

PILGRIM LAKE COLONY, INC.

BY-LAWS

As of June 28, 2010

ARTICLE I

Section 1. This corporation shall be known by the name of Pilgrim Lake Colony, Inc. and shall operate under and by virtue of The Articles of Incorporation issued to the incorporators of the company by the Secretary of the State of Ohio on the 24th day of May, 1968, a copy of which Articles of Incorporation is here transcribed on pages 1, 2, and 3 of the record book of the Corporation.

Section 2. The capital stock of this Corporation shall be sold and issued from its treasury, as provided for in section 5, Article I, of these By-Laws only to the owners of the parcels of land in Sections I and 2 including properties of 18107 Chillicothe Road north to Pilgrim Avenue as shown on the recorded plats of Geauga County, Volume 8, Pages 68 and 69, and known as Pilgrim Village, and as modified by the declaration of restrictions and covenants recorded at Volume 423, Page 398 through Page 403, of Geauga County Records. The stock of this Corporation shall also be sold and issued to the owners of the property annexed to Pilgrim Village, and known specifically as 18135 Millstone, and recorded in Deed Volume 835, Page 190, and re-recorded in Deed Volume 837, Page 493, of Geauga County Records. The inclusion or "annexation" of adjacent properties into Pilgrim Village shall require an amendment of the By-Laws as described in Article VI, Section 1.

Section 3. The purposes of this Corporation are to acquire, own, and hold title to all that part of said Pilgrim Village Subdivision on the plat mentioned in the preceding Section hereof designated and marked as lakes, beaches, parks, and other recreational areas now on the plat and those which may later be acquired, for the use and enjoyment of the owners of the lots of the said plat.

Section 4. The capital stock of this Corporation shall be divided into shares whose value shall be determined by the Board of Directors at the last Board Meeting prior to each annual stockholders' meeting. All property owners are required to purchase a share of capital stock within 90 days after the deed is recorded. In order to protect the Corporation, Pilgrim Lake Colony, Inc. may cause to be filed an affidavit, with the County Recorder's Office, against any property holder in the amount of delinquent payment for the capital stock, plus attorney's fees and County Recorder's fees for the preparation and filing of the affidavit. The purchase price of the stock shall be at the value on the day the deed is recorded.

Section 5. The capital stock of this Corporation shall be issued to and owned by the owner or owners of a residence in said Pilgrim Village subdivision, provided, however, that when the title of a residence is in the names of two (2) persons, the said capital stock shall be issued jointly, where one (1) person owns title to a residence, upon written request of both persons said stock may be issued to and owned jointly by both. The written request for such joint issues shall acknowledge the liability of both persons to the Corporation jointly and severally, for such dues and assessments as may be imposed against said stock by a lawful vote of the shareholders at a lawful meeting thereof Said capital stock shall not be issued jointly to more than two (2) persons. Two (2) half votes only shall be enjoyed by a shareholder or shareholders regardless of the number of shares owned.

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Section 6. Stock subscribed for shall be issued to the subscriber or subscribers within ninety (90) days of full payment.

Section 7. For the purpose of making necessary improvements, repairs and the maintenance and upkeep of the Corporation's property, each holder of such capital stock shall be subject to such dues and assessments as may be determined upon by the lawful vote of the shareholders at a lawful meeting of said shareholders. Any shareholder who shall become more than thirty (30) days delinquent in the payment of the dues and assessments shall be suspended from all Corporation privileges and will not be afforded said privileges until they have paid their dues and assessments in full along with a ten percent (10%) per month penalty on all unpaid dues and assessments unless other arrangements are agreed to by the Board of Directors. In order to protect the interest in the Corporation, Pilgrim Lake Colony, Inc., the Corporation may cause to be filed an affidavit, with the County Recorder's Office, against any shareholder and his or her property in the amount of delinquent dues and assessments, plus attorney's and County Recorder's fees for the preparation and filing of the affidavit. Hereafter the terms "he" or "his" will also mean "she" or "her" interchangeably.

