

RECORDED
HILLSDALE COUNTY

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July Wamford
REC. CLERK

RESTRICTIVE COVENANTS HAWTHORN HEIGHTS NO. 2

*221 Governor St
Litchfield, MI
49452*

WHEREAS, Litchfield Tax Increment Finance Authority, a Michigan Municipal Body Corporate, of Litchfield, Michigan, (hereinafter referred to as the "Authority") being the owner in fee of certain parcels of real property in the platted subdivision described as "HAWTHORN HEIGHTS NO. 2", located in the City of Litchfield, Hillsdale County, Michigan, said Plat recorded the 12th day of August, 1997, at Book of Plats, Liber 10, Pages 96 through 97, Hillsdale County Records; and

WHEREAS, said Authority being empowered and authorized, pursuant to statute, to encourage and contribute to economic growth and development, and thereby facilitate certain projects which create economic growth and development, and create or encourage creation of jobs and the promotion of economic growth in the City of Litchfield, the Litchfield Industrial Park, and the Development Area as set forth by the development plan as adopted by the City of Litchfield; and

WHEREAS, the Authority possesses pursuant to statute all the powers necessary to carry out the purpose of its incorporation; and

WHEREAS, it being the intent and purpose of the Authority to make Lots 36 through 53 located in the real property subdivision described herein available for construction of single family residential dwellings, one

per lot to attract and accommodate individuals, their families, together with their related employment and industry to the City of Litchfield; and

WHEREAS, said grantor having previously recorded Restrictive Covenants dated January 6, 1995, recorded on February 24, 1995 at Liber 723, Pages 878 through 888, inclusive, with the intent establishing certain covenants to run with the land, and binding upon all parties and persons claiming under them, as to Lots one (1) through thirty-five (35), said restrictions to address the foregoing concerns; and

WHEREAS, the undersigned property owners being desirous of establishing additional Restrictive Covenants, specifically to govern Lots thirty-six (36) through (53); and

WHEREFORE, WITNESSETH: The Authority, in pursuance of the foregoing, and for themselves and for their successors and assigns, hold the real estate and each lot described upon the following terms and subject to the following conditions, restrictions, agreements, covenants, obligations and charges and fully and punctually agree to observe, comply with, perform and carry them out.

**LEGAL DESCRIPTION OF PROPERTY SUBJECT TO
RESTRICTIVE COVENANTS**

The real property subject to the terms and conditions of the covenants herein contained is as follows:

Land in the City of Litchfield, Hillsdale County, Michigan, described as HAWTHORN HEIGHTS NO 2, according to the recorded Plat thereof as recorded at Liber 10, Pages 96 through 97, Book of Plats, Hillsdale County Records, being a part of the East 1/2 of Section 10, Town 5 South, Range 4 West, Hillsdale County,

Michigan, specifically Lots 36 (thirty-six) through 53 (fifty-three), inclusive.

PURPOSE AND RESTRICTIONS

The development described above, regarding Lots 36 through 53, referred to as "HAWTHORN HEIGHTS NO 2" is restricted for single family residential purposes. No structure, except a private storage building and a private garage for no more than three automobiles, shall be erected, altered, placed or permitted to remain on a residential lot other than a single family private dwelling. No dwelling or any outbuilding shall exceed two and one-half stories in height and each garage shall be constructed of material similar in quality and construction to the residence.

No dwelling may be constructed on Lots 36 through 53 for which the main floor of the residential structure constructed thereon does not exceed 1700 square feet of minimum living space for occupants, exclusive of porches, garage, basement or enclosed patios, unless the residential structure includes two stories of living space, in which case the total amount of living space for the first floor shall not be less than 1200 square feet, and the total amount of living space for both floors, inclusive, shall not be less than 2100 square feet) for occupants, exclusive of porches, garage, basement or enclosed patios.

All residential dwellings shall be of new construction, and no building shall be moved into the subdivision. No trailer, tent, garage, barn, or other outbuilding erected in the subdivision shall at any time be used as a residence, nor shall any structure of a temporary character be used as a residence.

