must include a reference in the legal description on any deed or other instrument of conveyance, that a purchaser or transferee is acquiring, in addition to the lot being acquired, the appropriate equal undivided fractional interest in the Park and Walkway which shall be based on the total number of lots planned for all projected plats in this Subdivision. The reference in the legal description on any deed or other

instrument of conveyance shall be: "and an undivided one-ninety-eighth (1/98) interest in the Montevallo Park and Montevallo Walkway, as shown on Montevallo Plat 1, recorded in Liber 18 of Plats, Pages 7 through 11, Monroe County Register of Deeds Office". The proportionate equal undivided fraction ownership interest in the Park and Walkway subject to the interest attached to the lots in applicable past contiguous plats, shall attach to the lot in this plat at the time when the lots and proportionate equal undivided fractional ownership interests are first deeded by the Developer to the first lot owners. Said attachment shall remain forever as long as this plat is in existence. After the final plat of any future and/or past contiguous plat is recorded at the Monroe County Register of Deeds Office, where title is traceable to the Developer of this plat, and where said future and/or past contiguous plat is made subject to the same or similar restrictions as are contained in this paragraph, a proportionate equal undivided fractional ownership interest in the Park and Walkway shall be deeded by the Developer to the first lot owners in that plat, and the interest shall thereafter remain immediately attached to the lots in said future and/or past contiguous plats. This paragraph relating to the Park and Walkway shall not be modified or deleted without prior written approval by the Bedford Township Board, and any attempt at modification or deletion shall not be in effect without said prior Bedford Township Board approval. The Walkway shall also be for the use of the lot owners of Woodmont Manor Subdivision, recorded in Liber 10 of Plats, Page 1, Monroe County Register of Deeds Office.

2.02 No owner of any Building Lot in the Subdivision shall do or permit to be done any action or activity which would result in (a) the pollution of any retained water, (b) the diversion of water, (c) a change in the elevation of the water level, (d) silting or (e) an adverse effect on water quality, drainage or proper water management, or which would otherwise impair or interfere with the use of such areas for drainage and related purposes for the benefit of all Building Lot owners.

2.03 No boating, fishing, swimming, ice skating or other recreational activity shall be conducted in, on or above said drainage easement areas.

2.04 The Homeowners' Association shall have the right to establish rules regarding the use of any drainage easement and park areas, provided such rules are not in conflict with any other provision contained herein, and are reasonably established to protect the safety and welfare of the residents of the Subdivision and their guests, or are established to assure the continued service of the areas for the purposes for which they were designed.

2.05 The Owner, Bedford Township, Monroe County, the Homeowners' Association or any person or persons owning any Building Lot within the Subdivision may prosecute proceedings at law or in equity against any person or persons violating or attempting to violate any of the above covenants and restrictions or seek restraining orders or other mandatory relief for the correction of any interference with or damage to the drainage and detention or retention system, and to recover compensation for any damages incurred by the complaining party together with the costs incurred in enforcement of the restrictions.

Article 3. Homeowners' Association

3.01 After the recording of this Declaration, Owner shall form and incorporate a Homeowners' Association (the "Association") to promote the common interest of all Building Lot owners, to handle maintenance of certain areas within the Subdivision as set forth below, and to promote compliance with the covenants conditions and use restrictions set forth in this Declaration. The Association shall have the right to adopt rules governing the Subdivision, including, but not limited to building lots, common area, open spaces, parks, walkways, public rights-of-way and landscape easements, so long as said rules do not conflict with the restrictions stated in this Declaration. The Association shall be comprised of the owners of all the Building Lots in the Subdivision. Owner reserves the right to expand the membership and duties of the Association to include other sections of Montevallo developed in the future.

3.02 The management and control of the affairs of the Association shall be vested in its board of directors. The board of directors shall be composed of three (3) members. The three (3) members of the board of directors shall be selected by Owner. The three (3) initial members of the board of directors shall serve until (a) that date which is ninety (90) days after 100% of all Building Lots within the Subdivision have been sold, or (b) Owner elects to turn over control of the Association to the Building Lot owners, whichever shall first occur. Upon the incapacity, resignation or death of any initial director, a successor, who shall serve the remaining term of the departed director, shall be appointed by the remaining members of the board of directors within three (3) months after the incapacity, resignation or death of the departed director. Subsequent board members shall be elected by a majority of the Building Lot owners as more fully set forth in the Articles of Incorporation and By-Laws for the Association.

3.03 The Association, or its agents or assigns, shall have the right to enter onto any open space, park, common area, walkway, public right-of-way or landscape easement area as shown on the recorded plat of the Subdivision, or other easement area as it from time to time deems necessary for the purpose of maintaining the same. Such maintenance may include, but shall not be limited to:

- (a) regular mowing, trimming and fertilizing of grassy areas;
- (b) periodic mulching of flower beds within the Subdivision;
- (c) regular weeding of flower beds;
- (d) flower planting within the Subdivision;
- (e) maintenance of entryway lighting, if any, and associated electric service billings;
- (f) repair of any permanent signs;
- (g) repair of any stone/brick wall, wing wall or fencing;
- (h) treatment of water in any detention or retention areas to limit algae and grassy growth; and
- (i) trimming, pruning, removal and replacement of trees and bushes, as necessary.

