

EXHIBIT A
RESTATED CONDOMINIUM BYLAWS FOR HARBOR OAKS

ARTICLE I

ASSOCIATION OF CO-OWNERS

SECTION 1. The Association. Harbor Oaks, a residential Condominium project located in the Township of Waterford, Oakland County, Michigan, shall be administered by an association of Co-owners which shall be a nonprofit corporation, hereinafter called the "Association", organized under the applicable laws of the State of Michigan, and responsible for the management, maintenance, operation and administration of the Common Elements, easements and affairs of the Condominium Project, subject to and in accordance with the Amended and Restated Master Deed, these Bylaws, the Articles of Incorporation, Association Bylaws and duly adopted Rules and Regulations of the Association, and the laws of the State of Michigan. All Co-owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Unit therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid Condominium Documents.

SECTION 2. Purpose of the Bylaws. These Bylaws are designated as the Condominium Bylaws and relate to the manner in which the Condominium and the common affairs of the Co-owners of the Condominium Units shall be administered.

SECTION 3. Membership in the Association. Membership in the Association and voting by members of the Association shall be in accordance with the following provisions:

A. Designation of Members. Each Co-owner shall be a member of the Association and no other person or entity shall be entitled to membership.

B. Co-owner's Share of the Funds. The share of a Co-owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to a Unit in the Condominium.

C. Co-owner Voting Designation. Except as limited in these Bylaws, each Co-owner shall be entitled to one vote for each Condominium Unit owned when voting by number and one vote, the value of which shall equal the total of the percentages allocated to the Units owned by such Co-owner as set forth in the Amended and Restated Master Deed, when voting by value, provided that said Co-owner is in good standing and not in default of any payment of regular or special assessments against said Co-owner's Unit. Voting shall be by value except in those instances when voting is specifically required to be both in value and in number. In the case of any Unit owned jointly by more than one Co-owner, the voting rights appurtenant to that Unit may be exercised only jointly as a single vote.

D. Evidence of Ownership for Voting Purposes. No Co-owner shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Condominium Project to the Association. The vote of each Co-owner may be cast only by the individual representative designated by such Co-owner in the notice required in subparagraph E. below or by a proxy given by such individual representative.

E. Designation of Voting Representative. Each Co-owner shall file a written notice with the Association designating the individual representative who shall vote at meetings of the Association and receive all notices and other communications from the Association on behalf of such Co-owner. Such notice shall state the name and address of the individual representative designated, the number or numbers of the Condominium Unit or Units owned by the Co-owner, and the name and address of each person, firm, corporation, partnership, association, trust or other entity who is the Co-owner. Such notice shall be signed and dated by the Co-owner. The individual representative designated may be changed by the Co-owner at any time by filing a new notice in the manner herein provided. At any meeting the filing of such written notice as a prerequisite to voting may be waived by the chairman of the meeting.

F. Annual Meeting of the Members. There shall be an annual meeting of the members of the Association commencing with the First Annual Meeting which has previously been held. Other meetings may be provided for in the Bylaws of the Association. Notice of time, place and subject matter of all meetings, shall be given to each Co-owner by mailing the same to each individual representative designated by the respective Co-owners. Such notice shall be given not less than ten (10) nor more than sixty (60) days prior to any meeting.

G. Quorum. The presence in person or by proxy of thirty-five percent (35%) in number and in value of the Co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association, except for voting on questions specifically required herein to require a greater quorum. The written vote of any person furnished at or prior to any duly called meeting at which meeting said person is not otherwise present in person or by proxy shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast.

H. Voting. Votes may be cast in person or in writing duly signed by the designated voting representative not present at a given meeting in person or by proxy, or when voting by mail. Proxies and any written votes must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association, or that time set for receipt of such votes in those instances when a meeting is not held. Votes may be submitted by mail, fax, delivery or any other method. Cumulative voting shall not be permitted.

