



Michael T. Pereira
mpereira@hirzellaw.com

37085 Grand River Ave, Ste 200
Farmington, MI 48335
P: (248) 478-1800

TO THE MEMBERS OF FIVE LAKE ASSOCIATION

Re: Proposed First Amendment to Restrictive Covenants of Five Lakes Subdivisions

Dear Five Lake Association Owner,

The Board of Directors has approved a proposed First Amendment to the Restrictive Covenants of the Five Lakes Subdivisions (the “First Amendment”). This proposed First Amendment is now being submitted to the Owners for their approval, a copy of which is enclosed for your review and consideration. This correspondence outlines the voting process for the proposed First Amendment and explains the changes included in the proposed Amendment.

You are being provided with a copy of the proposed First Amendment. The vote on the proposed First Amendment will take place by written consent, as required by Paragraph 22 of the current Restrictive Covenants, instead of a traditional vote that you may be used to. Accordingly, Owners who approve of the proposed First Amendment will need to sign, print their name, and provide their lot number(s), street address(es), and Subdivision number(s) on the appropriate written consent attached as Exhibit B to the First Amendment. Each written consent must also be notarized. Owners who own more than one lot may include the numbers and street addresses of each lot on a single consent. Please contact the Board of Directors if you are unsure of your lot number.

There are two forms of the written consent. The first consent has two signature blocks and two notary blocks. This first consent is to be used if there are two Owners of the lot identified on the deed, such as a married couple. The second consent has one signature block and one notary block. This second consent is to be used if there is one Owner of a lot identified on the deed, such as an individual person.

Once the appropriate consent has been signed by the Owner(s) and notarized, please send the original consent to the Association, c/o Sandra King-Heaven, P.O. Box 87, Farwell, Michigan 48622. The original consent, meaning the consent with a wet-ink signature and notarization, is the only acceptable form; photocopies or scanned copies are not acceptable. Please sign your name in blue ink to show that the signature is original and not a copy.

Passage of the First Amendment requires the written consents of at least fifty-one (51%) percent of the lots in the Five Lakes Subdivisions—Five Lakes Subdivision, Five Lakes Subdivision No. 1, Five Lakes Subdivision No. 2, Five Lakes Subdivision No. 3, and Five Lakes Subdivision No. 4. Accordingly, the vote will be counted according to the number of lots, as opposed to the number of Owners, that approve the First Amendment. Therefore, it is important that the written consent identifies each lot owned by the Owner. If you have any questions about the lots that you own, please contact the Board of Directors.

If approval for the First Amendment is obtained, then it will be submitted for recording with the Register of Deeds and will become effective on the date of recording. Thereafter, a copy of the recorded document will be provided to each Owner.

Below is an explanation of the proposed changes to the First Amendment. The following is intended to be only an overview of the changes. Each Owner is encouraged to read through the First Amendment and submit their vote based on the text of the First Amendment.

- **Proposed Amendment 1 – Amendment of Paragraph 1 of the Restrictive Covenants.** This amendment prohibits using a lot for business or commercial activities unless the activity does not create excess traffic, does not create an environment that is disruptive to other Owners, and is solely within a building and does not have any signage on the lot.
- **Proposed Amendment 2 – Amendment of Paragraph 4 of the Restrictive Covenants.** Proposed Amendment 2 adds a provision regarding the Owners' voting rights to reflect the current practice of calculating the number of votes an Owner may cast. Proposed Amendment 2 also gives the Association the ability to adopt rules and regulations concerning the subdivisions, a common power of homeowners associations.
- **Proposed Amendment 3 – Amendment to Paragraph 5 of the Restrictive Covenants.** The current Paragraph 5 concerns how assessments are determined. Proposed Amendment 3 provides more details regarding the assessments, including:
 - **Paragraph 5(A):** Requires Owners to pay the assessments that are levied against them and permits the Association to record a lien against an Owner's lot who has failed to pay their assessments.
 - **Paragraph 5(B):** Identifies the purposes for which the Association may use the proceeds from the assessments.
 - **Paragraph 5(C):** Setting the amount of the annual assessment based on an annual budget adopted by the Board each year, which allows the annual assessment to reflect the financial needs of the Association for the upcoming fiscal year;
 - **Paragraph 5(D):** With the prior approval of a majority of lot owners, allows the Association to levy a special assessment for the areas identified in Paragraph 5(D).
 - **Paragraph 5(E):** Allows the Association to set due dates for payment of the assessments.
 - **Paragraph 5(F):** Identifies the remedies available to the Association if an Owner fails to pay their assessments, including a monthly late fee, prohibiting the delinquent Owner from voting and serving on the Board of Directors, and foreclosing on the recorded lien.
 - **Paragraph 5(G):** States that an Owner must pay their assessments, even if they do not use the Association's private property or live at their lot.

- **Paragraph 5(H):** A lien filed by the Association will be subordinate to a mortgage recorded before the Association's lien. This is intended to comply with Michigan law.
 - **Paragraph 5(I):** Before a lot is sold, the purchaser may request information from the Association concerning whether there are any unpaid assessments for that lot.
 - **Paragraph 5(J):** If there are unpaid assessments when a lot is sold, the amount of the unpaid assessments will be paid to the Association out of the purchase price after any delinquent taxes and the mortgage amount are paid. This is related to Paragraph 5(I).
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- **Proposed Amendment 4 – Amendment to Paragraph 10 of the Restrictive Covenants.** Proposed Amendment 4 expands on the requirements in Paragraph 10 to prohibit the storage of trash on a lot, except in garbage bins. Trash incinerators are not permitted.
 - **Proposed Amendment 5 – Amendment to Paragraph 12 of the Restrictive Covenants.** This Paragraph concerns roof pitch, and Proposed Amendment 5 permits a roof pitch of either 3/12 pitch or as otherwise required by State or local building codes.
 - **Proposed Amendment 6 – Amendment to Paragraph 18 of the Restrictive Covenants.** Increases the maximum allowable height of fences from five feet to six feet.
 - **Proposed Amendment 7 – Amendment to Paragraph 19 of the Restrictive Covenants.** Requires Owners to obtain the Association's permission to rent or lease their lot. The Association will only approve a lease that is at least thirty (30) days or longer. A lease includes bookings made through the Internet, such as through Airbnb and VRBO.
 - **Proposed Amendment 8 – Amendment to Paragraph 20 of the Restrictive Covenants.** This requires the Association to comply with the requirement in the Homeowners' Energy Policy Act to adopt a solar energy policy statement.
 - **Proposed Amendment 9 – Amendment to Paragraph 21 of the Restrictive Covenants.** This allows the Association to enter a lot to perform any necessary maintenance or repair that an Owner has failed to perform or to respond to an emergency. Any costs incurred by the Association in performing necessary maintenance or responding to an emergency will be assessed against the Owner.
 - **Proposed Amendment 10 – Amendment to Paragraph 22 of the Restrictive Covenants.** Renumbers the current language in Paragraph 19 and adds a provision that the Association's failure to address an issue is not a waiver to address the issue in the future.