Section 8. All stock issued by the Corporation is nontransferable and will be redeemed by the Corporation at the value established under Article I, Section 4 less handling cost and any unpaid dues or assessments provided the stockholder returns the share of stock to the Corporation prior to or within thirty (30) days of the sale of his property in Pilgrim Village.

Section 9. A fifty percent (50%) stock carrying reserve will be established. This percentage will allow for redemption of a maximum thirty percent (30%) turnover plus a fund reserve available as working capital to borrow against for capital improvements.

ARTICLE II

Section 1. The regular annual meeting, hereafter "annual meeting", of the shareholders of this Corporation shall be held on the first Sunday of November of each year at a time and place determined and designated by the Board of Directors. Written notice of place and time of such meeting shall be distributed to each shareholder at their last known address at least seven (7) days prior to the date of such meeting.

Section 2. Special meetings of the shareholders may be called by a majority of the Board of Directors at any time, or upon the written request therefore delivered to the President or Secretary of the Corporation, and signed by at least one-third (1/3) of the holders of record of the capital stock of the Corporation, stating the object and purposes thereof. The Board of Directors of the Corporation shall fix the time and place for holding any such special meeting, which, as to any special meeting called at the request of the shareholders as herein provided, shall be not later than thirty (30) days from the date of the receipt of the request; and shall notify the shareholders of the Corporation in writing of the time, place and object of such meeting, at least seven (7) days prior to the date thereof. No business other than stated in said notice shall be transacted unless all holders of the capital stock of this

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Corporation shall be present or shall agree in writing to such other business transacted at said special meeting.

Section 3. A majority, fifty percent plus one (50% + 1) of the stockholders of this Corporation must be represented either in person or by proxy to constitute a quorum for the transaction of business at any annual or special meeting of the shareholders.

Section 4. In accordance with Article I, Section 5, the capital stock issued shall entitle the owner or owners of record to a vote on all questions at any and all meetings of the shareholders. In the event that stock has been issued to two (2) persons jointly, the two (2) half votes of said stock may be voted by either or both of them. Such entitlement to vote is subject to the owner or owners being in good standing as to payments due under Article I, Section 4 and Article I, Section 7.

Section 5. When a shareholder will not be present at any meeting of the shareholders, it shall be his privilege to have his vote cast by proxy and such proxy shall be signed and held only by a shareholder of the Corporation.

Section 6. The election of Directors shall be by popular vote during the annual meeting. Matters of corporate policy shall be decided by a majority of all outstanding stock. Ordinary business requires the approval of the majority of all votes present at any shareholders' meeting.

Section 7. A record shall be kept by the Secretary of the names of all shareholders in attendance at the annual meeting and called special meetings and numeric count of the vote on issues at said meetings.

Section 8. The Board of Directors shall consist of seven (7) persons who are shareholders, elected to serve for terms of three (3) years each. These terms shall be so arranged that not fewer than three (3) nor more than four (4) expire each year. At each annual meeting of the shareholders as provided for in Article II, Section 1, the same number of Directors as the number whose terms expire that year shall be elected to replace those whose terms expire. No Director shall be elected to serve consecutive terms, although nothing herein shall prevent a Director from being elected to serve additional terms if one (1) or more years elapse between terms. The Board of Directors, so elected shall select from its membership each year, a President and Vice President. Board President is to be filled by a member in their second year on the board, or returning board member (prior 5 years) in their first or second year on the board. Exiting president shall serve as Vice-president and assistant to the then acting president. The Board of Directors so elected shall also select each year, a Secretary and a Treasurer of the Corporation who may or may not be Directors but must be shareholders. The offices of Secretary and Treasurer may be concurrently held by one (1) person. At the Board's discretion, annual dues, but not special assessments, may be waived for the President, Secretary and/or the Treasurer during their terms in office.

Section 9. At the annual meeting of the shareholders, all matters of business pertaining to the welfare of the Corporation shall be discussed, the reports of its officers shall be read, its financial condition shown, matters of improvement of the lakes, beaches, parks and other recreational areas, and other

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Corporation property shall be open to discussion, and the policy of the Corporation in relation thereto shall be settled by a vote of the shareholders.

