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DECLARATION OF RESTRICTIONS

WALHALEA SHORES

THIS DECLARATION, JACK W. TICE and ALMA M. TICE, his wife (Proprietors), and AMERICAN CENTRAL CORPORATION (Developer and Proprietor),

WITNESSETH:

WHEREAS, Proprietors are the owners of the real property described in Article II of this Declaration and Developer desires to create thereon a residential community with a permanent park and playground for the benefit of the said community; and

WHEREAS, Developer desires to provide for the preservation of the values and emenities in said community and for the maintenance of said park and playground, and, to this end, desires to subject the real property described in Article II together with such additions as may hereafter be made thereto (as provided in Article II) to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and

WHEREAS, Developer has deemed it desirable, for the efficient preservation of the values and amenities in said community, to create an agency to which should be 196 cat 542

delegated and assigned the powers of maintaining and administering the community properties and facilities and administering and enforcing the covenants and restrictions and collection and disbursing the assessments and charges hereinafter created; and

WHEREAS, Developer will cause to be incorporated under the laws of the State of Michigan, as a non-profit corporation, THE WALHALLA SHORES ASSOCIATION, for the purpose of exercising the functions aforesaid;

NOW THEREFORE, the Proprietors and Developer declare that the real property described in Article II, and such additions thereto as may hereafter be made pursuant to Article II hereof, is and shall be held, transferred, sold, conveyed and occurpied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth.

Article I

Definitions

Section 1. The following words when used in this

Declaration or any Supplemental Declaration (unless the

context shall prohibit) shall have the following meanings:

- (a) "Association" shall mean and refer to THE WALHALLA SHORES ASSOCIATION.
- (b) "The Properties" shall mean and refer to all such existing properties, and additions thereto, as are

subject to this Declaration or any Supplemental Declaration under the provisions of Article II, hereof.

- (c) "Common Properties" shall mean and refer to those areas of land shown on any recorded subdivision plat of The Properties currently being Lots 17 and 18 thereof, together with various utility easements and certain rights-of-way, and intended to be devoted to the common use and enjoyment of the owners of The Properties.
- (d) "Lot" shall mean and refer to any plot of land shown upon any original recorded subdivision map of The Properties with the exception of Common Properties as heretofore defined.
- owner whether one or more persons or entities holding any interest in any lot situated upon the Properties whether such ownership be in fee simple title or as land contract vendee; and, notwithstanding any applicable theory of the mortgage, shall not mean or refer to the mortgage except if the mortgage has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.
- (f) "Member" shall mean and refer to all those owners who are members of the Association as provided in Article III. Section 1 hereof.

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PROPERTY SUBJECT TO THIS DECLARATION: ADDITIONS THERETO Section 1. Existing Property. The real property which is, and shall be held, transferred, sold, conveyed, and

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occupied subject to this Declaration is located in Branch Township, Mason County, Michigan, and is more particularly described as follows:

Walhalla Shores, a subdivision on the South one-half (1/2) of the Southeast Quarter (1/4) of Section 10, TIN, R15W, and a part of Government Lot 3 on Section 10, TIN, R15W, Branch Township, Mason County, Michigan;

all of which real property shall hereinafter be referred to as "Existing Property".

Section 2. Additional Lands may become subject to this Declaration.

(a) The Developer, its successors and assigns, at any time prior to December 31, 1975, shall have the right to bring additional lands into the scheme of this Declaration. Such proposed additions if made shall become subject to assessment for their just share of Association expenses. The Common Properties within all such additions shall be devoted to the common use and enjoyment of all owners of properties which are subject to this Declaration. The Developer's rights to bring additional lands into the Daclaration shall not be held to bind the Developer, its successors or assigns, to make the proposed additions or to adher to the scheme in any subsequent development of the land described herein. The additions authorized under this and the succeeding subsections shall be made by filing of record a Supplementary Declaration of Covenants and Restrictions with respect to the additional property which shall extend the scheme of the

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

- (b) Other Additions. Upon approval in writing of the Association pursuant to a vote of its members as provided in its Articles of Incorporation or By-Laws, the owner of day proposity who desires to add it to the Acheme of this Declaration and to subject it to the jurisdiction of the Association, may file of record a Supplementary Sectorstion of Covenants and Restrictions, as described in subsection (a) hereof.
- (c) Mergers. Upon a merger or consolidation of the Association with another association as may be provided in its Articles of Incorporation, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a

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

Article III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION Section 1. Membership.

- (a) Every person or entity who holds an equitable interest or an undivided equitable interest in any lot whether as land contract vendee or fee holder being subject to these covenants and to assessment by the Association shall be a member of the Association provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member.
- (b) Persons not holding an interest in any Lot may become non-voting mambers of the Association under terms and conditions prescribed by the Board of Directors.
- Section 2. Voting Rights. The Association shall have one class of voting membership. Voting members shall be all those members who hold the interests required for Membership in Article III in Section 1(a) above. When more than one

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such persons shall be members and the vote for each such lot shall be exercised as they among themselves determine.