- **Proposed Amendment 11 – Amendment to Paragraph 23 of the Restrictive Covenants.** This identifies the remedies available to the Association to address a violation, such as filing a lawsuit or levying a fine. Proposed Amendment 11 also permits the Association to assess its attorney’s fees and costs incurred by addressing a violation against the responsible Owner. Additionally, an Owner may maintain an action against a second Owner for the second Owner’s violation and against the Association if the Association fails to address another Owner’s violation.
- **Proposed Amendment 12 – Amendment to Paragraph 24 of the Restrictive Covenants.** Adds the ability for the Association to levy a fine against an Owner and identifies the notice and hearing process that must be followed before the Association may levy a fine.
- **Proposed Amendment 13 – Amendment to Paragraph 25 of the Restrictive Covenants.** For future amendments, Owners will not need to sign and notarize written consents to show their approval of an amendment to the Restrictive Covenants. Instead, Proposed Amendment 13 will permit an amendment to the Restrictive Covenants through a traditional vote, where at least 51% percent of all lot owners have approved the amendment.

During this process, one or more members of the Board of Directors or members of your community may knock on your door and solicit your written consent. Should you have any questions, please contact the Board of Directors.

Sincerely,

HIRZEL LAW, PLC



Michael T. Pereira

Enclosure

**FIRST AMENDMENT TO
RESTRICTIVE COVENANTS**

This First Amendment to Restrictive Covenants (the “First Amendment”) is made and executed on this ___ day of _____, 2025, by and through Five Lake Association, a Michigan nonprofit corporation (the “Association”), whose address is P.O. Box 87, Farwell, Michigan, 48622, represented herein by _____, the President of the Association, who is duly authorized to act on behalf of the Association.

WITNESSETH:

WHEREAS, the Association administers the original Restrictive Covenants (the “Original Restrictive Covenants”) recorded for the plat of Five Lakes Subdivision (lots 1-81) and Five Lakes Subdivision No. 1 (lots 82-170) in Liber 222, Page 427; recorded for Five Lakes Subdivision No. 2 (lots 171-268) in Liber 250, Page 534; recorded for Five Lakes Subdivision No. 3 (lots 269-320) in Liber 256, Page 365; and recorded for Five Lakes Subdivision No. 4 (lots 321-414) in Liber 257, Page 528, Clare County Records, as amended.

WHEREAS, according to the terms of the Original Restrictive Covenants for Five Lakes Subdivision, Five Lakes Subdivision No. 1, Five Lakes Subdivision No. 2, Five Lakes Subdivision No. 3, and Five Lakes Subdivision No. 4, sixty (60%) percent of the lot owners of record for each Subdivision approved new Restrictive Covenants (the “Restrictive Covenants”), with such approval recorded for Five Lakes Subdivision No. 2 on October 31, 1985 in Liber 459, Page 177 (Document Number 198500011228) and for Five Lakes Subdivision, Five Lakes Subdivision No. 1, Five Lakes Subdivision No. 3, and Five Lakes Subdivision No. 4 on March 21, 1986 in Liber 465, Page 165 (Document Number 198600001582), Clare County Records.

WHEREAS, the recorded Restrictive Covenants replaced the Original Restrictive Covenants previously in effect for Five Lakes Subdivision, Five Lakes Subdivision No. 1, Five Lakes Subdivision No. 2, Five Lakes Subdivision No. 3, and Five Lakes Subdivision No. 4, thereby joining the Subdivisions together for purposes of compliance with these Restrictive Covenants, enforcement of these Restrictive Covenants, and voting upon these Restrictive Covenants, effective March 21, 1986.

WHEREAS, the land contained within Five Lakes Subdivision, Five Lakes Subdivision No. 1, Five Lakes Subdivision No. 2, Five Lakes Subdivision No. 3, and Five Lakes Subdivision No. 4 that is subject to this First Amendment is described on the attached Exhibit A (the “Subdivisions”).

WHEREAS, by this First Amendment, the Association, with the consent and affirmative action of at least fifty-one (51%) percent of the lots situated in Five Lakes Subdivision, Five Lakes Subdivision No. 1, Five Lakes Subdivision No. 2, Five Lakes Subdivision No. 3, and Five Lakes Subdivision No. 4 in accordance with Paragraph 22 of the Restrictive Covenants, as reflected by the signatures of the lot owners of such lots attached hereto as Exhibit B hereby amends the Restrictive Covenants.

WHEREAS, it is the purpose and intention of this First Amendment that all lots included in the Subdivisions that are subject to and encumbered by the Restrictive Covenants shall be held and conveyed subject to the reservations, easements, buildings and use restrictions, and conditions contained in the Restrictive Covenants, to establish a general plan of uniform restrictions in respect to said Subdivisions, to secure to each lot owner of such lot full benefit and enjoyment of their home, and to preserve the general character of the neighborhood.

WHEREAS, the restrictions and conditions set forth in the Restrictive Covenants shall run with the land and shall be binding on all lot owners, and all persons claiming under them or acting for them, until such time as lot owners may, at their discretion, vote to further alter, amend, or terminate the Restrictive Covenants as amended herein.

