

LOCH ERIN PROPERTY OWNERS ASSOCIATION AMENDED AND RESTATED BY-LAWS

ARTICLE 1 NAME

Section 1. Loch Erin, a real estate development, located in the Township of Cambridge, County of Lenawee, State of Michigan, shall be Administered by an association of the owners which shall be a nonprofit Corporation called the LOCH ERIN PROPERTY OWNERS ASSOCIATION, Abbreviated as LEPOA, hereinafter called the "Association", organized under the applicable laws of the State of Michigan. For purposes of these By- Laws, such development will consist of (a) the lots in the platted Subdivisions of KINGSLEY NO. 1, KINGSLEY NO. 2, and WATERFORD NO. 1, hereinafter collectively "Lot or Lots" and (b) certain property consisting of the lots in the platted Subdivisions of WICKLOW, KINGSFORD, and WEXFORD and the proposed plat of LIMERICK and other parcels of property being developed or developed in the future in conjunction with such subdivisions, by Irish Hills Realty, and Donald E. Edwards and Grace M. Edwards, pursuant to their development plan and scheme, hereinafter collectively "Parcel or Parcels". All Lot(s) and Parcel(s) shall be subject to and controlled by these By-Laws as amended from time to time.

Section 2. The principal and registered office shall be located at such a convenient location, as the Board of Directors shall, from time to time, designate.

The Association may also have additional offices at such other places as the Board of Directors may from time to time determine.

ARTICLE 2 POWERS AND PURPOSES

The powers and purposes of the Association are as follows:

Section 1. To supervise, maintain and establish rules and regulations governing the use of the Loch Erin development, lake and common areas.

Section 2. To implement and enforce the Building and Use Restrictions recorded currently or subsequently in the Lenawee County Register of Deeds Records for (a) Lots in KINGSLEY NO.1 Subdivision and KINGSLEY NO.2 Subdivision, attached as Exhibit "A" and WATERFORD NO.1 Subdivision, attached as exhibit "B", (b) Parcels in WICKLOW Subdivision, attached as Exhibit "C", KINGSFORD Subdivision, attached as Exhibit "D", and WEXFORD Subdivision, attached as Exhibit "E", and the proposed plat of LIMERICK, attached as Exhibit "F", (c) any building and use restrictions subsequently established for other Parcels of property being developed or developed in the future in conjunction with such subdivisions, and (d) any amendments to any of the foregoing hereinafter collectively referred to as the "Building and Use Restrictions".

Section 3. To manage, maintain, operate and administer the development and the lake, to the extent of the Association's control thereof, and the common areas in accordance with these By-Laws, the Building and Use Restrictions, the Articles of Incorporation, and the laws of the State of Michigan.

Section 4. To promote the welfare of its members by maintaining and beautifying the Loch Erin development lake and common areas and by taking action to enforce the Building and Use Restrictions, and by promoting social and recreational activities within the development.

Section 5. To engage in all activities incidental to the above purposes which are not forbidden by the laws of the State of Michigan.

ARTICLE 3 MEMBERSHIP

Section 1. Each owner of each Lot or Parcel in the Loch Erin Development shall be a member of the Association. Each such member shall not be considered a member in good standing or a member qualified

to vote unless all assessments and special assessments for each Lot or Parcel owned are paid current. Membership and the obligations under the By-Laws cannot be avoided by the failure to use Lake Loch Erin, any of the common areas or any part of the Loch Erin Development or by the failure to use or receive any of the benefits of membership in the Association.

Section 2. A member's share in the funds and assets of the Association shall not be assigned, pledged, sold or otherwise transferred.

Section 3. The owner, if a single person, or the owners collectively, if more than one person, shall be entitled to one vote for each Lot or Parcel owned at all meetings of the members of the Association, exercisable in person, by proxy or by absentee ballot. Any member in default of his or her assessments and/or special assessments shall not be qualified to vote until the default is cured.