Section 10. Separate annual operating and capital improvement budgets for the upcoming year shall be submitted to the shareholders with notification of the annual meeting. The annual operating budget will set out the projected expenses for the upcoming year relating to the management, regulation and upkeep of the lakes, beaches, parks and other recreational areas, and all other Corporation property, including repairs thereon. The capital improvements budget will set out the projected expenses for significant improvements planned for the aforementioned Corporation property. Each budget shall separately and clearly designate any dues or assessments related to it. Further, each budget requires a separate approval by a majority of all voters present at the annual meeting, including proxies. In the event the operating budget proposed is not approved by the shareholders, the previous year's operating budget, including the dues and assessments amount(s), shall become approved by default. In the event a capital improvements budget is not approved by the shareholders, the capital improvements budget, and the associated dues and assessments amount(s), shall be left at zero by default. In any event, the restrictions on spending indicated in Article III, Section 3 shall apply.

ARTICLE III

Section 1. The business of the Corporation shall be conducted by its Board of Directors, who shall be elected as prescribed in Article III, Section 8, at the annual meeting to serve until the next annual meeting, or until their successors are elected and qualified.

Section 2. After each annual meeting, the Board of Directors shall meet and ratify the action of the shareholders in the election of such Board of Directors and shall elect the officers in accordance with Article II, Section 8.

Section 3. The Board of Directors shall have the management of all the affairs and business of the Corporation in carrying out the general policy of the Corporation as determined by vote of the shareholders. The Board of Directors shall have the management, regulation and upkeep of the lakes, beaches, parks and other recreational areas, and all other Corporation property, and of all the activities and improvements thereon. The Board of Directors may not cause total annual operating or capital improvements expenditures to exceed ten percent (10%) of the approved annual operating or capital improvements budgets of the Corporation without first obtaining approval of a majority of the eligible voters present at any annual or special shareholders meeting.

Section 4. In the event a Director puts his property up for sale he shall immediately submit his resignation to the Board of Directors, provided that by the sale of said property he would no longer be a shareholder in Pilgrim Lake Colony, Inc. In the event a Director leaves the Board of Directors either by resignation or death, his successor shall be appointed by majority vote of the Board of Directors to serve until the next annual meeting at which time an election will be held to fill the unexpired term.

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Section 5. The Board of Directors shall hold regular meetings once each month at such time and place as they shall determine. A majority of the Directors must be present for decisions made during any meeting to be binding. Special meetings may be called by the President or by any three (3) of the Directors. At least two (2) days notice of such special meeting shall be given.

Section 6. The Board of Directors may appoint or employ a custodian of the parks, beaches, lake and other recreational areas and other Corporation property who shall have direct charge, under the supervision of the Board of Directors of fish, game, buildings, grounds and lake located on said property. The Board of Directors may secure the appointment of the custodian as a deputy sheriff, marshal or other deputy police officer, but without cost to the county or other political subdivision, to the end that he may exercise lawful authority in protecting the property of the Corporation. It shall be the duty of the custodian to make reports to the Board of Directors of all matters pertaining to his position.

Section 7. The Board of Directors may employ legal counsel as may be reasonably required to represent the interest of the Corporation.

ARTICLE IV

Section 1. The President, Vice President, Secretary, and Treasurer shall serve as such from the date of their election or appointment until their successors are elected and qualified as provided in these By-Laws.

Section 2. The President shall preside at all meetings of the shareholders and the Board of Directors; he shall have executive charge of all the business of the Corporation; he shall, by and with the advice and consent of the Board of Directors, employ any labor and purchase all material and supplies necessary to carry out the improvements, repairs and maintenance of the property of the Corporation. He shall sign all certificates of stock or other legal documents for or of the Corporation; he shall sign all warrants on the treasury of the Corporation for withdrawal of funds. He shall make reports of these actions to the Board of Directors and shall make a report to the shareholders at each meeting thereof together with such recommendations and suggestions as he may deem for the best interests of the Corporation. He shall appoint a committee to audit the books of the Corporation at the end of each fiscal year.