NOW, THEREFORE, the following amendments are made to the Restrictive Covenants:

1. Amendment of Paragraph 1. Paragraph 1 of the Restrictive Covenants is deleted and replaced with the following new Paragraph 1:

1. All of the lots in Five Lakes Subdivision, Five Lakes Subdivision No. 1, Five Lakes Subdivision No. 2, Five Lakes Subdivision No. 3, and Five Lakes Subdivision No. 4 (collectively, the “Subdivisions”) shall be used and occupied solely as residential property. No lot owner will carry on any business enterprise or commercial activity within the Subdivisions or their lot that disrupts the peaceful character of the Subdivisions, specifically prohibiting for-profit day-care, adult foster care, animal shelter, nursing facilities, transitional housing, and similar enterprises. Lot owners will nonetheless be allowed to carry on business and commercial activity within their Lot provided that such activity does not negatively impact the residential character of the Subdivisions by adhering to the following conditions:

- (i) the business does not generate pedestrian or vehicular traffic that impedes the normal use of public roadways within the Subdivision;
- (ii) the business does not create excessive noise, vibrations, odors, or other nuisances that disrupt the quiet enjoyment of neighboring properties; and
- (iii) the business operates entirely within the interior of the lot owner’s building(s) and does not involve outdoor storage, signage, or visible alterations that would indicate commercial use.

2. Amendment of Paragraph 4. Paragraph 4 of the Restrictive Covenants is deleted and replaced with the following new Paragraph 4.

4. All property owners in the Subdivisions shall be members of Five Lake Association, a Michigan nonprofit corporation (the "Association"). Membership must not be separated from ownership of any lot. Each lot owner is entitled to one (1) vote for each lot owned, provided, however, that a lot owner who owns multiple lots shall only be entitled to cast no more than two (2) votes for all lots owned. The vote for each lot must be exercised in accordance with the Association Bylaws, but in no event may more than one (1) vote be cast with respect to any lot.

The Association shall have the right to make all decisions affecting the care and upkeep of the private parks and other Association property. The Association shall also be empowered to enforce the building and use restrictions herein and to construct and install any additional improvements it may desire on the common property of said plat. The Association, through its Board of Directors, may make and amend reasonable rules and regulations consistent with the Restrictive Covenants and the Association Bylaws concerning the use of the common properties, the lots, or the rights and responsibilities of the lot owners and the Association with respect to the Subdivisions or the manner of operation of the Association and of the Subdivisions. Copies of all such rules or regulations, including any amendments, must be furnished to all lot owners and will become effective as stated in the rules and regulations. Any such rules and regulations or amendments thereto may be revoked at any time by the affirmative vote of a majority of the lot owners entitled to vote.

3. Amendment of Paragraph 5. Paragraph 5 of the Restrictive Covenants is deleted and replaced with the following new Paragraph 5:

5. Assessments.

A. Creation of the Lien and Personal Obligation for Assessments. Each lot owner, by acceptance of a deed or land contract vendee's interest to their lot or other conveyance thereof, whether it will be so expressed in such deed or other conveyance, will be deemed to covenant and agree to pay to the Association reasonable assessments and such other charges as set forth these Restrictive Covenants. All such assessments, together with interest, late fees, fines, costs, reasonable attorneys' fees incurred in the collection of such assessments (including attorney's fees and costs incurred incidental to any bankruptcy proceedings filed by any delinquent lot owner or probate or estate matters, including monitoring any payments made by the bankruptcy trustee or the probate court or estate to pay any delinquency, and/or attorney's fees and costs incurred incidental to any State or Federal Court proceeding filed by a lot owner) and advances for taxes or other liens or costs paid by the Association to protect its rights set forth herein, will be a charge on the owner's lot and a continuing lien upon the

lot against which each such assessment is made and will also be the personal obligation of the owner of such lot at the time the assessment fell due and all subsequent owners of such lot until paid in full.

B. Purpose of Assessments. The Association may use the assessments levied to establish a fund for the following purposes:

- (1) Improving, landscaping, and maintaining the private property held by the Association;
- (2) Enforcing the Restrictive Covenants, Association Bylaws and Constitution, Articles of Incorporation, and Rules and Regulations;
- (3) Discharging any taxes and insurance premiums, if any; and
- (4) Any other purposes that are deemed to be in the best interests of the Association by the Association's Board of Directors.

C. Rates of Assessments; Assessment Formula. All general and special assessments will be made against each lot, provided, however, that in cases where a lot owner owns more than one (1) lot in the Subdivisions, only one (1) assessment will be levied. The Board of Directors of the Association will establish an annual budget in advance for each fiscal year and such budget will project all expenses for the forthcoming year that may be required for the proper operation, management and maintenance of the Subdivisions and the Association, including a reasonable allowance for contingencies and reserves. Upon adoption of an annual budget by the Board, copies of the budget will be delivered to each lot owner and the assessment for the year will be established based upon said budget, although the failure to deliver a copy of the budget to each lot owner will not affect or in any way diminish the liability of any lot owner for any existing or future assessments.

D. Special Assessments. Special assessments may be made by the Board of Directors from time to time, if approved by a majority of the lot owners of all Subdivisions combined who are in good standing, to meet other requirements of the Association, including, but not limited to:

- (1) to meet deficits incurred or anticipated because current assessments are insufficient to pay the costs of operation and maintenance;
- (2) for any emergencies as determined by the Association's Board of Directors;
- (3) assessments to purchase a lot upon foreclosure of the lien for assessments described herein; or
- (4) assessments for any other appropriate purpose not elsewhere described.

E. Date of Commencement of Annual Assessments; Due Dates; Exemptions. The general assessment will be payable annually or in such other

installments as determined by the Board of Directors, commencing with acceptance of a deed to or a land contract vendee's interest in a lot, or with the acquisition of fee simple title to a lot by any other means. The Board will fix the due date of the assessment and any special assessment by resolution. The private property held by the Association and all other property exempt from State and/or local taxation and dedicated for public use will be exempt from assessments.