Article TV

PROPERTY RIGHTS IN THE COMMON PROPERTIES Section 1. Members' Easements of Enjoyment.

(a) Sibject to the provisions of Article IV in Section 3, every member shall have a right and easement of enjoyment in and to the Common Properties and such assement shall be appartenant to and shall pass with the title to every lot.

Section 2. Title to Common Properties. The Developer may retain the legal title to the Common Properties until such time as, in the opinion of the Developer, the Association is able to maintain the same and to meet any existing obligations which may be a lien thereon, notwithstending any nections which may be a lien thereon, notwithstending any nection herein, the Developer hereby covenants, for itself, its successors and assigns, that it shall convey the Common Properties to the Association not later than January 1, 1970.

Section 3. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Developer and of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Properties and in aid thereof to mortgage said properties. The members'

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rights and easements in the Common Properties shall be subordinate to any mortgage given by the Developer or Association
as security for funds borrowed for said improvements. Any
indebtedness which shall be created for the purpose of making
improvements to the Common Properties shall be an obligation
of the Association. In the event of a default upon any such
mortgage, the lender or mortgagee shall have all the rights
afforded under the mortgage or security agreement and under
the laws of the State of Michigan, including the right after
taking possession of the Properties, to charge admission and
other fees as a condition to continued enjoyment by the members, and if necessary to open the enjoyment of such properties
to a wider public. If the mortgage indebtedness is satisfied
and possession of the Properties returned to the Association,
all rights of the members hereunder shall be restored; and

- (b) The right of the Association to take such steps as are reasonably necessary to protect the above described properties against foreclosure; and
- (c) The right of the Association, as provided in its Articles and By-Laws, to suspend the enjoyment rights of any member for any period during which any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations: and
- (d) The right of the Association to charge reasonable admission and other fees for the use of the Common Properties.

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Section 4. Dedication of Streets and Other Paghts-of-All circles, trails, passes and roads, have or shabl be constructed by Developer to Mason County public standards and all such circles, trails, passes and roads small be dedicated to the public so that the burden of maintenance thereof shall be public rather than imposed upon the Owners,

Article v

COVENANT FOR MAINTENANCE ADSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Developer being an owner of all The Properties hereby covenants and each subsequent owner by execution of any land contract or by acceptance of any deed therefor, whether or not it shall be expressed in any tuch deed or conveyance, by deemed to coverient who extent to pay to the Association: (1) annual assessments or comments: (2) special assessments for capital improvements, such assessments to be fixed, established, collected from time to time as hereinafter provided. The annual and opecial assessments, together with such interest thereon and cooms of collection thereof as herbinafter provided, shall be a charte on the land and shall be a continuing lien upon the property against which each assessment is nade. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall be a charge on the land use 196 = 550

and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

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

Section 3. Basis and Amount of Annual Assessments. The annual assessment shall be \$20.00 per Lot. The Board of Directors of the Association may, after consideration of current maintenance costs and future needs of the Association, fix the actual assessment for any year whether before or after January 1, 1970 at a greater amount.

Section 4. Special Assessment for Capital Improvements. In addition to the annual assessments authorized by Section 3 hereof, the Association may levy in any assessment year a

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special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties, including the decessary fixtures and personal property related thereto, provided any such assessment shall have the affirmative of two-thirds (2/3) of the votes of all voting members who are voting in person or by proxy at the meeting duly called for this purpose, written notice of which shall be sent to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 5. Change in Basis and Maximum of Annual Assessments. Subject to the limitations of Section 3 hereof, and for the periods therein specified, the Association may change the maximum and bests of the assessments fixed by Section 3 hereof prospectively for any such period ornvided that any such change shall have the assent of two-thirds (2/3) of the voting members who are voting in person or by proxy at a meeting duly called for this purpose written notice of which shall be sent to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting, provided further that the limitations of Section 3 hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation and under Article II. Section 2, hereof.

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Section 6. Quorum for Any Action Authorized Under Sections 4 and 5. The quorum required for any action authorized by Sections 4 and 5 hereof shall be as follows:

At the first meeting called, as provided in Sections 4 and 3 hereof, the presence at the meeting of Members or of proxies, entitled to cast sixty (60) per cent of all the votes of the membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Sections 4 and 5, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Date of Commencement of Annual Assessments:

Due Dates. The annual assessments provided for herein shall commence on the first day of April, 1968. The assessment for each succeeding year shall become due and payable on the first day of April of each year. No adjustments or prorations of assessments shall be made by the Association. For purposes of levying the assessment, assessments shall be considered as paid in advance and shall be levied against any property which is subject to this Declaration or Supplementary Declarations. The due date of any special assessment under Section 4 hereof shall be fixed in the Resolution authorizing such assessment.