Section 3. In the event that the President is not at any meeting of the Board of Directors or shareholders of the Corporation, the Vice President shall preside. In the event of the absence or disability of the President, the Vice President shall perform the duties of the President.

Section 4. The Secretary shall keep a record of all meetings of the shareholders and the Board of Directors; he shall be custodian of all records, books, papers and documents pertaining to the affairs of the Corporation. He shall sign all certificates of stock and all legal documents of the Corporation and attach the seal of the Corporation thereto and shall perform such other duties as may be directed by the Board of Directors or the shareholders.

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Section 5. The Treasurer shall receive all monies accruing to the Corporation, recording the receipt thereof and shall promptly deposit all monies of the Corporation in such bank(s) as may be designated by the shareholders or Board of Directors. Such funds may be withdrawn therefrom by check or draft signed by the Treasurer or in the absence or disability of the Treasurer, by the Secretary acting in his place and stead and countersigned by the President or in the absence or disability of the President, by the Vice President acting in his place and stead. It is the policy of this Corporation that all proper invoices and bills presented for payment be paid promptly within the designated due date of same. The Treasurer shall also be responsible for investing the monies of the Corporation. Beyond monies held in the normal checking and savings accounts authorized by the shareholders or directors, investments will be limited to those authorized by the Board of Directors including obligations of the federal government and federal agencies, commercial banks' certificates of deposits (CDs), federal funds, bankers' acceptances (BAs), repurchase agreements (RPs), and commercial paper. The basic Corporation investment policy is to invest prudently the capital stock reserve monies and accumulated capital improvements fund monies in instruments presenting minimum risk. The Treasurer shall not be liable for any failure of the responsibility of designated depositories or investment instruments. The Treasurer shall open and keep a treasurer's record of all financial transactions of the Corporation and make a written report thereof to the shareholders at the annual meeting, or to the Board of Directors upon their request. The Treasurer shall give and furnish the Corporation with a bond for the faithful discharge of his duties as Treasurer and the faithful accounting of any funds of the Corporation in his position as Treasurer. He shall perform other duties as may be directed by the Board of Directors or the shareholders. The Treasurer shall enforce ARTICLE I, Section 4 and ARTICLE I, Section 7.

Section 6. All reports provided for herein shall be in writing and shall be filed or recorded as shall be determined by the shareholders or the Board of Directors to whom such reports may be made.

ARTICLE V

Section 1. Shareholders shall file with the Secretary of the Corporation their post office address, giving notice in writing of any change thereof in order that notices of meetings may promptly and surely reach the shareholder.

Section 2. Shareholders who are selling their residences shall give notice to the buyer(s) that ownership of a residence requires the purchase of stock in Pilgrim Lake Colony, Inc. and the payment of dues and assessments, as approved by the shareholders.

Section 3. The lake, beaches, parks and other recreational areas owned by the Corporation are intended for the use and enjoyment of the shareholders of the Pilgrim Lake Colony, Inc. and as excepted in the TEEIRD regulation below. To the end that such use shall be mutual and enjoyable, the following regulations are hereby adopted:

FIRST: No share of the capital stock of the Corporation shall be issued from the treasury or sold