Section 4. Any member may file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such member. Such notice shall state the name and address of the individual representative designated, the number or numbers of the Lot(s) or Parcel(s) owned by the member, and the name and address of each person, firm, or corporation, partnership, association, trust or other entity who is the owner. Such notice shall be signed and dated by the member. The individual representative designated may be changed by the member at any time by filing a new notice in the manner herein provided.

Section 5. The presence, in person or by proxy or by absentee ballot, of 25 members qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required herein to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person, by proxy, or by absentee ballot shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

Section 6. Votes may be cast in person or by proxy or by a writing (which shall constitute an absentee ballot) duly signed by the member(s) in the event such meeting cannot be attended in person or by proxy. Proxies and any writings must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association. If the Lot or Parcel is owned by more than one person (e.g., Tenants in common or Joint Tenants, such as husband and wife), each person is entitled to a fractional vote if disagreement upon casting of the single vote allocated to each Lot or Parcel exists. Any owner who is a joint Tenant or a Tenant in common not obtaining the concurrence of the other owner(s) may give a proxy or writing in the same manner, but entering the appropriate fractional interest of each lot owned; (i.e., 1/2, 1/3, etc.). Cumulative voting shall not be permitted.

Section 7. A simple majority of the votes cast by qualified voters present in person or by proxy or by absentee ballot, shall be sufficient to decide any matter except as otherwise provided in these By-Laws.

ARTICLE 4 FINANCES

Section 1. The Association's fiscal year shall end on December 31.

Section 2. Annual assessments shall be levied upon the owner(s) of each Lot and Parcel upon a "per Lot" and "per Parcel" basis and shall be used to satisfy all administration expenses of the Association.

Section 3. Expenses of administration shall include all costs and expenses incurred in connection with the development, lake, and common areas, including, but not limited to: (a) operating, maintaining, improving and preserving the development, lake, and common areas; (b) purchasing, improving or maintaining equipment for the development, lake, and common areas; (c) planting trees, shrubbery, grass,

and the care thereof; (d) collecting and disposing of garbage, ashes or rubbish in the common areas; (e) doing all things necessary or advisable in the opinion of the Board of Directors for keeping the property neat and in good order; (f) examining plans and enforcing Building and Use Restrictions, conditions, obligations, reservations, rights, powers and charges as applicable to said development, lake, and common areas; (g) operating the Association, including the payment of postage, rental of meeting quarters, real estate taxes, assessments and levies, legal fees, accounting, secretarial and clerical expenses, public liability insurance, property damage insurance, workmen's compensation insurance, any other insurance deemed necessary or advisable, filing and franchise fees and any other expenses necessary or incidental to the operation of the Association; and (h) any other expenses for the operation, maintenance, improvement or preservation of the development, lake, and common areas deemed necessary or advisable by the Board of Directors.

Any and all sums received as proceeds of, or pursuant to, any policy of insurance carried by the Association securing the interests of the owners against liabilities or losses arising within, caused by or connected with the development, lake and common areas or the administration of the Association shall be receipts of administration.

Section 4. Assessments shall be determined in accordance with the following provisions:

(a) Assessments shall be on a "per Lot" and "per Parcel" basis and shall be \$175.00 per year payable on the 1st day of May in each year.

(b) Assessments shall not be increased except by the affirmative vote of two thirds of the Association members either present in person or by proxy or by absentee ballot at a meeting of the membership duly called for such purpose pursuant to these By- Laws.

(c) Special assessments for any expenses of administration as defined in Section 3 hereof may not be levied except by the affirmative vote of three-fourths of the Association members present in person or by proxy or by absentee ballot at a meeting of the membership duly called for such purpose pursuant to the By-Laws with a quorum of at least 100 members qualified to vote.

Section 5. All assessments and special assessments levied against the members shall be apportioned among and paid by the owners on a "per Lot" and "per Parcel" basis. The payment of any assessment or special assessment shall be in default if such payment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. Assessments and special assessments in default shall bear interest at the rate of ten percent (10%) per annum, or such other rate as determined by the Board of Directors, until paid in full. Each member (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments and special assessments pertinent to his or her lot, which may be levied or come due while such member is the owner thereof.