I. Majority. Unless otherwise provided, any action which could be authorized at a meeting of the members shall be authorized by the vote of a simple majority in value, of those Co-owners voting in person or by proxy at said meeting in accordance with the provisions of this Section 3. Whenever provided specifically herein, a majority may be required to exceed the simple majority hereinabove set forth and may require such majority to be one of both number and value of designated voting representatives present in person or by proxy, or by written vote, if applicable, at a given meeting or vote of the members of the Association.

J. Action Without Meeting. Any action which may be taken at a meeting of the members (except for the election or removal of Directors) may be taken without a meeting by written ballot of the members. Ballots shall be solicited in the same manner (with respect to notice) as provided in Subsection F. Such solicitations shall specify (a) the number of responses needed to meet the quorum requirements; (b) the percentage of approvals necessary to approve the action; and (c) the time by which ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in accordance therewith. Approval by written ballot shall be constituted by receipt, within the time period specified in the solicitation, of (i) a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting; and (ii) a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast. Votes may be cast in accordance with this paragraph by mail, hand delivery, or by facsimile.

K. Consent of Absentees. The transactions at any meeting of members, either annual or special, however called and noticed, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy; and if, either before or after the meeting, each of the members not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

L. Miscellaneous Voting Provisions. Other provisions as to voting by members, not inconsistent with the provisions herein contained, may be set forth in the Association Bylaws.

SECTION 4. Records and Books of the Association. The Association shall keep detailed books of account showing all expenditures and receipts of administration which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-owners. Such accounts and all other Association records shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours. The Association

shall prepare and distribute to each Co-owner at least one (1) time a year a financial statement, the contents of which shall be defined by the Association. The books of account shall be audited at least annually by qualified independent auditors; provided, however, that such auditors need not be certified public accountants nor does such audit need to be a certified audit. Any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive a copy of such annual audited financial statement within ninety (90) days following the end of the Association's fiscal year upon request therefor. The costs of any such audit and any accounting expenses shall be expenses of administration. The Association also shall maintain on file current copies of the Amended and Restated Master Deed for the Project, any amendments thereto and all other Condominium Documents and shall permit all Co-owners, prospective purchasers and prospective mortgagees interested in the Project to inspect the same during reasonable business hours.

SECTION 5. Board of Directors. The affairs of the Association shall be governed by a Board of Directors, all of whom shall serve without compensation, and must be members of the Association. If a member is a partner or corporation, then any partner or employee of the partnership, or officer, director or employee of the corporation shall be qualified to serve as a director. No two persons of the same family residing in the same Unit shall be allowed to serve as Directors at the same time.

A. Powers and Duties. The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not prohibited by the Condominium Documents or required thereby to be exercised and done by the Co-owners. In addition to the foregoing general powers and duties imposed by these Bylaws, or any further powers and duties which may be imposed by resolution of the members of the Association or which may be set forth in the Association Bylaws, the Board of Directors shall be responsible specifically for the following:

- (1) Management and Administration. To manage and administer the affairs of and maintenance of the Condominium Project and the Common Elements thereof, all to the extent set forth in the Amended and Restated Master Deed, or elsewhere in the Condominium Documents.
- (2) Collecting Assessments. To collect assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association.
- (3) Insurance. To carry insurance and collect and allocate the proceeds thereof in the manner set forth in Article IV hereof.
- (4) Rebuild Improvements. To rebuild improvements after casualty, subject to the terms hereof.
- (5) Contract and Employ Persons. To contract for and employ persons, firms, corporations or other agents to

assist in the management, operation, maintenance and administration of the Condominium Project.