F. Effect of Non-Payment of Assessment; Remedies of the Association. The payment of an assessment will be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment, which will be any date as may be established from time to time by the Board of Directors for any assessment. Assessments in default will bear interest at the highest rate allowed by law until paid in full. All assessments, or installments thereof, which remain unpaid as of thirty (30) days after the due date (based on the postmark date) will incur a uniform late charge of one and one half percent (1.5%) of the assessment not paid, but in no event less than \$25.00 per month for each month not paid, to compensate the Association for administrative costs incurred as a result of the delinquency. All returned check fees will be charged to the lot owner in the amount of not less than \$35.00. The Association has the right to charge a separate late fee on the uncollectable check amount. The Board may revise the uniform late charges and may levy additional late fees for special assessments without the necessity of amending the Restrictive Covenants.

The Association may also accelerate any unpaid installments for the fiscal year remaining unpaid and those of any subsequent fiscal year into which the delinquency continues, which will become immediately due and payable in full. The Association may bring an action at law against the lot owner(s) personally obligated to pay the same, may record a claim of lien (as evidence of its lien rights as hereinabove provided for) against the lot on which the assessments are unpaid, may foreclose the lien against the lot on which the assessments are unpaid, or may pursue one or more of such remedies at the same time or successively.

In addition to the rights of collection of assessments, any and all persons acquiring title to or an interest in a lot as to which the assessment is delinquent, including, without limitation, persons acquiring title by operation of law and by judicial sale, will not be entitled to occupancy of such lot or the enjoyment of the private property held by the Association until all unpaid and delinquent assessments due and owing from the selling lot owner have been fully paid; provided, however, that the provisions of this sentence will not be applicable to mortgagees.

In addition to other remedies, the voting rights of any lot owner as a member of the Association whose assessments or charges of any kind are past due will be suspended, as will the lot owner's right to run for or serve as a director or officer of the Association. Payments on account of assessments in default will be applied in the following order (from highest priority to least priority):

- (1) to costs of collection and enforcement of payment, including reasonable attorney's fees;
- (2) to any interest, charges, fines and late fees on such installments; and then
- (3) to installments in default in order of their due dates.

An owner selling a lot will not be entitled to any refund whatsoever from the Association with respect to any reserve account or other asset of the Association. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the Association and other parties to such actions.

Each lot owner and every other person who from time to time has any interest in the lot will be deemed to have authorized and empowered the Association to sell or cause to be sold the lot and improvements thereon with respect to which assessments are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each lot owner acknowledges that at the time of acquiring title to such lot, they were notified of the provisions of this Paragraph 5 and that they voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject lot. The Association will have such other remedies for collection and enforcement of assessments as may be permitted by applicable law. All remedies are intended to be, and will be, cumulative.

G. Waiver of Use or Abandonment of Lot. No lot owner may waive or otherwise escape liability for assessments by non-use (whether voluntary or involuntary) of the private property held by the Association, abandonment of the right to use the private property held by the Association, or abandonment of their lot.

H. Subordination of the Lien. Except for claims evidenced by a lien recorded prior to the recordation of a first mortgage, the lien of the assessments provided for in this Paragraph 5 will be subordinate to the lien of any first mortgage; provided, however, that any such mortgage lender when in possession or any receiver, and in the event of a foreclosure, any purchaser at a foreclosure sale, and any such mortgage lender acquiring a deed in lieu of foreclosure, and all persons claiming by, through or under such purchaser or mortgage lender, will hold title subject to the liability and lien of any assessment, or part thereof, attributable to the period commencing on the date of the foreclosure sale (or conveyance in lieu of foreclosure).

I. Certificate with Respect to Assessments. Upon the written request of any lot owner, the Association will furnish, within ten (10) business days, a written certificate regarding the status of any assessments or other charges levied against the owner's lot. Any such certificate, when properly issued by the Association, will be conclusive and binding with regard to the status of the assessments as between the Association and any bona fide purchaser of the lot described in the certificate and the lender who has taken a lien on the lot as security for the repayment of a loan.

J. Unpaid Assessments Due on Sale of Lot. Upon the sale or conveyance of a lot, any unpaid assessments, interest, late fees, fines, costs and reasonable attorney's fees against the lot will be paid out of the net proceeds of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature except (a) amounts due the State of Michigan or any subdivision of the State of Michigan for taxes or special assessments due and unpaid and (b) payments due under first mortgages having priority to the unpaid assessments.

4. *Amendment of Paragraph 10.* *Paragraph 10 of the Restrictive Covenants is deleted and replaced with the following new Paragraph 10.*

10. No private property of the Association, lot, or part of any lot shall be used or maintained as a dumping ground for litter, rubbish, garbage, trash, junk, or other waste. All household trash and waste must be kept in suitable closed containers, which shall be kept in a clean and sanitary condition, and any disposal of trash or waste must conform with all municipal regulations. Incinerators and similar burning equipment are prohibited.

5. *Amendment of Paragraph 12.* *Paragraph 12 of the Restrictive Covenants is deleted and replaced with the following new Paragraph 12.*

12. All dwellings must have a roof of shingle or other suitable roofing material with at least a 3/12 pitch, or such other pitch as may be required by local and State building codes, so that the buildings are aesthetically compatible in design and appearance to other residences within the Subdivision.

6. *Amendment of Paragraph 18.* *Paragraph 18 of the Restrictive Covenants is deleted and replaced with the following new Paragraph 18.*

18. Any fence to be constructed on the property must first be approved by the Board of Directors of Five Lake Association and no such fence shall be over six (6) feet in height.

7. Amendment of Paragraph 19. Paragraph 19 of the Restrictive Covenants is deleted and replaced with the following new Paragraph 19.

19. After the date of recording of this First Amendment to Restrictive Covenants, a lot owner may lease their lot for the purposes specified in Paragraph 1 above, subject to the following additional requirements:

A. In order to rent or lease a lot after the date of recording of this First Amendment to Restrictive Covenants, a lot owner shall desiring to rent or lease their lot shall disclose that fact in writing to the Association at least ten (10) days before presenting a lease form or otherwise agreeing to grant possession of a lot to a potential lessee or occupant. The lot owner shall also provide the Association with a copy of the executed lease, and if no lease form is to be used, then the lot owner shall provide the Association with the name of the lessee(s) or occupant(s) along with the term of the proposed arrangement. No lot owner will lease less than the entire lot and all leases must be for an initial term of not less than thirty (30) days. A lot owner renting or leasing their lot shall keep the Association informed of their current correct address, phone number(s), and an emergency phone number. All tenants or non-lot-owner occupants shall comply with all of the conditions of the Restrictive Covenants.