Section 6. No member may exempt himself or herself from liability for assessments and special assessments by waiver of the use or enjoyment of any of the development, lake, and common areas or by the abandonment of his or her Lot(s) or Parcel(s).

Section 7. Any assessments and special assessments permitted by these By-Laws shall constitute an obligation, which is binding upon and run with each Lot and Parcel subject to such assessment. In the event of nonpayment of any assessment or special assessment when due, the Association may file a lien on such Lot(s) or Parcel(s) affected by recording the appropriate lien with the Lenawee County Register of Deeds. The Association may enforce collection of delinquent assessments and special assessments by suit at law for a money judgment or by foreclosure of the lien securing payment in the same manner that real estate mortgages may be foreclosed by action under Michigan Law. The expenses incurred in collecting unpaid assessments and special assessments, including interest, costs and attorneys' fees and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the owner in default,

and shall be secured by the lien on his Lot or Parcel. A member in default shall not be qualified to vote at any meeting of the Association so long as such default continues.

Section 8. The Association shall keep detailed books of accounts showing all expenditures and receipts of administration, which shall specify the amount, and nature of the expenditures and receipts by or on behalf of the Association and the owners. Such accounts shall be open for inspection by the members during reasonable working hours following reasonable written notice. An income and expense statement and a balance sheet shall be prepared at least annually. Such statements and balance sheets shall be prepared or reviewed by qualified accountants as and when deemed necessary or advisable by the Board of Directors. The cost of such accounting assistance shall be an expense of administration.

Section 9. The Association shall have the right to procure loans in the name of the Association and offer any assets of the Association, including the common areas, as collateral for such loans on such terms and with such provisions as deemed necessary and advisable by the Board of Directors; provided, however, that such loans are recommended by the Board of Directors and approved by the affirmative vote of three fourths of the votes cast by the Association members present in person or by proxy or by absentee ballot at a meeting of the membership duly called for such purpose pursuant to these By-Laws.

ARTICLE 5 MEETINGS OF MEMBERS

Section 1. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the owners as may be designated by the Board of Directors. Meetings of the Association shall be conducted in accordance with Roberts Rules of Order when not otherwise in conflict with the Articles of Incorporation or these By-Laws.

Section 2. There shall be an annual meeting of the members of the Association held on the third Saturday or Sunday of May each year at a place and time to be set by the Board of Directors, at which meeting there shall be elected by ballot of said members a Board of Directors in accordance with the requirements of these By-Laws.

Section 3. In the event that the Annual Meeting cannot be held on the date specified herein, the Annual Meeting shall be held on an alternate date not more than 30 days before nor more than 90 days after the date specified herein. Notice of such alternative date shall be given as required herein and shall specify the reason for the Annual Meeting being held on an alternate date.

Section 4. It shall be the duty of the President to call a special meeting of the members as directed by resolution of the Board of Directors or upon a petition signed by 50 members and presented to the Secretary of the Association.

Section 5. Notices of meetings, written or printed, for each annual or special meeting of members shall be prepared by the Secretary and mailed to the last known post office address of each member having voting rights, or to his designated representative, not less than 15 days prior to the date of such meeting, and such notice of meeting shall state the time, place and purposes thereof.

Section 6. The order of business at all meetings of members shall be as follows:

- A Roll Call.
- B. Proof of Proper Notice of Meeting.
- C. Reports of Officers.
- D. Reports of Committees.
- E. Transaction of Business mentioned in the Notice, which shall include old business, new business and any other business contained in the notice.
- F. Any other business brought before the meeting.
- G. Adjournment

The presiding officer, upon the approval of a simple majority of the votes cast by members either represented in person or by proxy at the meeting, may vary the order of business at his or her discretion.

ARTICLE 6 NOTICES

Section 1. Whenever under the provisions of these By-Laws, by statute or by the Articles of Incorporation, notice is required to be given to any Director, officer or member. It shall not be construed to mean personal notice; such notice, unless otherwise provided by these By-Laws or by statute, may be given in writing, by mail, by depositing the same in the U.S. Mail, postage prepaid, addressed to such member, officer or Director, or to his designated representative, at his address as it appears on the records of the Association, and notice shall be deemed given on the date said notice is mailed.