- (6) Real or Personal Property. To acquire, maintain and improve, and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property (including any Unit in the Condominium and easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association, including (but without limitation) the lease or purchase of any Unit in the Condominium for use by a resident manager.
- (7) Borrow Money. To borrow money and issue evidences of indebtedness in furtherance of any and all of the purposes of the business of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of more than fifty (50%) percent of all of the members of the Association in number and in value.
- (8) Rules and Regulations. To make rules and regulations in accordance with Article VI, Section 11 of these Bylaws.
- (9) Committees. To establish such committees as it deems necessary, convenient or desirable and to appoint persons thereto for the purpose of implementing the administration of the Condominium and to delegate to such committees, or any specific Officers or Directors of the Association any functions or responsibilities which are not by law or the Condominium Documents required to be performed by the Board.
- (10) Mortgage Financing. To make rules and regulations and/or to enter into agreements with institutional lenders the purposes of which are to obtain mortgage financing for Unit Co-owners which is acceptable for purchase by the Federal Home Loan Mortgage Association, the Federal National Mortgage Association, the Government National Mortgage Association and/or any other agency of the federal government or the State of Michigan.
- (11) Enforce Documents. To enforce the provisions of the Condominium Documents.

B. Professional Management. The Board of Directors may employ for the Association a professional management agent at reasonable compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 5A. of this Article I, and the Board may delegate to such management agent any other duties or powers which are not by law or by the Condominium Documents required to be performed by or have the approval of the Board of Directors or the members of the Association. In the

event the Board does employ professional management for the Association, the Board shall secure the written approval of each institutional holder of a first mortgage lien on any Unit in the Condominium prior to terminating professional management and assuming self-management. In no event may the Board enter into any contract for management, the maximum term of which is greater than three years, and any contract for management entered into by the Board shall provide for termination by the Association or the management agent without cause and without termination fee on 90 days' written notice.

SECTION 6. Officers. The Association Bylaws shall provide the designation, number, term of office, qualifications, manner of election, duties, removal and replacement of the officers of the Association and may contain any other provisions pertinent to officers of the Association in furtherance of the provisions and purposes of the Condominium Documents and not inconsistent therewith. Officers may be compensated, but only upon the affirmative vote of more than sixty (60%) percent of all Co-owners in number and value.

SECTION 7. Annual Meeting. An annual meeting shall be held each year on such date as is specified in the Corporate Bylaws.

SECTION 8. Indemnification.

- (a) Individuals. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal, including all appeals (other than an action, suit, or proceeding by or in the right of the Corporation), by reason of the fact that he is or was a Director, officer, or employee of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, or employee of another corporation (whether non-profit or for profit), partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, decrees, fines, penalties, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding if he acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was lawful.
- (b) Corporate Actions. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit, including all appeals, by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a Director, officer, or employee of the Corporation, or is or was serving at the request of the Corporation as

a director, officer, or employee of another corporation (whether non-profit or for profit), partnership, joint venture, trust, or other enterprise, against expenses (including actual and reasonable attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, except that no indemnification shall be made in respect to any claim, issue, or matter as to which such person shall have been finally adjudged to be liable for negligence or misconduct in the performance of his duty to the Corporation unless and only to the extent that a court shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses as the court shall deem proper.

- (c) Expenses. To the extent that a Director, officer, or employee has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Sections (a) or (b), or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith and in any action, suit or proceeding brought to enforce the mandatory indemnification provided for herein.
- (d) Determination of Right to Indemnification. Except in a situation governed by Section (c), any indemnification under Sections (a) or (b) (unless ordered by a Court) shall be made by the Corporation only as authorized in the specific case upon determination that indemnification of the Director, officer, or employee is proper in the circumstances because he has met the applicable standard of conduct set forth in Sections (a) or (b). Such determination shall be made (i) by a majority vote of Directors acting at a meeting at which a quorum consisting of Directors who were not parties to such action, suit, or proceeding is present, or (ii) if such a quorum is not obtainable (or even if obtainable), and a majority of disinterested Directors so directs, by independent legal counsel (compensated by the Corporation), in a written opinion, or (iii) if such a quorum is not obtainable, then by a majority vote of a committee of Directors who are not parties to the action (such committee shall consist of not less than two (2) disinterested Directors), or (iv) by the shareholders or members.
- (e) Advance Payment of Expenses. Expenses of each person indemnified hereunder incurred in defending a civil, criminal, administrative, or investigative action, suit, or proceeding (including all appeals), or threat thereof, may be paid by the Corporation in advance of

the final disposition of such action, suit, or proceeding as authorized by the Board of Directors, whether a disinterested quorum exists or not, upon receipt of an undertaking by or on behalf of the director, officer, or employee to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation. The undertaking shall be by unlimited general obligation of the person on whose behalf advances are made, but need not be secured.