Section 8. Duties of the Board of Directors. The Board of Directors of the Association shall prepare a roster of the

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thirty (30) days in advance of such assessment due date.

Such assessment roster shall be kept in the office of the Association and shall be open to inspection by any owner.

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Written notice of the assessment shall thereupon be sent to every owner subject thereto.

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

Section 9. Effect of Non-Payment of Assessment: The Personal Obligation of the Owner; The Lien; Remedies of Association. If the assessments are not paid on the date when due (being the dates specified in Section 7 hereof), then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon becoming a continuing lien on the property which shall bind such property in the hands of the then owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then owner to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them.

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days after the delinquency date, a penalty fee not to exceed \$2.00 shall be added thereto and from that date interest at the rate of six (6%) per cent per annum may be added to the delinquent balance and penalty and the Association may bring an action at law against the owner personally obligated to pay the same or to foreclose the lian against the property. There shall be added to such assessment, delinquent fee and interest and the cost of preparing and filing Complaint in such action and in the event that Judgment is obtained, such Judgment shall include interest on the total amount as above provided and reasonable attorney's fee to be fixed by the court together with the costs of the action.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

Section 11. Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charge and lien created herein: (a) all

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properties to the extent of any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use: (b) all Common Properties as defined in Article I. Section 1 hereoft (c) all properties exempted from taxation by the laws of the State of Michigan, upon the terms and to the extent of such legal exemption; (d) all properties owned by the Developers, their auccessors and accions held by them or any of them for sale or re-sale.

Notwithstanding any provisions herein, no land of improvements devoted to dwelling use shall be exempt from soid assessments, charges or liens.

Article VI Ar<u>chitectural Control Committe</u>e

Section 1. Review by Committee. No building fance.

wall or other structure shall be commenced, erected or maintelned upon The Properties, nor shall any exterior sufficience
to or change or alteration therein be made until the plans
and specifications showing the nature, kind, shape, height,
materials, and location of the same shall have been submitted
to and approved in writing as to harmony of external design
and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by
an architectural committee composed of three (3) or more
representatives appointed by the Board. In the event said
board or its designated committee fail to approve or disapprove
such design and location within thirty (30) days after said
plans and specifications have been submitted to it, or in any
event, if no suit to enjoin the addition, alteration or change

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has been commenced prior to the completion thereof, approval will not be required and this Article will be deemed to have been fully complied with.

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Acticle VII

SUILDING AND USE LIMITATIONS

tion shall be limited to residential use. We building shall be erected, altered, placed or permitted to remain on any property other than a one family descling and private garage or outbuildings incidental thereto. All desclings must have a minimum enclosed living area of 480 square feet exclusive of open porches or attached garages. All structures shall be completed on the exterior within six (6) months from start of construction. Two coats of paint or varnish shall be required on any exterior wood surface. All structures intended for occupancy must be equipped with inside plumbing facilities.

Section 2. Mulsances. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuildings shall be occupied or stored on the property at any time either temporarily or paramently. No sign or any kind of advertising device shall be displayed to the public view on any lot except one professional sign of not more than one foot square, other than signs used by a builder to advertise a new home previously unoccupied.

No animals, livestock or poultry of any kind shall be raised or kept on any lot except dogs, cats or

other household pers provided that they shall not be so maintained for any commercial purpose.

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Trash, garbage or any other waste material shall not be kept except in sanitary containers or incinerators. Equipment for the storage or disposal of any such materials shall be kept in a clean and sanitary condition.

Section 3. Building Location. No building shall be located on any property nearer than 25 feet to the front property line or nearer than 20 feet to any side street line. No building shall be located nearer than ten (10%) per cent to the width of the property on which such building is to be placed to any sideline, except that a 3 foot minimum side yard shall be permitted for a garage or other permitted accessory building which is located toward the rear of the property. For the purposes of this Covenant, eaves, steps and open perches shall not be considered as a part of the building provided, however, that this shall not be construed to permit any portion of the building en encroach upon adjoining property.

Section 4. Easements. Easements are reserved along and within 5 feet of the real line and sidelines of all lots in the subdivision for the construction and perpetual maintenance of conduits, poles, wires and fixtures for electrical lights, telephones and other public and quasi-public utilities and drainage and to trim any trees which at any time may interfere or threaten to interfere with the maintenance

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of such lines with right of ingress to and egress from and across said premises to employees of said utilities. Said easement to also extend along any owner's side and rear property lines in cases of fractional lots. The person owning more than one lot may build on such lot line and the easement shall be inoperative as to said line provided that such building shall be placed thereon prior to the instigation of use of this easement for one of the foregoing purposes.