Section 2. Whenever any notice whatever is required to be given by these By-laws, by statute or by the Articles of Incorporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to receipt of actual notice.

ARTICLE 7 BOARD OF DIRECTORS

Section 1. The affairs of the Association shall be governed by a Board of Directors, all of whom must be members of the Association. Directors shall serve without compensation.

Section 2. The Board of Directors shall be composed of seven (7) persons who shall be elected at each annual meeting of the Association. The term of office of each Director shall be one (1) year. The Directors shall hold office until their successors have been elected and hold their first meeting.

Section 3. The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Association. In addition to the foregoing duties imposed by these By-laws, or any further duties, which may be imposed by resolution of the members of the Association, the Board of Directors shall have the following powers and authority:

- (a) To collect assessments and special assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association.
- (b) To carry insurance and collect and allocate the proceeds thereof.
- (c) To repair or rebuild the Association's improvements after casualty.
- (d) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the development, lake, and common areas.
- (e) To elect officers to the Association.
- (f) To acquire, maintain, improve, operate, buy, sell, convey, assign, mortgage or lease any real or personal property (including easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association.
- (g) To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Association, and to secure the same by mortgage, pledge, or other lien, on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of three-fourths of the Association members either present in person or by proxy or by absentee ballot at a meeting of the membership duly called for such purpose pursuant to these By-Laws.
- (h) To make and enforce rules and regulations as to use and enjoyment of the development, lake, and

common areas.

(i) To enforce the provisions of these By-Laws.

Section 4. In addition to the powers and authorities by these By-Laws expressly conferred upon it, the Board may exercise all such powers of the Association and do all such lawful acts and things as are permitted by law or by the Articles of Incorporation unless specifically reserved by these By-Laws to the members.

Section 5. At any regular or special meeting of the Association duly called, any one or more of the Directors may be removed with or without cause by a majority of the votes cast by the members present in person, by proxy, or by absentee ballot and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

Section 6. In the event of the occurrence of any vacancy or vacancies in the Board of Directors, however caused, the remaining Directors, though less than a majority of the whole authorized number of Directors, may, by the vote of a majority of their number, fill any such vacancy until the next annual meeting of members.

Section 7. Any Director may resign at any time by oral statement to that effect made at a meeting of the Board of Directors or in a writing to that effect delivered to the Secretary, such resignation to take effect immediately or at such other time as the Director may specify.

Section 8. Within 15 days after each annual meeting of the members, the newly-elected Directors shall hold a regular meeting for the purpose of electing officers and transacting any other business.

Section 9. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the Directors, but at least one such meeting shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director at least 15 days prior to the date set for such meeting.

Section 10. Upon a written request of two Directors, special meetings of the Board of Directors shall be called by the President on three days' notice to each Director, which notice shall state the time, place and purpose of the meeting.

Section 11. At all meetings of the Board of Directors, a simple majority of the Directors (in no event less than three) shall constitute a quorum for the transaction of business, and the acts of a majority of the Directors present, in person or by phone at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business, which might have been transacted at the meeting originally called, may be transacted without further notice.

Section 12. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

ARTICLE 8 OFFICERS

Section 1. The officers of the Association shall be appointed by the Directors and shall be a President, Vice-President, Secretary and Treasurer. The Board of Directors may also appoint Assistant Secretaries and Assistant Treasurers. No one of said officers except the President need be a Director, but no person who is not a Director may succeed to or fill the office of President. Any two offices except for those of President and Vice-President may be held by the same person simultaneously.

Section 2. The Board may appoint such other officers and agents as it shall deem necessary, who shall hold office for such terms and shall exercise such powers and duties as shall be determined from time to time by the Board.

Section 3. The officers of the Association shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the whole Board of Directors. If the office of any officer or officers becomes vacant for any reason, the vacancy shall be filled by the affirmative vote of a majority of the whole Board of Directors.