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- by any shareholder to any person except as provided for in Article I, Section 5. All privileges of the use and enjoyment of the Corporation's lakes, beaches, parks and other recreational areas are and shall be conferred by ownership of the capital stock of the Corporation, and not by ownership of a lot or lots in the subdivision.
- SECOND: The above conditions and limitations shall be printed on each certificate of the capital stock of the Corporation and shall apply to all shares thereof.
- THIRD: Only a holder of capital stock of this Corporation and his family and the guests of his household shall have the privileges of the lakes, beaches, parks and other recreational areas of the Corporation. In the event any house in said subdivision is being rented, or on lease with option to buy, the tenant shall have the option of the aforementioned privileges upon payment of all current dues and assessments.
- FOURTH: Shareholders, tenants, their families and guests shall obey and conform to the rules and regulations of the Board of Directors in relation to the use of the lakes, beaches, parks and recreational areas and other facilities furnished, by or under the control of the Corporation. They and each of them agree to abide by and conform to any orders of the Board of Directors pertaining to these regulations. Shareholders, tenants, their families and guests also agree to hold blameless and harmless the Corporation and its directors and officers for any damage or injury suffered by them in the use and enjoyment of the lakes, beaches, parks and other recreational areas of the Corporation.
- FIFTH: Camps or encampments shall not be permitted on the park and grounds of the Corporation without written approval of the Board of Directors.
- SIXTH: Fishing in the lake of the Corporation shall be permitted, subject to fish and game laws of Ohio, except at such time or times as the Board of Directors shall rule otherwise. The Board of Directors shall make such regulations covering fishing on the property of the Corporation, subject to the fish and game laws of the State of Ohio, as it deems expedient for the welfare and good of the Corporation and shareholders. No hunting or discharging of firearms shall be permitted on Pilgrim Village property.
- SEVENTH: The Board of Directors shall from time to time make such rules and regulations as it deems necessary for the good of the Corporation as to the use of the lake, beaches, parks and other recreational areas. A copy of such rules and regulations, together with those covering fishing, shall be sent to each member and tenant.
- EIGHTH: Any shareholder or tenant who shall violate these rules and regulations or any rules adopted by the shareholders or the Board of Directors, covering the use of the lake, beaches, parks, and other recreational areas of the Corporation, may be denied shareholder privileges by the Board of Directors.

ARTICLE VI

Section 1. These By-Laws may be amended by a two-thirds (2/3) vote of all issued and outstanding capital stock at any special or annual meeting of the shareholders provided a notice of time and place of the meeting and a copy of the proposed amendment is delivered to each shareholder at least seven (7) days before such meeting.

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ARTICLE VII

Section 1. No building or structure of any nature (including, but not limited to out-buildings, decks, additions, satellite dishes, antennas, pools, recreational facilities, walls, fences or hedges, etc.) will be built, erected or placed until the building plans and drawings, specifications, and plot plan is approved by the Pilgrim Lake Colony Board.

Section 2. In furtherance and not in limitation of the restrictions imposed by Section 1 of Article VII, no fence or similar structure shall be approved that:

- A. Obstructs the view from the lake of the Corporation of any property;
- B. Obstructs the use, view or enjoyment of or from any adjoining properties;
- C. Is not a split-rail fence; and
- D. Is in excess of 4 feet tall.

Notwithstanding the above, the Board may grant variances with respect to subsections (C) and (D) above with respect to fences that border commercially zoned property.

Each property owner who erects a fence must keep the fence in good condition and repair. All fences shall be installed and constructed in accordance with any applicable municipal ordinances.

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DECLARATION OF RESTRICTIONS AND COVENANTS

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KNOW ALL MEN BY THESE PRESENTS, that the Pilgrim Lake Colony, Inc., which was granted all rights previously reserved by Pilgrim Land Company and Pilgrim Village Corporation on March 30, 1973 hereby replaces, improves, supersedes and changes a certain declaration of restrictions and covenants instrument dated January 8, 1961 and recorded in Vol. 390, Pages 362, 363, 364, and 365 of Geauga County Records of Deeds, and a certain declaration of restrictions and covenants instrument dated November 19, 1962 and recorded in Vol. 423, Pages 398 through 403 of the Geauga County Records of Deeds and all property owners or their legal representatives who sign this instrument agree that the provisions, restrictions, and covenants contained herein shall be binding upon themselves and their heirs, executors, administrators, successors and assigns as to the property they acquired within Pilgrim Village and that as to their respective properties this instrument shall take the place of and supersede said instruments dated January 8, 1961 and November 19, 1962.