It shall not be considered a violation of the provisions of easement if wires or cables carried by such pole lines pass over some portion of said properties not within the 5 foot wide easement as long as such lines do not hinder the construction of buildings on the property.

Section 5. Variance. The purpose of the foregoing. Building and Use Limitations being to insure the use of the Properties for attractive residential uses, to prevent nuisances, to prevent impairment of the attractiveness of the property, to maintain the desirability of the community and thereby secure to each owner the full benefits and enjoyments to his home with no greater restriction upon the free and undisturbed use of his property than are necessary to insure the same advantages to other owners. Any reasonable change, modification or addition to the foregoing shall be considered by the Developer and the Association and if so approved will then be submitted in writing to the abutting property owners and if so consented to in writing shall be

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recorded and when recorded shall be as binding as the original Covenants.

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The foregoing Building and Use Limitations shall not apply to the Common Properties.

Article VIII

GENERAL PROVISIONS

Section 1. Duration. The covenants and restrictions of this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by The Association, or the owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a cerm of twenty (20) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the then owners of two-thirds (2/3) of the lots has been recorded, acreeing to change said covenants and restrictions in whole or in part. Provided, however, that no such agreement to change shall be effective unless made and recorded three (3) years in advance of the effective date of such change, and unless written notice of the proposed agreement is sent to every owner at least ninety (90) days in advance of any action taken.

Section 2. Notices. Any notice required to be sent to any member or owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as

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members or owner on the records of the Association at the time of such mailing.

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

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

IN WITNESS WHEREOF, we have hereunto set our hands and seals on the dates specified in the below acknowledgments.

Patricia Hogan

AMERICAN CENTRAL CORPORATION Daveloper and A Proprietor

Howard J. Bohnet, MARKETY XX

Vice President

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STATE OF MICHIGAN) COUNTY OF INGHAM) SS:

On this 30 day of November in the year of our Lord one thousand nine hundred and sixty-seven, before me, a notary public in and for said County, appeared Howard J. Bohnet, to me personally known, who, being by me duly sworn, did say that he is the Recretary of American Central Corporation, the corporation named in and which executed the within instrument, and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was executed in behalf of said corporation by authority of its board of directors; and said Howard J. Bohnet acknowledged said instrument to be the free act and deed of said corporation.

Notary Public Ingham County, Michigan My Commission expires 8/17/71

STATE OF MICHIGAN) SS:

January

On this ______ day of Mevember in the year of our cight Lord one thousand nine hundred and sixty-series, before me, a Notary Public, in and for said County personally appeared Jack W. Tice and Alma M. Tice, to me known to be the same persons described in and who executed the within instrument, who each for himself acknowledged the same to be their free act and deed.

EFFIE M. ACYST
NOTARY PURIS. BARBLA COUNTY, MICA,
MY COMMISSION EXPIRES GOT. 1, 1978
MINED THRU MICHIGAN NOTARY ASSOC

My Commission expires 10-2-70
Isabella County, Michigan

Walhalla Shores Association

June 30, 1984

Amendments to the Declaration of Restrictions Walnadia Shores as recorded in Liber 196, pages 541 - 561 incl.
Article V. Dection 3 pass on May 5, 1984

Basis of amount of Annual Assessments. The annual assessment was raise from Twenty (\$20,--) per lot to twenty-five (\$25,--) per lot starting in 1985. The bard of Directors of the Association ray, after consideration of current maintenance costs and future needs of the Association, fix the actual assessment for any year whether before or after J many 1, 1970 at a rester amount.

Article V. Section 9, second paragraph
If the assessment is not paid within thirty (30) days
after the delinquency date, a penalty for not to exceed:
\$2.90 shal be added thereto and from that date interest at
the rate of twenty (20) percent per annormal be added to
the delinquent balance and penalty and the Association may
bring an action at law against the owner personally
obligated to pay the same or to forecloss the lien against
the property. There shall be added to such association
dilinquent fee and interest and the cost of preparing
and fixing complaint in such action and in the event that
Judgment is obtained, such Judgment shall include interest
on the total amount as above provided and reasonable
attorney's fee to be fixed by the court together with the

STATE OF MICHIGAN.

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Mary Walen (1)

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Signed in the presence of:

Walhalla Shores Association

STATE OF MICHIGAN

COUNTY OF MASON

The foregoing instrument was acknowledged before me this 2nd day of July, 1984, by Ethel Cassan, secretary and Julie Ann Bentz, treasurer of Walhalla Chores Association.

Mary Golden Kolaski

Notary Public
Mason County, Michigan
My commission expires 876/86