B. For purposes of this Paragraph 19, the term “lease” includes, but is not limited to, an oral or written lease, an oral or written license, or an occupancy or possessory arrangement facilitated by AirBnb, Booking.com, Expedia, FlipKey, HomeAway, Homestay, Hotels.com, House Trip, Priceline.com, Roomorama, Tripping.com, Trivago, VRBO, VayStays, or any other similar format, website, or online platform. The listing or advertisement of a Unit on one (1) of the formats, websites, or online platforms referenced in the preceding sentence is prohibited if the occupancy arrangement resulting from such listing or advertisement would be a violation of these Restrictive Covenants.

8. Amendment of Paragraph 20. Paragraph 20 of the Restrictive Covenants is deleted and replaced with the following new Paragraph 20.

20. The Association will adopt a solar energy policy statement (“Solar Energy Policy”) that sets forth the terms and conditions under which solar energy systems may be installed by Co-owners. Unless the Homeowners’ Energy Policy Act, Act 68 of 2024 (the “Energy Policy Act”), is found to be unenforceable under Michigan law or is repealed, the Association will adopt a solar energy policy statement (“Solar Energy Policy”) that sets forth the terms and conditions under which solar energy systems may be installed by Co-owners, and the Solar Energy Policy will comply with the Energy Policy Act.

9. Amendment of Paragraph 21. Paragraph 21 of the Restrictive Covenants is deleted and replaced with the following new Paragraph 21.

21. The Association and all public or private utilities will have such easements over, under, across and through the private property of the Association and lots as may be necessary to fulfill any responsibilities of maintenance, repair, or upkeep which they or any of them are required or permitted to perform under the Restrictive Covenants or by law or to respond to any emergency or common need of the Association. It is a matter of concern that a lot owner may fail to maintain their lot in a proper manner and in accordance with the standards set forth in the Restrictive Covenants. Therefore, in the event a lot owner fails, as required by the Restrictive Covenants, to properly and adequately maintain or repair or otherwise keep their lot, then the Association will have the right (but not the obligation), and all necessary easements in furtherance thereof, to take whatever actions it deems desirable to maintain or repair the lot. The Association will not be liable to the lot owner of any lot or any other person in trespass or in any other form of action for the exercise of rights pursuant to the provisions of this Paragraph or any other provision of the Restrictive Covenants, Bylaws, or Articles of Incorporation that grant such easements, rights of entry, or other means of access. Failure of the Association to take any such action will not be deemed a waiver of the Association's right to take any such action at a future time. All expenses, costs, and reasonable attorneys' fees incurred by the Association in performing any responsibilities as set forth in this Paragraph will be assessed against such lot owner in accordance with Paragraph 5 of the Restrictive Covenants and be immediately due and payable. Further, the lien for nonpayment of assessments will attach as in all cases of assessments and collection of such assessments may be enforced by the use of all means available to the Association under the Restrictive Covenants and by law for the collection of assessments including, without limitation, legal action, foreclosure of the lien securing payment, and the imposition of fines.

10. Amendment of Paragraph 22. Paragraph 22 of the Restrictive Covenants is deleted and replaced with the following new Paragraph 22.

22. Invalidation of any one of these Covenants by judgment or court order shall in no way affect any of the other provisions, and all other provisions shall remain in full force and effect. The failure of the Association or of any Owner to enforce any right, provision, covenant or condition that may be granted by the Declaration does not constitute a waiver of the right of the Association or of any such Owner to enforce such right, provision, covenant or condition in the future.

11. Amendment of Paragraph 23. Paragraph 23 of the Restrictive Covenants is deleted and replaced with the following new Paragraph 23.

23. Remedies for Default / Costs of Enforcing Restrictive Covenants

A. Default by a Lot Owner. In the event of a default by a lot owner, lessee, tenant, non-owner resident and/or guest in their compliance with any of the terms of these Restrictive Covenants, the Association or lot owner(s), where appropriate, will be entitled to the following relief:

(1) Remedies for Default by a Lot Owner. Failure to comply with any of the terms or provisions of the Restrictive Covenants is grounds for relief, which may include an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessments), or any such combination. Such relief may be sought by the Association or, if appropriate, by an aggrieved lot owner or lot owners.

(2) Costs Recoverable from a Lot Owner. Failure of a lot owner, non-owner resident, or guest to comply with the Restrictive Covenants will entitle the Association to recover from such lot owner, non-owner resident, or guest any reasonable pre-litigation attorney's fees and costs incurred in investigating and seeking legal advice concerning alleged or actual violations or obtaining their compliance with the Restrictive Covenants. In addition, in any proceeding arising because of an alleged default by any lot owner or in cases where the Association must defend an action brought by any lot owner(s), non-owner resident(s), or guest(s)—regardless if the claim is original or brought as a defense, a counterclaim, cross claim, or otherwise—the Association, if successful, will be entitled to recover from such lot owner, non-owner resident, or guest, interest, fines, late fees, pre-litigation costs, the costs of the proceeding and reasonable attorney's fees—not limited to statutory fees and including attorney's fees and costs incurred pre-litigation, or incidental to any bankruptcy proceedings filed by the delinquent lot owner or probate or estate matters, including monitoring any payments made by the bankruptcy trustee or the probate court or estate to pay any delinquency, and/or reasonable attorney's fees and costs incurred incidental to any State or Federal Court proceeding filed by the lot owner—and any and all advances for taxes or other liens or costs paid by the Association to protect its lien incurred in defense of any claim or obtaining compliance or relief. In no event is any lot owner entitled to recover such attorney's fees or costs against the Association.

(3) Association's Right to Abate. The violation of any of the provisions of the Restrictive Covenants will give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the private property of the Association or onto any lot, where reasonably necessary, and summarily remove and abate, at the expense of the lot owner in violation, any structure, thing, or condition existing or maintained contrary to the provisions of the Restrictive Covenants. The Association will have no liability to any lot owner arising out of its exercise of its removal and abatement power.