NOW, THEREFORE, for valuable consideration and for their mutual benefit and for the benefit of those property owners who have derived title through them since January 8, 1961, Pilgrim Lake Colony, Inc. does hereby make, publish, declare, covenant and agree that the real property which was owned by The Pilgrim Land Company on January 8, 1961, being 225 acres acquired from Florence Messenger, Ciell and Cleon Taylor, Howard and Elizabeth Taylor and Paul S. and Clarissa Gardiner, including the land which was subsequently subdivided as appears in Vol. 8, Pages 68 and 69 of Geauga County Records of Plats, shall be subject to the following restrictions and covenants, and that any deed of conveyance made from the date for January 8, 1961 by The Pilgrim Land Company, or any shareholder of Pilgrim Village shall incorporate by reference the terms of the instrument.

Pilgrim Lake Colony, Inc. and its shareholders, directors and officers reserve the right to enter upon, maintain and enjoy all lakes and water regardless of water level, all areas of parks, beaches and other recreational areas owned by Pilgrim Lake Colony, Inc. Such privileges and responsibilities are to be enjoyed and observed in common with persons who are shareholders of Pilgrim Lake Colony, Inc. under such suitable rules and regulations as are originally established by Pilgrim Lake Colony, Inc. and as may be later amended by Pilgrim Lake Colony, Inc. with the approval of its shareholders.

All owners of residences are required to become shareholders in Pilgrim Lake Colony, Inc. and shall be accorded the privileges and responsibilities incident thereto, provided they abide by the rules, regulations and By-Laws of said Pilgrim Lake Colony, Inc. and pay the dues and fees of such Corporation.

The premises herein affected including all commercial zoned land shall be subject to the following conditions, restrictions and covenants which are imposed for the benefit and protection of all lots and parcels therein, including any additional land that may be acquired or annexed by Pilgrim Lake Colony, Inc. or its shareholders, and shall be binding upon all owners and purchasers, their respective heirs, executors, administrators, successors, and assigns.

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- A. Pilgrim Lake Colony, Inc., by and through the Pilgrim Lake Colony Board, shall have authority over all construction, alterations, remodeling, and approvals of same.

Pilgrim Lake Colony, Inc., by and through its Board of Directors, shall be the sole authority for all transactions through professionals and properly qualified individuals or corporations, licensed to perform any and all duties necessary now and in the future to carry on all necessary functions and developments, design, construction and maintenance.

Pilgrim Lake Colony, Inc., by and through its Board of Directors, shall have authority to set fees and assessments to properly carry out all phases of operation of the Corporation now and in the future.

- B. (1) Pilgrim Village real estate shall be used exclusively for single-family authentic colonial-style private residential purposes, (except for existing church or educational structures), and no such residence shall be used or occupied by more than one family, excepting visitors occupying the premises for a reasonable length of time. The intention being that such buildings shall not only be private dwellings in form and structure, but shall actually be used as such. Any disputes concerning Visitors shall be resolved by the Pilgrim Lake Colony Board.

(2) All future single-family dwellings constructed on any lot shall contain a minimum of 2,200 square feet of livable enclosed floor area (exclusive of open or screened porches, terraces, garages, decks, etc.), and shall not exceed 35 feet in height from finished grade. New buildings built on Sublots with the Prefix "N" as indicated on the plat of Pilgrim Village, Section No. 1, and any subsequent plats that may hereafter be filed, require 50% of width of front elevation to have two (2) stories. Sublots with Prefix "B" require one and one half (1 1/2) stories. Sublots with Prefix "C" permit one (1) story dwellings. Each dwelling shall have an enclosed attached garage for not less than two (2) cars, complete with garage doors, (garage doors shall not face the street on any newly constructed garages, unless on a corner lot).

- C. (1) No building or structure of any nature (including, but not limited to out- buildings, additions, decks, satellite dishes, antennas, pools, recreational facilities, was, fences or hedges, etc.) shall be built, erected, or placed nor any excavating or other work done on any lot until the building plans and drawings, specifications, and plot plan accurately depicting the proposed location of such buildings or structures upon the land or existing buildings are submitted to and approved in writing by the Pilgrim Lake Colony Board.