- (f) Rights Not Exclusive. The indemnification or advancement of expenses provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled as a matter of law or under the Articles of Incorporation, the Association Bylaws, these Bylaws or any contractual agreement. However, the total amount of expenses for indemnification from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses. The indemnification provided for in this Article shall continue as to a person who has ceased to be a Director, officer, or employee and shall inure to the benefit of the heirs, executors, and administrators of such a person.

- (g) Directors and Officers Liability Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, officer, or employee of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, or employee of another corporation (whether non-profit or for profit), partnership, joint venture, trust, or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Section or of the Michigan Non-Profit Corporation Act.

ARTICLE II

ASSESSMENTS

SECTION 1. Taxes and Assessments; Expenses of Administration. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium owned or possessed in common by the Co-owners, and personal property taxes based thereon shall be treated as expenses of administration. Special assessments and property taxes shall be assessed against the individual Condominium Units identified as Units on the Condominium Subdivision Plan and not on the total property of the project or any other part thereof. Special assessments and property taxes in any year in which the property existed as an established condominium project on the tax day shall be assessed against the individual Condominium Unit,

notwithstanding any subsequent vacation of the condominium project. The levying of all property taxes and special assessments shall comply with Section 131 of the Act.

SECTION 2. Assessments for Common Elements. All costs incurred by the Association in satisfaction of any liability arising within, caused by or in connection with the Common Elements or the administration of the Condominium shall be expenses of administration; and all sums received as proceeds of, or pursuant to, any policy of insurance carried by the Association securing the interests of the Co-owners against liabilities or losses arising within, caused by or connected with the Common Elements or the administration of the Condominium shall be receipts of administration, within the meaning of Section 54(4) of the Act.

SECTION 3. Determination of Assessments. Assessments shall be determined in accordance with the following provisions:

A. Annual Budget. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves. Any budget adopted shall include an allocation to a reserve fund for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis, in accordance with subsection D. hereof. Upon adoption of an annual budget by the Board of Directors, copies of the budget shall be delivered to each Co-owner and the assessment for the year shall be established based upon said budget, although the failure to deliver a copy of the budget to each Co-owner shall not affect or in any way diminish the liability of any Co-owner for any existing or future assessments.

B. Additional Assessments. The Board of Directors shall have the authority to increase the general assessment or to levy such additional assessment or assessments as it shall deem to be necessary in the Board's sole discretion, provided that the same shall be required for only the following: (i) to meet deficits incurred or anticipated because current assessments are insufficient to pay the costs of operation and maintenance; (ii) to provide replacements of existing Common Elements; (iii) to provide additions to the Common Elements at a total annual cost not exceeding five percent (5%) of the current year's annual operating budget; or (iv) for any emergencies. The Board of Directors shall also have the authority, without the necessity of Co-owner consent, to levy assessments pursuant to the provisions of Article V., Section 4 hereof. At least thirty (30) days prior to the date when the additional assessment or the initial installment of an additional assessment becomes due and payable, the Association shall deliver or send to each Co-owner, at the last address registered with the Association, an itemized statement of the projected costs and expenses giving rise to the additional assessment. The discretionary authority of the Board of Directors to levy assessments pursuant to this subparagraph shall rest solely with the Board of Directors for the benefit of

the Association and its members, and shall not be enforceable by any creditors of the Association or its members.