Section 4. The President shall be the chief executive officer of the Association. He or she shall preside at all meetings of the members and of the Board of Directors unless otherwise ordered by the Board of Directors. The President shall perform generally all of the duties usually appertaining to the office of President and Chief Executive Officer of an association, and he or she shall have general charge, subject to the Board of Directors, of the business affairs of the Association. He or she shall have such other powers and duties as may be given by resolution of the Board of Directors.

Section 5. The Vice-President shall perform all the duties usually appertaining to his or her office and shall exercise the duties of the President in the absence of the President.

Section 6. The Secretary shall keep the minutes of the members and Directors meetings and shall have custody of all records, papers, files and books of the Association, except the books of account. He or she shall issue notices of all meetings required by the By-laws and shall sign all instruments of the Association requiring the same and attest the same by his or her signature whenever such attestation shall be required, and shall generally perform all the duties usually appertaining to the office of Secretary of an association.

Section 7. The Treasurer shall have custody of all Association funds and securities and shall keep in books, or in electronic form belonging to the Association full and accurate accounts of all receipts and disbursements; he or she shall deposit all monies, securities and other valuable effects in the name of the Association in such depositories as may be designated for that purpose by the Board of Directors. He or she shall disburse the funds of the Association as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and Directors at the regular meetings of the Board, and whenever requested by them, an account of his or her transactions as Treasurer and of the financial condition of the Association.

Section 8. When the execution of any contract, conveyance or other instrument has been authorized without specification of the officers authorized to execute, the President or Vice-President and the Secretary or the Treasurer may execute the same in the name and on behalf of this Association. The Board of Directors

shall have power to designate the officers and agents who shall have authority to execute any instrument on behalf of the Association.

Section 9. The several officers of the Association are hereby empowered and authorized to do and perform such other and further duties as from time to time may be assigned to their respective offices by resolution of the Board of Directors.

ARTICLE 9 INDEMNIFICATION

Section 1. Every person who is or has been a Director or officer of the Association or any agent of the Association designated by resolution of the Board of Directors to be entitled to indemnification, including the personal representatives of any such deceased person, shall, to the full extent now or hereafter permitted by law, be indemnified by the Association against any and all liability and reasonable expense (including, but not limited to attorneys' and accountants' fees, investigation cost, travel, transcripts, disbursements, settlement amounts, judgments, fines or penalties) paid or incurred by him or her in connection with or in settlement of or resulting from any claim, action, suit or proceeding (whether by or in the name of the Association or otherwise), civil, criminal, administrative or investigative, including any appeals relating thereto, in which he or she may be involved or threatened to be involved, as a party or otherwise by reason of his or her being or having been a Director, officer or agent of the Association or by reason of any action taken or not taken in the course and scope of his or her function as such officer or agent or in his capacity as such Director; provided, however, that such action was taken by such officer, agent or Director in good faith and without reasonable cause to believe his or her conduct was unlawful. The foregoing rights of indemnification shall be in addition to any other rights to which any such Director, agent or officer may be entitled as a matter of law.

Section 2. The Board of Directors of the Association (whether or not a quorum of disinterested Directors), in granting indemnification, may rely upon the written advice of legal counsel, if, in the latter's opinion, such indemnification is permitted by law. Any Director, officer or agent who has been refused indemnification by the Association shall, nevertheless, be indemnified if the court of competent jurisdiction determines such indemnification is permitted by law.

Section 3. Expenses incurred with respect to any claim, action, suit or proceedings of the character, actual or threatened, described in Section 1 of the Article 9, may be advanced by the Association prior to the final disposition thereof upon receipt of an undertaking by such person to repay the amount so advanced, if and to the extent it shall ultimately be determined by a court of competent jurisdiction that he was not entitled to indemnification under this Article 9.