(2) Plans, drawings, and specifications submitted to the Pilgrim Lake Colony Board are required to include the accurate location of the proposed building(s) or structure(s) and the distance to the side, front, and rear boundary lines, areas of fill, if any, plans of all floor areas, foundations, all elevations with natural grade and finished grade indicated, exterior detail of structure material to be used and color scheme.

(3) All plans, drawings and specifications presented to the Pilgrim Lake Colony Board shall be evaluated as to harmony of external design, location in relation to surrounding structures and

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topography, and as to conformance with the existing common plan or scheme of PV.

(4) The determination of the Pilgrim Lake Colony Board shall be final and binding upon the parties.

(5) Construction of any structure shall be in strict compliance with the approved plans and specifications and all construction shall be inspected and/or supervised by the Pilgrim Lake Colony Board.

D. The basis of approvals and occupancy shall be as follows:

(1) The homeowner shall present all plans and specifications to a member of the Pilgrim Lake Colony Board.

(2) Pilgrim Lake Colony Board shall evaluate the plans and specifications.

(3) Once the Pilgrim Lake Colony Board approves the plans, then the homeowner shall be eligible to obtain building permits.

(4) Pilgrim Lake Colony Board shall act upon such plans and specifications promptly, and if written response is not given within a reasonable period of time, not to exceed thirty (30) days after written request by registered mail and submission of the date and requirements as enumerated, such approval or consent shall not be required and the condition relative thereto shall be deemed to have been fully complied with.

Owners of lake front lots shall maintain the natural beauty of the shore line in front of their respective lots. Boat slips, channels and lagoons may be constructed by owners of lake front lots on their lots, as approved by the Pilgrim Lake Colony Board, and shall remain under said owner's control. Projections beyond the natural shoreline into the lake shall not be permitted without the written consent of Pilgrim Lake Colony Board.

Utility easements on lake front lots and areas shall be confined to street side and one side of each lot. For the purposes of plan approval on lake front lots, the lake side of such lots shall be considered the front in determining the elevation of structures; shoreline areas between private lots and the lake shall be under the control of the individual lot's owners between his side lines as extended to the waters, excepting areas designated by Pilgrim Lake Colony, Inc. as parks, beaches, boat docking areas or other recreational areas. Islands shall not be used for permanent docking areas.

Pilgrim Lake Colony, Inc., its successors and assigns, through its duly elected Board shall have authority to maintain the lake, beaches, parks and other recreational areas for the maximum benefit and mutual enjoyment of all property owners and occupants in the community. Pilgrim Lake Colony, Inc., through its Board, reserves the right for itself, its successors and assigns, to make changes from time to time in the rules and regulations controlling the use of the lake, beaches, parks and recreational areas as it may deem necessary for the maximum benefit and enjoyment of said owners and occupants.

Pilgrim Lake Colony, Inc., its successors and assigns, through its Board shall have the authority and responsibility to require private lots and community property areas to be kept free of weeds and other

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unsightly vegetation or objects which would mar the natural beauty of the community, and it reserves the right to enter upon private property and remove offensive or unsightly vegetation or objects at the expense of the property owner permitting such condition. Failure by the property owner to reimburse Pilgrim Lake Colony, Inc. for these expenses may result in the filing of an affidavit by, the Corporation with the County Recorder's Office in the amount due, plus attorney's and County Recorder's fees for the preparation and filing of the affidavit.

Owners and occupants of lots, a part of which is submerged by lake water, take such lots subject to the right of the shareholders of Pilgrim Lake Colony, Inc. to use such lake waters in their entirety, provided such use is reasonable and does not interfere with such owner or occupant in the reasonable enjoyment of his residence, lot and waters.

The restrictions and covenants run with the land and shall be binding on all the parties and all persons claiming by, through, or under the persons party to this declaration, including corporations. If any portion of these restrictions and covenants should become unenforceable or be found illegal, it shall not affect the application and enforceability of the remainder of said restrictions and covenants.