(4) Assessment of Fines. The violation of any of provisions of the Restrictive Covenants by any lot owner is grounds for assessment by the Association, acting through its Board of Directors, of monetary fines for such violations in accordance with Paragraph 24 of this Restrictive Covenants.

B. Nonwaiver; Failure to Enforce Rights. The failure of the Association or of any lot owner to enforce any right, provision, covenant, or

condition that may be granted by the Restrictive Covenants does not constitute a waiver of the right of the Association or of any such lot owner to enforce such right, provision, covenant, or condition in the future.

C. Cumulative Rights. All rights, remedies, and privileges granted to the Association or any lot owner(s) pursuant to any terms, provisions, covenants, or conditions of the Restrictive Covenants are deemed to be cumulative and the exercise of any one or more will not be deemed to constitute an election of remedies nor will it preclude the party thus 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.

D. Rights of Lot Owners. A lot owner may maintain an action against the Association to compel enforcement of the provisions of the Restrictive Covenants and may maintain an action for injunctive relief or damages against any other lot owner for noncompliance with the Restrictive Covenants. Even if successful, lot owners may not recover attorney's fees from the Association but may recover such fees from another lot owner if successful in obtaining compliance with the Restrictive Covenants.

12. *Amendment of Paragraph 24.* *Paragraph 24 of the Restrictive Covenants is added with the following new Paragraph 24.*

24. Fines

A. General. The violation by any lot owner, resident, or guest of any provisions of the Restrictive Covenants, including any adopted Rules and Regulations, will be grounds for assessment by the Association, acting through its Board of Directors, of monetary fines against the defaulting lot owner. Such lot owner will be deemed responsible for such violations whether they occur as a result of their personal actions or the actions of their family, guests, tenants, or any other person admitted through such lot owner to the Subdivision.

B. Procedures. Upon any such violation being alleged by the Board of Directors, the following procedures will be followed:

(1) Notice. Notice of the violation, including the Restrictive Covenants provision(s) violated, together with a description of the factual nature of the alleged offense set forth with such reasonable specificity as will place the lot owner on notice as to the violation, will be sent by first class mail (postage prepaid), email, or personally delivered to the representative of said lot owner at the address as shown in the notice required to be filed with the Association under the Bylaws; and, if no such notice has been filed with the Association, then to the lot(s) of the owner.

(2) Hearing. The offending lot owner will be provided a scheduled hearing before the Board of Directors at which the lot owner may offer evidence in defense of the alleged violation. The hearing before the Board will be at its next scheduled meeting, but in no event will the lot owner be required to appear less than seven (7) days from the date of the notice.

(3) Hearing and Decision. Upon appearance by the lot owner before the Board of Directors and presentation of evidence of defense or in the event the lot owner fails to appear at the scheduled hearing, the Board will, by majority vote of a quorum of the Board, decide whether a violation has occurred. The Board's decision is final.

C. Fines. Upon violation of any provisions of the Restrictive Covenants and upon the decision of the Board of Directors as described in Section B above, the following fines may be levied:

First Violation	No Fine
Second Violation	\$50.00 Fine
Third Violation	\$100.00 Fine
Fourth and All Subsequent Violations	\$200.00 Fine

Each fine will also include an additional \$35.00 management fee for administering the fine. The Board of Directors, without the necessity of an amendment to this Restrictive Covenants, may make such changes in said fines or adopt alternative fines, including the indexing of such fines to the rate of inflation, in accordance with Rules and Regulations promulgated in accordance with Paragraph 4 of this Restrictive Covenants. For purposes of this Paragraph, the number of the violation (i.e. First, Second, etc.) is determined with respect to the number of times a lot owner violates the same provision of the Restrictive Covenants as long as that lot owner may own or occupy a lot in the Subdivision and is not based upon time or violations of entirely different provisions. In the case of continuing violations, a new violation will be deemed to occur each successive week during which a violation continues. No further hearings other than the first hearing are required for successive violations once a violation has been found to exist. Nothing in this Paragraph 24 will be construed as to prevent the Association from pursuing any other remedy under the Restrictive Covenants for such violations or from combining a fine with any other remedy or requirement to redress any violation.

D. Collection. The fines levied pursuant to Section C above will be assessed against the lot owner and immediately due and payable. Failure to pay the fine will subject the lot owner to all liabilities set forth in the Restrictive Covenants including, without limitations, those described in Paragraph 5 of these Restrictive Covenants.

13. Amendment of Paragraph 25. Paragraph 25 of the Restrictive Covenants is added with the following new Paragraph 25.

25. These Restrictive Covenants may be altered, amended, or terminated at any time and from time to time upon the execution and recording of an instrument with the Clare County Register of Deeds, signed by the President of the Association certifying that the amendment set forth in the instrument was adopted by a vote of at least fifty-one (51%) percent of all lot owners. For purposes of this Paragraph 25, if one (1) lot is owned, then that lot owner shall be entitled to cast one (1) vote for the lot, and if multiple lots are owned, then that lot owner shall be entitled to cast two (2) votes for all lots owned.

* * * * *

Except as set forth in this First Amendment, the Restrictive Covenants as recorded on March 21, 1986, in Liber 465, Page 165 (Document Number 198600001582), Clare County Records, remain in effect and are confirmed, ratified, and re-declared.

[Signature on following page]

This First Amendment to Restrictive Covenants is made and executed on the date set forth above and shall be effective upon recording with the Clare County Register of Deeds.

Five Lake Association,
a Michigan nonprofit corporation

By: _____
_____, President

STATE OF MICHIGAN)
) ss
COUNTY OF CLARE)

On this _____ day of _____, 2025, the foregoing First Amendment to Restrictive Covenants was acknowledged before me by _____, President of Five Lake Association, a Michigan nonprofit corporation, on behalf of and by authority of the corporation.