C. Special Assessments. Special assessments, in addition to those described in subparagraph A. above, may be made by the Board of Directors from time to time and approved by the Co-owners as provided herein, to meet other requirements of the Association, including, but not limited to: (i) assessments for additions to Common Elements whose total annual cost exceeds five percent (5%) of the current year's annual operating budget; (ii) assessments to purchase a Unit upon foreclosure of the lien for assessments described hereafter; (iii) assessments to purchase a Unit for use as a resident manager's Unit; or (iv) assessments for any other appropriate purpose not elsewhere described. Special Assessments as provided for by this subparagraph shall not be levied without the prior approval of more than sixty (60%) percent of all Co-owners in number and value. The authority to levy assessments pursuant to this subparagraph is solely for the benefit of the Association and its members and shall not be enforceable by any creditors of the Association or its members.

D. Reserve Fund. The Board of Directors shall maintain a reserve fund solely for major repairs and replacements of common elements and emergency expenditures, which reserve fund shall be in the amount of not less than ten (10%) percent of the Association's annual budget (excluding that portion of the budget allocated to the reserve fund itself) on a noncumulative basis. The Association may increase or decrease the reserve fund but may not reduce it below ten (10%) percent of the annual budget of the Association. The minimum standard required by this subsection may prove to be inadequate. The Board of Directors shall annually consider the needs of the Condominium to determine if a greater amount should be set aside in reserve or if additional reserve funds should be established for any other purposes. The Board may adopt such rules and regulations as it deems desirable from time to time with respect to type and manner of investment, funding of the reserves, disposition of reserves or any other matter concerning the reserve account(s).

E. Construction Liens. Construction liens attaching to any portion of the condominium premises shall be subject to the following limitations and Section 132 of the Act:

- (1) Except as provided herein, a construction lien for work performed upon a Condominium Unit or upon a limited Common Element may attach only to the Condominium Unit upon which the work was performed.
- (2) A construction lien for work authorized by the Association may attach to each Condominium Unit only to the proportionate extent that the Co-owner of the Condominium Unit is required to contribute to the expenses of administration as provided by the condominium documents.
- (3) A construction lien may not arise or attach to a Condominium Unit for work performed on the Common Elements not contracted for by the Association.

SECTION 4. Payment of Assessments and Penalty for Default. All assessments levied against the Co-owners to cover expenses of administration shall be apportioned among and paid by the Co-owners in accordance with the percentage of value allocated to each Unit in the Amended and Restated Master Deed without increase or decrease for the existence of any rights to the use of limited Common Elements appurtenant to a Condominium Unit. Annual assessment shall be payable by Co-owners in twelve (12) equal monthly installments, commencing with acceptance of a deed to or a land contract vendee's interest in a Unit, or with the acquisition of fee simple title to a Unit by any other means.

The payment of an assessment shall 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 shall be the first day of each calendar month. Assessments in default shall bear interest at the highest rate allowed by law until paid in full. In addition, all assessments which remain unpaid (not received in the office designated for receipt of payments) as of the tenth day of each calendar month, shall incur a uniform late charge of twenty-five dollars (\$25.00) to compensate the Association for administrative costs incurred as a result of the delinquency. The Board of Directors may revise said uniform late charges pursuant to Section 11 of Article VI of these Bylaws. Each Co-owner (whether one or more persons) shall be personally liable for the payment of all assessments (including late fees and costs of collection and enforcement of payment) levied against his Unit while such Co-owner has an ownership interest therein. Payments on account of installments of assessments in default shall be applied as follows: first, to costs of collection and enforcement of payment, including attorney's fees; second, to any interest charges, fines and late fees on such installments; and third, to installments in default in order of their due dates. A Co-owner selling a Unit shall not be entitled to any refund whatsoever from the Association with respect to any reserve account or other asset of the Association.

SECTION 5. Waiver of Use or Abandonment of Unit. No Co-owner may exempt himself from liability for his contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his Unit.

SECTION 6. Enforcement.