PURCHASE OF LOTS AND CONSTRUCTION

When said Lots are made available for sale at a price to be determined by the Authority or a designated agent of the Authority, prospective purchasers shall prepare a written acceptance of purchase which purchaser shall deliver in person to an agent specified by the Authority. Said written acceptance shall be accompanied by an earnest money deposit by certified check or money order equal to 10% of the purchase price, made payable to the Litchfield Tax Increment Finance Authority. Should more than one written acceptance be submitted regarding the same lot or lots, the purchaser shall be determined on a first come, first serve basis, with the date of submission of the written acceptance to the designated agent of the Authority being the date of determination. If two or more written offers of acceptance are received on the same day, the purchaser shall be determined by blind draw, with the Authority acting as the final arbiter of any proceeding to determine the identity of the purchaser in such case.

Any prospective purchaser must be ready, willing and able to close, and pay the balance of the purchase price within 30 days of submitting written acceptance of purchase. If any prospective buyer is unable or unwilling to close within said period, the acceptance shall be deemed void and the earnest money deposit shall be returned.

Any purchaser may offer to purchase more than one but not more than four separate lots. As a condition of purchase, purchaser agrees to begin construction of a single family residential dwelling on any lot purchased within 8 months of date of close, provided, however, that if said purchaser has purchased more than one lot, he shall have an additional 6 months to begin construction on any additional lots purchased. Any

construction must be certified for occupancy within 12 months of the date ground breaking has taken place. No construction of any structure or any exterior addition hereto or exterior alteration thereof, shall be commenced until building plans, specifications and plot plan showing grade lines and location of the building, garage, fence and other structures, if any, have been furnished to and approved in writing by the Architectural Control Committee, as created and empowered by these restrictive covenants, or its duly authorized agent. The Architectural Control Committee shall have the right to disapprove any plans, specifications, grade lines and locations, which do not comply with the restrictions herein provided and may disapprove such plans, specifications, restrictions, grade lines and locations which are not suitable or desirable in the opinion of the Architectural Control Committee for architectural, aesthetic or other reasons. All buildings shall be completed in a manner acceptable to the Architectural Control Committee within a reasonable time after commencement of construction and prior to occupancy. If construction has not been commenced or completed as provided, the Authority retains a right of reverter, wherein action may be commenced in Circuit Court for the County of Hillsdale to forfeit the rights of the property owner for failure to abide by the restrictive covenants herein. Any dwelling or construction must also comply with any existing zoning ordinance.

Each residential construction shall also be required to comply with the following:

1. No main roof line shall be less than 5/12 pitch.
2. Each landowner shall be required to construct an attached garage to and servicing the residence, utilizing at least two stalls.

3. Each landowner shall be required to construct a driveway of concrete, asphalt paving, brick pavers, or such other hard surface material and color which must be approved by the Architectural Control Committee prior to installation or construction. The driveway shall include all parking and turnaround areas and shall run from the street to the garage apron. The driveway must be completed within one year of issuance of the building permit for any particular lot.

4. All homes shall be built on a basement as approved by the Architectural Control Committee.

5. The front of any residence constructed shall have no less than one-third (1/3) of the front of the house, or the side of the house facing the street, covered in brick or stone.

6. No private wells shall be allowed.

7. House numbers mounted on dwellings, mailbox or sign shall be readable from the street.

8. Reasonable weed control in open areas visible from the street shall be maintained.

9. If gravel is found on any lot, the same shall not be excavated and offered for sale except that it may be used for the purpose of constructing a building to remain permanently on said lot or may be used as fill material in the subdivision.

10. No lot shall be used as a shop or refuse materials of any kind, nor shall fill material be brought in and used on any lot except unmixed fresh earth and stone.

Many of the Lots 36 through 53 are wooded, and have trees growing. It is the intent of the Authority and the Architectural Control Committee to save as many trees as possible. Clear-cutting of any lot shall be prohibited.

PROPERTY OWNERS ASSOCIATION

An Architectural Control Committee has been authorized by the preceding Restrictive Covenants dated January 6, 1995, and recorded at Liber 723, Pages 878 through 888, and its authority and purpose is extended and incorporated into these Restrictive Covenants with regard to Phase II as described herein. A majority vote of the Committee shall control. At any time, the then record owners of a majority of the lots, which shall now include Lots 1 through 53 shall have the power through a signed petition to change the membership of the committee or to alter its authority at a meeting called for the purpose, with written notice to all record owners of the lots.