Section 4. The intention of this Article is to provide indemnification with the broadest and most inclusive coverage permitted by law (a) at the time of the act or omission to be indemnified against or (b) so permitted at the time of carrying out such indemnification, whichever of (a) or (b) may be the broader or more inclusive and permitted by law to be applicable. If the indemnification permitted by law at the present time, or at any future time, shall be broader or more inclusive than the provisions contained in this Article, then indemnification shall nevertheless extend to the broadest and most inclusive permitted by law at any time, and this Article shall be deemed to have been amended accordingly. If any provision or portion of this Article shall be found in any action, suit or proceeding to be invalid or ineffective, the validity and effect of the remaining parts shall not be affected.

ARTICLE 10 INSURANCE

Section 1. The Association shall carry fire and extended coverage, vandalism, malicious mischief, public liability and property damage insurance, and worker's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the development, lake and common areas, and such insurance, other than title insurance, shall be carried and administered in accordance with the following provisions:

(a) All such insurance shall be purchased by the Association for the benefit of the Association.

(b) All common areas of the Association shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association and in addition all common areas shall be insured against public liability and property damages in amounts determined by the Board of Directors.

(c) All premiums upon insurance purchased by the Association pursuant to these By-Laws shall be expenses of administration.

(d) The proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction, unless such repair or reconstruction is not deemed advisable by the Board of Directors.

Section 2. Each member shall be deemed to appoint the Association as his or her true and lawful attorney-in-fact act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism, malicious mischief, public liability and property damage insurance and worker's compensation insurance, if applicable, pertinent to the development and common areas. Without limiting the generality of the foregoing, the Association as said attorney-in-fact shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefore, to collect proceeds and to distribute the same to the Association, to execute releases of liability and execute all documents and to do all things on behalf of such Association as shall be necessary or convenient to the accomplishment of the foregoing.

ARTICLE 11 ENFORCEMENT OF BY-LAWS

Section 1. The failure of a member to comply with the Building and Use restrictions, these By-Laws or the failure of a member to pay the assessments and special assessments levied upon each Lot or Parcel shall constitute a default. In the event of such default, the member shall (1) forfeit its right to vote, forfeit all rights, benefits and privileges under these By-Laws and to use and enjoy Loch Erin Lake, the common areas and the Loch Erin Development, and (2) the Association shall be entitled to pursue all of its rights and remedies available under these By-Laws or permitted by Law or in equity.

Section 2. The Association may enforce collection of delinquent assessments and special assessments in the manner provided under Article 4 hereof.

Section 3. The Association or, if the Association fails, any aggrieved member or members may bring an action for damages or injunctive relief for any violation of the By-Laws or Building and Use Restriction; provided, however, that the Association alone may bring an action for delinquent assessments and special assessments.

Section 4. In any proceeding the Association or the member(s), if the action is instituted by such member(s), if successful, shall be entitled to recover the costs of said proceeding and reasonable attorneys' fees.

Section 5. The violation of any of the provisions of these By-Laws shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the common areas, limited or general, where reasonably necessary, and the right to summarily remove and abate, at the expense of the owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of these By-Laws, the Building and Use Restrictions and any other applicable conditions or restrictions.

Section 6. The failure of the Association or of any member to enforce any right provision, covenant or

condition which may be granted by these By-Laws, Building and Use Restrictions and any other applicable conditions or restrictions of record, shall not constitute a waiver of the right of the Association or of any such member to enforce such right, provisions, covenant or condition in the future.

Section 7. All rights, remedies and privileges granted to the Association or any member(s) pursuant to any terms, provisions, covenants or conditions of the aforesaid By-Laws, Building and Use Restrictions and any other applicable conditions or restrictions of record, shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

ARTICLE 12 DISSOLUTION

Section 1. The Association may be dissolved only with the written consent of two-thirds of the Association members. Written notice of a proposal to dissolve, setting forth the reasons therefore and the disposition to be made of the assets shall be mailed to each member or to his designated representative at least 90 days in advance of any action taken.

Section 2. Upon dissolution of the Association, the assets of the Association, both real and personal, shall be dedicated to an appropriate public agency or educational institution to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. In no event shall any of the assets revert to the members.