3.04 For the purpose of providing funds to carry out the responsibilities of the Association hereunder, the Association shall be empowered to levy, assess and collect from the owner of each and every Building Lot in the Subdivision, excepting those Building Lots owned by the Owner or by Homebuilders approved by the Owner, an amount up to Fifty Dollars (\$50.00) per year, irrespective of whether the Subdivision has been completed. Provided, however, that such limit of Fifty Dollars (\$50.00) per Building Lot per year may be increased in proportion to any increase in the Consumer Price Index of the U.S. Bureau of Labor Statistics from the base period of February, 1997. Any fees assessed by the Association in excess of Fifty Dollars (\$50.00) per Building Lot per year, or its adjusted equivalent, must be approved by a majority of the Building Lot owners in the Subdivision.

3.05 Any amount assessed or levied hereunder by the Association against a Building Lot owner shall become a lien on each Building Lot until paid and shall bear interest at the rate of ten percent (10%) per annum until paid, beginning thirty (30) days after the date of assessment. In the event any amount so assessed or levied is not paid when due and remains in arrears for more than sixty (60) days, the Association may file with the Monroe County Recorder a Notice of Lien. The Notice of Lien shall contain a description of the Building Lot against which the lien exists, the name or names of the record owner or owners thereof, and the amount of the unpaid portion of the assessment or assessments. The lien provided for herein shall remain valid for a period of five (5) years from the date a Notice of Lien is duly filed, unless sooner released or satisfied in the same manner provided for by law in the State of Michigan for the release and satisfaction of mortgages on real property or until discharged by the final judgment or order of the Court in an action brought to discharge the lien. The lien shall secure not only the amount of the unpaid assessments, but also the costs incurred in collection, including, but not limited to interest, attorney's fees and court costs. The lien of the assessment provided for herein shall be subject and subordinate to the lien of any duly executed mortgage on any Building Lot recorded prior to the recording of the Notice of Lien. The holder of any such mortgage which comes into possession of a Building Lot pursuant to the remedies provided in the mortgage, foreclosure of the mortgage, or deed or assignment in lieu of foreclosure shall take the property free of claims for unpaid installments of assessments or charges against the Building Lot which become due and payable prior to the time such holder or purchaser takes title to the Building Lot.

3.06 Any and all of the rights, powers, duties and obligations assumed by, reserved to, created in or given to the Association may be exercised by Owner until such time as the Association is formed and control thereof transferred to the Building Lot owners. At such time as control of the Association is transferred to the Building Lot owners, Owner may reserve the exclusive right to approve the plot plan, construction plans, color scheme and landscape plan associated with any structure on any Building Lot on which a dwelling unit has not yet been completed and occupied, so long as Owner clearly identifies the Building Lots for which it is retaining such right at the time of the turnover. Owner shall maintain said right of approval for each Building Lot until such time as a dwelling unit has been completed on that Building Lot and occupied by the homebuyer.

Article 4. Architectural Control Committee

An Architectural Control Committee (the "Committee") is hereby established as a standing committee of the Association to carry out the functions set forth for it in this Declaration. The Architectural Control Committee's procedures and duties shall be as follows:

4.01 The Committee shall be composed of three (3) members. The Owner shall appoint each of the three (3) initial members of the Committee. The initial members of the Committee shall be Richard A. Wehrle, Lawrence E. Fornwald and Susan J. Perrin.

4.02 The three (3) initial members of the Committee shall serve until such time as the Owner turns over control of the Homeowners' Association to the Building Lot owners, as set forth in Article 3.02 hereof. Any subsequent members shall be appointed by the Association and shall serve for terms of three (3) years, except that the first appointed members of the Committee shall serve for staggered terms of one (1), two (2) and three (3) years as directed by the board of directors of the Association. All members of said Committee shall serve until the expiration of their terms or until their incapacity, resignation or death. Upon the incapacity, resignation or death of a member of the Committee, a successor, who shall serve the

remaining term of the departed Committee member, shall be appointed by the board of directors of the Association within three (3) months after the incapacity, death or resignation of the departed member.

4.03 The use restrictions require the submission of detailed plans and specifications to the Committee prior to the erection of, placement on, or alteration of any structure or improvement on any Building Lot. The intent is to achieve an architecturally harmonious, artistic and desirable residential subdivision. Therefore, while considering the approval or disapproval of any plans and specifications submitted, the Committee is directed to consider the appropriateness of the improvement contemplated in relation to the improvements on contiguous or adjacent lots, the artistic and architectural merits of the proposed improvement, the adaptability of the proposed improvement to the Building Lot on which it is proposed to be made, and such other matters as may be deemed by the Committee members to be in the interest and benefit of the owners of the Building Lots in the Subdivision as a whole.