_____, Notary Public,
_____ County, Michigan
My Commission Expires: _____
Acting in _____ County, Michigan

Drafted by and when recorded, return to:

Michael T. Pereira, Esq.
HIRZEL LAW, PLC
37085 Grand River Avenue, Suite 200
Farmington, Michigan 48335
(248) 478-1800

Exhibit A

Legal Descriptions

Five Lakes Subdivision

Five Lakes Subdivision is comprised of 81 lots, numbered 1 through 81, inclusive, according to the plat thereof recorded on November 12, 1959, in Liber 5 of Plats, Pages 44 and 45, Clare County Records, and more particularly described as:

The land embraced in the annexed plat of "Five Lakes Subdivision" being a part of the South 1/2 of Section 9, Town 17 North, Range 4 West, Grant Township, Clare County, Michigan, is described as follows:

Commencing at the SE corner of said section; thence along the section line S. 89°42'07" W., 1979.70 feet to the point of beginning; thence N. 00°01'01" E., 434.01 feet; thence N. 81°09'28" W., 223.90 feet; thence N. 73°28'59" W., 325.00 feet; thence N. 65°38'51" W., 215.59 feet; thence N. 57°48'59" W., 260.00 feet; thence N. 46°56'26" W., 262.67 feet; thence N. 25°11'36" W., 262.67 feet; thence N. 14°18'59" W., 650.00 feet; thence N. 02°41'53" E., 159.96 feet; thence N. 79°48'59" W., 400.00 feet; thence S. 50°11'00" W., 130.00 feet to point A in Traverse along shore of Five Lakes; thence S. 50°11'00" W., 10 feet more or less to shore; thence southeasterly along the shore 2210 feet more or less; thence S. 89°42'59" E., 15 feet more or less to point B in said Traverse said point being located S. 23°02'39" E., 273.22 feet; thence S. 02°16'53" E., 465.24 feet; thence S. 11°31'31" E., 361.63 feet; thence S. 48°26'15" E., 172.65 feet; thence S. 34°51'56" E., 155.48 feet; thence S. 56°52'17" E., 233.46 feet; thence S. 58°17'47" E., 405.75 feet; thence S. 52°05'01" E., 141.28 feet from point A; thence S. 89°42'59" E., 111.75 feet; thence S. 69°10'47" E., 588.46 feet; thence S. 00°01'01" W., 33.00 feet; thence N. 89°42'07" E., 170.00 feet to the point of beginning.

Five Lakes Subdivision No. 1

Five Lakes Subdivision No. 1 is comprised of 89 lots, numbered 82 through 170, inclusive, and one private park according to the plat thereof recorded on October 21, 1959, in Liber 5 of Plats, Pages 42 and 43, Clare County Records, and more particularly described as follows:

The land embraced in the annexed plat of Five Lakes Subdivision No. 1 part of the NW 1/4 of Section 16, part of the SW 1/4 of Section 9, and part of the SE

1/4 of Section 8, T17N, R4W Grant Township, Clare County, Michigan is described as follows:

Beginning at the SW corner Section 9; thence along the section line of Section 8 S 89°41'54" W., 33.00 feet; thence 101.96 feet along a curve to the left radius: 127.00 feet, chord N. 22°32'35" W., 99.24 feet; thence N. 45°32'35" W., 110.00 feet; thence N. 44°27'25" E., 66.00 feet; thence N. 45°32'35" W., 220.00 feet; thence N. 44°27'25" E., 188.00 feet to point A in Traverse along the shore of Five Lakes; thence N. 44°27'25" E., 2 feet more or less to said short; thence southeasterly along the shore and following the shore 3900 feet more or less; thence S. 79°27'25" W., 10 feet more or less to point B in said Traverse along the shore said point being located S. 78°44'41" E., 68.30 feet; thence S. 78°00'01" E., 322.69 feet; thence S. 45°06'07" E., 22.54 feet; thence S. 46°51'02" E., 113.42 feet; thence S. 69°30'00" E., 112.42 feet; thence S. 51°48'07" E., 143.42 feet; thence S. 06°11'07" W., 179.68 feet; thence N. 77°05'29" W., 156.27 feet; thence N. 78°43'39" W., 78.27 feet; thence N. 64°15'12" W., 237.39 feet; thence N. 42°54'08" W., 164.58 feet; thence S. 30°57'39" W., 69.02 feet; thence S. 25°59'25" E., 107.43 feet; thence S. 28°14'57" E., 172.78 feet; thence S. 64°19'09" E., 266.57 feet; thence S. 29°55'47" E., 172.78 feet; thence S. 65°19'37" E., 286.61 feet; thence S. 05°22'34" @., 60.29 feet; thence S. 07°50'50" W., 155.79 feet; thence S. 08°58'47" E., 205.32 feet; thence S. 17°16'03" W., 232.77 feet; thence S. 10°32'35" E., 85.27 feet from point A. thence S. 10°32'35" E., 33.00 feet to the centerline of Kapplinger Drive; thence along the centerline S. 79°27'25" W., 685.93 feet to the section line; thence along the said line N. 00°27'25" E., 1616.72 feet to the point of beginning.

Five Lakes Subdivision No. 2

Five Lakes Subdivision No. 2 is comprised of 98 lots, numbered 171 through 268, inclusive, and one private park according to the plat thereof recorded on December 14, 1964, in Liber 7 of Plats, Pages 35 and 36, Clare County Records, and more particularly described as follows:

The land embraced in the annexed plat of Five Lakes Subdivision No. 2 part of the NW 1/4 of Section 16, and part of the SW 1/4 of Section 9, T17N, R4W Grant Township, Clare County, Michigan is described as follows:

Beginning at a point that is S 89° 42' 07" W, 1979.70 feet and N 00° 01' 01" E, 434.01 feet and N 81°09' 28" W, 223.90 feet and N 73° 28' 59" W, 325.00 feet and N 65°38' 51" W, 215.59 feet and N 57° 48' 59" W, 260.00 feet and N 46° 56' 26" W, 262.67 feet and N 25° 11' 36" W, 262.67 feet and N 14° 18' 59" W, 650.00 feet and N 02° 41' 53" E, 159.96 feet from the SE corner of said Section 9; thence N 02° 41' 53" E, 60.52 feet; thence N 10° 11' 01" E, 160.00 feet; thence N 79° 48' 59" W, 1009.80 feet; thence S 08° 53' W, 625.00 feet; thence S 88° 41' W, 165.40 feet; thence S 00° 25' 00" E, 203.41 feet; thence S 16° 58' 22" W, 63.83 feet; thence S 68° 40' 17" W, 270.49 feet; thence S 58° 29' 39" E, 128 feet; thence S 63° 04'