The approval or disapproval of plans or construction as required by these Restrictive Covenants shall be in writing. In the event the Architectural Control Committee or its designated representative fails to approve or disapprove within 30 days after plans and specifications have been submitted to it, or in any event, if no suit to enjoin the construction has been commenced prior to the completion thereof, approval will not be required and the related covenants shall be deemed to have been fully complied with. It shall be the purpose of the Architectural Control Committee, or its successor, and the Architectural Control Committee is hereby expressly given the power and authority to monitor and enforce compliance with these Restrictive Covenants.

ANIMALS, LIVESTOCK AND POULTRY

No animals or livestock, including cows, swine or poultry of any kind may be raised on any of the property in HAWTHORN HEIGHTS NO 2. Pets

may be kept, however pets may not be kept for commercial purposes. No owner may keep more than five household pets.

FENCES, DRIVEWAYS AND PARKING

All driveway culverts must be constructed and installed to Hillsdale County Road Commission specifications. Driveway approaches must be constructed of bituminous material to the street line with a minimum radius of ten feet at the street. All portions of the lot lying in front of the dwelling shall be used only for a walk, driveway or ornamental purposes. No outbuilding construction shall be in front of the dwelling. Fences, walls and bridges to be constructed of new material not more than five feet in height and not extending in front of the front dwelling line. All lot owners must provide for parking of motor vehicles upon their property. No vehicle, including but not limited to any trailers, house trailers, truck or semi-tractors, or any kind of machinery shall be allowed to be parked on any roadway, right of way, or access easement for more than three consecutive days. No vehicle will be parked upon any lot which is not currently licensed. The repair of any vehicle must be done inside a closable structure. All commercial vehicles as well as any farm machinery or equipment must be parked in a closable structure. Boats or Recreational Vehicles, if not kept in an enclosed structure, must be parked in an inconspicuous manner, as determined by the Architectural Control Committee, alongside or behind the residence. The Architectural Control Committee reserves the right to require any boat or Recreational Vehicle to be moved from a residential lot.

MISCELLANEOUS PROVISIONS

No noxious or offensive activity shall be carried out upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers.

BUSINESSES AND SIGNS

It is the intent of these restrictive covenants to limit use of the subdivision for residential, non-commercial and non-agricultural purposes. As to commercial, professional, medical, or industrial use, or use of a "home" as an office, reference shall be made by any prospective user to the Zoning Ordinances as adopted and amended from time to time by the City of Litchfield as to whether such use may be permitted. In any case, no retail or wholesale business shall be allowed, nor any business which might require multiple vehicle parking for clients or customers. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any lot. No sign of any kind shall be displayed to the public view on any lot except one professional sign of not more than two square feet, or one sign of not more than eight square feet advertising the property for sale or rent. Signs used to advertise the property during the construction and sales period described herein shall also be permitted.

ENFORCEMENT: COVENANTS RUNNING WITH THE LAND

These covenants are attached to and shall run with the land. It shall be lawful not only for the Authority, its successors or assigns but also for the Architectural Control Committee to institute any proceedings at law or in equity against any person or persons violating or threatening to violate any of these Restrictive Covenants.

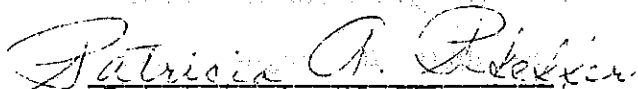
EFFECTIVE DATE AND DURATION OF RESTRICTIONS

These Restrictive Covenants shall run with the land and shall be perpetual, and shall continue to be in full force and effect and binding upon the parties hereto, their heirs, executors, successors and assigns, however, at any time after January 1, 2020 these conditions and restrictions or any of them may be changed or abolished in any or all particulars whenever a majority of the owners unite in signing and executing an agreement or resolution to that effect, which agreement or resolution shall be recorded in Book of Deeds, Hillsdale County Records, and be valid and binding upon the sellers and owners of the lots and upon all other persons.

SIGNED IN THE PRESENCE OF:

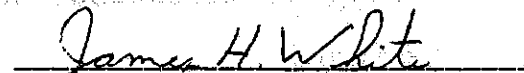
SIGNED BY:

LITCHFIELD TAX INCREMENT
FINANCE AUTHORITY


Patricia A. Pfeffer


By: MARTIN K. LADD
Its: Chairman


Clarence F. Wolfe


JAMES H. WHITE
Secretary

Litchfield Tax Increment
Finance Authority
221 Jonesville Street, Box 236
Litchfield, MI 49252