4.04 To assist it in making its determinations, the Committee may require that any plans and specifications submitted to the Committee be prepared by a registered architect or civil engineer. The Committee shall also have the right to require any other reasonable data including, but not limited to, grading or elevation plans, material lists, landscape plans and color scheme designations.

4.05 The Committee's decisions shall be in writing and shall be binding upon all parties in interest. The Committee shall approve, disapprove or request additional information with respect to any request for approval within thirty (30) days after the request shall have been submitted to the Committee for approval. The failure of the Committee to approve, disapprove or request additional information within said time period shall be deemed an approval of any request.

4.06 If, in the opinion of the Committee, the enforcement of these restrictions would constitute a hardship due to the shape, dimension or topography of a particular Building Lot in the Subdivision, the Committee may permit a variation which will, in its judgment, be in keeping with the maintenance of the standards of the Subdivision.

Article 5. Other Conditions

5.01 All transfers and conveyances of each and every Building Lot in the Subdivision shall be made subject to these covenants and restrictions.

5.02 Any failure to enforce these restrictions shall not be deemed a waiver thereof or an acquiescence in, or consent to, any continuing, further or succeeding violation hereof.

5.03 If any covenant, condition or restriction hereinabove contained, or any portion thereof, is invalid, such invalidity shall in no way affect any other covenant, condition or restriction.

5.04 All costs of litigation and attorney's fees resulting from violation of this Declaration shall be the financial responsibility of the Building Lot owner or owners found to be in violation.

5.05 So long as Owner maintains control of the Association as set forth in Article 3 hereof, Owner reserves the right to amend this Declaration to the extent necessary to conform to any requirements imposed or requested by any governmental agency, public authority or financial institution (including, but not limited to, the U.S. Department of Housing and Urban Development, the U.S. Veterans Administration, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, or similar entity, or to the extent necessary to enable the Owner to meet any other reasonable need or requirement in order to complete the Subdivision, all without the approval of the Building Lot owners, and each Building Lot owner, by the acceptance of a deed to a Building Lot within the Subdivision, consents to this reserved right.

5.06 Only the Building Lots contained in the Subdivision shall be subject to and bound by the restrictions, covenants and conditions set out in this Declaration and none of said provisions shall in any manner affect or be operative in respect to any other land of the owner or its successors or assigns.

IN WITNESS WHEREOF, L & D Investment Co., Ltd. an Ohio limited liability company, by its members, Richard A. Wehrle and Lawrence E. Fornwald have executed the foregoing Declaration of Restrictions of MONTEVALLO PLAT 3, BEDFORD TOWNSHIP, MONROE COUNTY, MICHIGAN, and set their hands this 11th day of September, 2001.

L & D Investment Co., Ltd.
6800 W. Central Avenue
Toledo, Ohio 43617

Susan J. Perrin
Susan J. Perrin
Judy A. Reynolds
Judy A. Reynolds

L & D Investment Co., Ltd.

By: Richard A. Wehrle MEMBER
Richard A. Wehrle, Member

By: Lawrence E. Fornwald Member
Lawrence E. Fornwald, Member

State of Ohio)

County of Lucas)

Personally come before me this 11th day of September, 2001, Richard A. Wehrle, Member and Lawrence E. Fornwald, Member of L & D Investment Co., Ltd., an Ohio limited liability company, to me known to be the persons who executed the foregoing instrument on behalf of the corporation and acknowledged that they executed the foregoing instrument as such officers of the corporation.

11-13-05
My Commission Expires

Judy A. Reynolds
JUDY A. REYNOLDS
Notary Public
State of Ohio
My Commission Expires 11-13-05

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

The undersigned, Edward A. Van Gunten, Mortgagee of Lots Numbers Sixty-three (63) through Ninety-eight (98), both inclusive, in Montevallo Plat 3, a Subdivision in Bedford Township, Monroe County, Michigan, hereby consents to the adoption of the foregoing Declaration Of Covenants, Conditions And Restrictions for Montevallo Plat 3, a Subdivision in Bedford Township, Monroe County, Michigan, this 11th day of SEPT., 2001.

Lauri Wolfe
LAURI WOLFE

Edward A. Van Gunten
Edward A. Van Gunten

Judy A. Reynolds
Judy A. Reynolds

State of Ohio)

County of Lucas)

Personally come before me this 11th day of September, 2001, Edward A. Van Gunten, to me known to be the person who executed the foregoing instrument.

11-13-05
My Commission Expires

Judy A. Reynolds
JUDY A. REYNOLDS
Notary Public
State of Ohio
My Commission Expires 11-13-05

Prepared by and return to:
L & D INVESTMENT CO., LTD.
6800 W. CENTRAL AVE.
TOLEDO, OHIO 43617