ARTICLE 13 AMENDMENT OF BY-LAWS

These By-Laws may be amended, altered, changed, added to or repealed by the affirmative vote of two-thirds of the votes cast by eligible members present in person or by proxy or by absentee ballot at any regular or special meeting of the members, if notice of the proposed amendment, alteration, change, addition or repeal be contained in the notice of the meeting.

ARTICLE 14 SEVERABILITY

In the event that any of the terms, provisions or covenants of these By-Laws are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify or impair in any manner whatsoever any of the other terms, provisions or covenants of these By-Laws or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

ARTICLE 15 BUILDING COMMITTEE

Section 1. The Association shall appoint a Building Committee to approve the plans and specifications for all dwellings and appurtenant structures constructed on any Lot or Parcel. The Building Committee shall have the right (but not the obligation) to approve the construction of a dwelling or appurtenant structure in variance with the Building and Use Restrictions, restrictions contained in these ByLaws, applicable zoning ordinances or applicable Building and Use Codes, where such modification will not, in the judgment of the Building Committee, do any material damage to any Lot or Parcel.

Article 16 MISCELLANEOUS

Section 1. The term "residential purposes," as set forth in the Restrictions governing the Loch Erin plats, including the Kingsley No. 1, Kingsley No. 2, Waterford, Wicklow, Kingsford, Wexford, Limerick, Irish Mist, Gilgal Pointe, Stonehedge and Castlebar Subdivisions, means for use as a residence. "Residence" and "Residential Purposes" does not include rentals for a term shorter than 12 months; timeshares; or any other

use where the occupant does not have the right to come and go at will, leave belongings on the property, or be on the property at any time other than during a specified term.

Section 2. The Board of Directors shall have the right, at its sole discretion, to allow rental of a property where such a rental would otherwise violate the "residential purpose" restriction, if the homeowner can provide evidence of a financial hardship, a medical hardship, or military service. Any request for such a use by a homeowner must be made to the Board of Directors in writing.

EXHIBIT A

Recorded '68 AUG 2 PM 2:50

RESTRICTIONS

WHEREAS, LELAND HUBBARD; EDWARD C. DeMERITT and RUTH M. DeMERITT, husband and wife, are the original owners of real estate situate in the Township of Cambridge, County of Lenawee and State of Michigan, having sold said real estate on land contract to William Waara, which has been assigned to Loch Erin, Inc.

NOW, THEREFORE, IT IS AGREED between said parties that the following restrictions shall be imposed as negative reciprocal easements on all lots included in any PLAT OF KINGSLEY NO.1, including the original Plat and any additions thereto:

1. Said lots shall be used exclusively for residential purposes except those lots assigned as business or commercial areas on the plats aforesaid. No lots may be subdivided.

2. Not more than one single family dwelling house may be erected or constructed on any one lot. No building may be erected prior to the erection of a dwelling house. No accessory or temporary building shall be used or occupied as living quarters without written permission of LEPOA or its assigns. No building shall be constructed or erected on said lots unless built of solid or permanent material. Wood exteriors shall be stained or painted with at least two coats of stain or paint. No structure shall have tarpaper, roll brick siding or similar material on the outside walls. No house trailers, tents, shacks, or other similar structures shall be erected, moved onto, or placed upon said premises. The exteriors of all buildings must be completed within six months from the date construction commences. Open foundations shall not be permitted without written approval of LEPOA its successors or assigns.

3. Building and use restrictions for all lots are set forth in separate documents specific to each subdivision.

4. No outside toilets shall be allowed. No waste shall be permitted to enter Loch Erin Lake and all sanitary arrangements must be inspected and approved by local and/or state health officers, and all residential buildings shall be required to use the central water and sewer system upon installation of same. No individual drain field or other disposal system shall be allowed nearer than fifty (50) feet from the normal high water mark of Loch Erin Lake.

5. No noxious or offensive home occupations or activity shall be permitted on any lot, nor shall anything be done thereon which shall be or, become an annoyance or nuisance to the neighborhood, and Loch Erin, Inc. Its successors or assigns shall determine what constitutes noxious or offensive activity and said determination shall be complete and final. No animal or fowl shall be kept or maintained on said lots except customary household pets in reasonable numbers. No signs of any kind shall be displayed on any lot without written permission of LEPOA , or its successors or assigns. Failure to maintain lots in a tidy manner will result in maintenance of the lots by the Property Owners Association for which a reasonable charge will be levied against the property owner.