30" W, 336.10 feet; thence S 35° 37' 39" E, 635.76 feet; thence S 39° 27' 10" E, 260.50 feet; thence S 51° 06' 03" E, 366 feet; thence S 45° 22' 20" E, 182.43 feet; thence S 52° 49' 00" E, 140.00 feet; thence N 88° 07' 00" E, 146.67 feet; thence N 40° 54' 31" E, 64.16 feet; thence N 69° 23' 50" W, 126.50 feet; thence on a curve to the left whose radius is 50 feet and whose chord bearing and distance is N 05° 42' 22" W, 50.56 feet; thence N 53° 55' 11" E, 34.87 feet; thence N 39° 12' 27" W, 139.66 feet; thence N 05° 50' 30" W, 169.63 feet; thence N 54° 42' 10" W, 327.27 feet; thence N 23° 01' 44" W, 163.27 feet; thence N 25° 38' 10" W, 280.73 feet; thence N 05° 54' 50" W, 204.82 feet; thence N 61° 34' 40" E, 367.25 feet; thence N 54° 43' 30" E, 91.05 feet; thence N 05° 40' 20" E, 213.90 feet; thence N 05° 04' 30" E, 345.04 feet; thence S 51° 29' 34" E, 164.39 feet; thence N 50° 18' 11" E, 177.57 feet; thence S 79° 48' 59" E, 400.00 feet to the point of beginning.

The plat of Five Lakes Subdivision No. 2 was amended by the Amended Plat of Lots 218 and 219, recorded on February 8, 1999, in Liber 17 of Plats, Page 11.

Five Lakes Subdivision No. 3

Five Lakes Subdivision No. 3 is comprised of 52 lots, numbered 269 through 320, inclusive, according to the plat thereof recorded on December 11, 1965, in Liber 8 of Plats, Page 6, Clare County Records, and more particularly described as follows:

The Land embraced in the annexed plat of "Five Lakes Subdivision No. 3, Part of the S.E. 1/4 of Section 8 and part of the S.W. 1/4 of Section 9, T17N, R4W, Grant Township, Clare County, Michigan, is described as follows:

Beginning at the One-quarter corner common to Sections 8 and 9, T17N, R4W, Grant Township, Clare County, Michigan; thence, S. 88° 47' E., 247.0 feet; thence, South, 591.0 feet; thence, S 88° 47' E., 247.0 feet; thence South, 591.0 feet; thence S. 56° 13' E., 540.10 feet; thence, along the line of Five Lakes Subdivision No. 2, S. 00° 03' W., 203.41 feet; thence, S. 17° 10' W., 62.83 feet; thence, S. 68° 44' 20" W., 270.7 feet to the Northwest corner of Lot 244, Five Lakes Subdivision No. 2; thence, N. 58° 32' 40" W., 100.0 feet; thence, N. 52° 05' 40" W., 268.25 feet; thence, N. 65° 53' 10" W., 223.95 feet; thence, N. 49° 14' 10" W., 150.20 feet; thence, N. 12° 50' 40" W., 64.75 feet; thence, N. 08° 39' E., 220.35 feet; thence, N. 39° 38' W., 202.2 feet; thence, N. 71° 57' W., 171.45 feet; thence, N. 47° 03' W., 214.80 feet; thence, N. 02° 43' W., 114.20 feet; thence, N. 33° 16' E., 112.13 feet; thence, N. 89° 16' E., 564.70 feet, back to the place of beginning. Containing 52 lots.

Five Lakes Subdivision No. 4

Five Lakes Subdivision No. 4 is comprised of 94 lots, numbered 321 through 414, inclusive, and one private park according to the plat thereof recorded on March 4, 1966, in Liber 8 of Plats, Pages 11 through 12, inclusive, Clare County Records, and more particularly described as follows:

The land embraced in the annexed plat of "Five Lakes Subdivision No. 4," Part of the South one-half of Section 8, T17N, R4W, Grant Township, Clare County, Michigan, is described as follows:

Beginning S. 89° 41' 54" W., 33.00 feet from the Southeast Corner of Section 8, T17N, R4W, Grant Township, Clare County, Michigan; thence along the boundary line of Five Lakes Subdivision No. 1, as recorded in Liber 5, Pages 42 and 43, inclusive, Clare County, Michigan, records, 101.96 feet on a curve to the left having a delta of 46° 00', a radius of 127.0 feet, a length of 101.96 feet, and a long chord bearing N. 22° 32' 35" W, 99.24 feet; thence N. 45° 32' 35" W., 110.0 feet; thence N. 44° 27' 25" E. 66.0 feet; thence N. 45° 32' 35" W., 220.0 feet; thence N. 44° 27' 25" E., 188.0 feet to the Northwest corner of a Private Park in Five Lakes Subdivision No. 1; thence N. 58° 57' W., 281.45 feet; thence N. 44° 16' W., 219.15 feet; thence N. 33° 10' W., 361.75 feet; thence N. 60° 27' W., 307.70 feet; thence N. 39° 05' W, 145.70 feet; thence N. 26° 26' W, 216.80 feet; thence N. 32° 21' E, 117.65 feet; thence N. 73° 48' E., 115.95 feet; thence N. 45° 40' E., 153.95 feet; thence N. 11° 56" E., 145.75 feet; thence N. 05° 18' E., 108.20 feet; thence N. 26° 51' W, 150.65 feet; thence N. 21° 12' W., 304.20 feet; thence N. 15° 41" E, 185.95 feet; thence S. 89° 16' W., 482.59 feet; thence S. 12° 42' W., 1051.00 feet; thence S. 32° 07' E., 784.20 feet; thence S. 48° 49' E, 1458.60 feet; thence N. 89° 41' 54" E., 146.30 feet back to the place of beginning. Containing 94 numbered lots.

Exhibit B

Owner Written Consents

DRAFT