6. No boat docks, floats or other structures extending into the lake shall be constructed or placed

into or on said lake without prior written approval of Loch Erin, Inc., its successors or assigns. Use of the lake is limited to members of Loch Erin Association, and such use shall be in compliance with the rules and regulations of LEPOA, LEPOA shall have the use of the lake for its corporate purposes.

7. LEPOA, for itself, its successors, assigns and licensees, reserves an easement along the entire shoreline of Loch Erin lake for the installation and maintenance of underground utilities, together with a fifteen (15 foot) wide easement along both sides of all road rights-of-way and a ten (10) foot wide easement along the side and rear lines of each and every lot, with the right of ingress and egress thereon for the purpose of installing and maintaining utility lines, gas and water mains, sewer lines and drainage ditches and appurtenances thereto; together with the right to trim, cut or remove any trees or brush necessary, and the right to locate guy wires, braces and anchors where necessary. Except where an owner of two or more adjoining lots constructs a building, which will cross over or through a common lot line, said common lot line shall not be subject to the aforementioned ten (10) foot easement. The owners of said lots shall have no cause of action against LEPOA, its successors or assigns or licensees either at law or in equity excepting in cases of willful negligence, by reason of any damage caused said lots in installing, operation or maintaining above mentioned installations, or for drainage of surface waters over and/or through said lots.

8. As part of the consideration herein the Purchaser, his heirs, devisees or assigns, further agree that he will not sell, assign or convey any lot or lots to any persons not accepted for membership in LEPOA This restriction shall not apply to mortgages given to savings banks, institutions for savings, cooperative banks, savings and loan associations, credit unions or other bona fide lending institutions but shall apply to all conveyances of the equity of redemption in any lot.

9. These restrictions and covenants run with the land and shall bind the purchasers, their heirs, executors, administrators and assigns, and if any of them shall violate or attempt to violate any of the covenants or restrictions herein contained, it shall be lawful to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenants or restrictions, and either to prevent him or them from doing so, or to recover damages for such violation. All of the restrictions, conditions, covenants or agreements contained herein shall continue until January 1, 1985. The same from time to time, may be changed, altered, amended or revoked in whole or in part by the owners of the lots in the subdivision whenever the owners of at least two thirds of said lots so agree in writing; provided, however, that no changes shall be made which might violate the purpose set forth in Restriction No.1. Any invalidation of any one of these covenants and restrictions shall in no way affect any other of the provisions thereof, which shall thereafter remain in full force and effect. Restriction No.1 contained herein shall continue for a period of 99 years from the date of the recordation of these restrictions in the Register of Deeds Office of Lenawee County, Michigan.

10. LEPOA, its successors or assigns shall appoint a committee to approve the plans and specifications for all dwellings and appurtenant structures within said allotment Loch Erin, Inc., its successors or assigns, shall have the right to approve the construction of a dwelling or appurtenant structure in variance with the restrictions heretofore recorded, where said modification will not, in the judgment of said LEPOA, its successors or assigns, do material damage to any lot in said subdivision.

11. The County of Lenawee and the Board of County Road Commissioners of Lenawee County, Michigan, are hereby granted the perpetual right to use the private drainage easements shown on the Plat of Kingsley No.1. This right is for drainage purposes and includes the right of ingress and egress for construction, maintenance, repairs and/or improvements for said purposes. No structures of any nature shall be constructed on the rights of way of said easements. Any damage done by the County of Lenawee or the Board of County Road Commissioners of Lenawee County, Michigan, as a result of construction, maintenance, repairs and/or improvements shall be repaired in a reasonable fashion so that the surface of the land, excluding necessary improvements for drainage purposes, shall be restored to its original condition insofar as is reasonably possible and with the understanding that grass areas need only be repaired and seeded; and further maintenance of said areas shall be the obligation of the owner of said land.