A. Statutory Lien. Sums assessed to a Co-owner which are unpaid constitute a lien upon the Unit or Units in the development owned by the Co-owner at the time of the assessment before other liens except tax liens on the Condominium Unit in favor of any state or federal taxing authority and sums unpaid on the first mortgage of record, except that past due assessments which are evidenced by a notice of lien, recorded as provided hereafter in this Section 6, have priority over a first mortgage recorded subsequent to the recording of the notice and affidavit of lien. The lien upon each Condominium Unit owned by the Co-owner shall be in the amount assessed against the Condominium Unit, plus a proportionate share of the total of all other unpaid assessments attributable to Condominium Units no longer owned by

the Co-owner but which became due while the Co-owner had title to the Condominium Units. The lien may be foreclosed by an action or by advertisement in the name of the condominium project on behalf of the other Co-owners as hereinafter provided.

B. Remedies. The Association may enforce collection of delinquent assessments by a suit of law for money judgment or by foreclosure of the statutory lien that secures payment of assessments. A Co-owner may not assert in an answer, or set-off to a complaint brought by the Association for non-payment of assessments, the fact that the Association or its agents have not provided services or management to a Co-owner. In the event of default by any Co-owner in the payment of any installment of the annual assessment levied against his Unit, the Association shall have the right to declare all unpaid installments of the annual assessment for the pertinent fiscal year immediately due and payable. The Association also may discontinue the furnishing of any utilities or services to a Co-owner in default upon seven (7) days' written notice to such Co-owner of its intention to do so. A Co-owner in default shall not be entitled to utilize any of the general Common Elements of the Project, shall not be qualified to run for or function as an officer or Director of the Association, and shall not be entitled to vote at any meeting of the Association so long as such default continues; provided, however, this provision shall not operate to deprive any Co-owner of ingress or egress to and from his Unit. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner thereof or any persons claiming under him, and if the Unit is not occupied by the Co-owner, to lease the Condominium Unit and collect and apply the rental therefrom. The Association may also assess fines for late payment or non-payment of assessments in accordance with the provisions of Article X of these Bylaws. All remedies shall be cumulative and not alternative.

C. Foreclosure of Lien. Each Co-owner, and every other person who from time to time has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose of the lien securing payment of assessments, costs and expenses, either by judicial action or by advertisement. 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 herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligation of the parties to such actions. Further, each Co-owner and every other person who from time to time has any interest in the Project, shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit (and improvements) with respect to which assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner of a Unit in the Project acknowledges that at the time of acquiring title to such Unit, he was notified of the provisions of this Section 6 and that he 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 Unit.

D. Notice of Action. Notwithstanding the foregoing, neither a judicial foreclosure action nor a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of ten (10) days after mailing by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his or their last known address, of a written notice that one or more installments of the annual assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within ten (10) days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney fees and future assessments), (iv) the legal description of the subject Unit(s), and (v) the name(s) of the Co-owner(s) of records. Such affidavit shall be recorded in the Office of the Register of Deeds in the County in which the Project is located prior to the commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the ten (10) day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elects to foreclose the lien by advertisement, the Association shall so notify the representative designated above and shall inform such representative that he may request a judicial hearing by bringing suit against the Association.

E. Expenses of Collection. The expenses incurred in collecting unpaid assessments, including interests, costs, actual attorneys' fees (not limited to statutory fees) and advances for taxes or other liens paid by the Association to protect its lien, shall be chargeable to the Co-owner in default and shall be secured by the lien on his Unit.

SECTION 7. Liability of Mortgagee. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit in the Project which comes into possession of the Unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the time such holder comes into possession of the Unit, except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units including the mortgaged Unit, and except for claims evidenced by a Notice of Lien recorded prior to the recordation of the first mortgage.

Bond coverage for the members of the Board and any management agent who has access to and authority over any monies received by, or payable to the Association, Directors and Officers Liability coverage, and such other insurance as the Board of Directors deems advisable, and all such insurance shall be carried and administered in accordance with the following provisions:

A. Respective Responsibilities. All such insurance shall be purchased by the Association for the benefit of the Association, the Co-owners and their mortgagees, as their interests may appear; and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-owners. Unit owners may obtain additional insurance upon their Units, at their own expense, in addition to the coverage carried by the Association. It shall be each Co-owner's responsibility to obtain insurance coverage for personal property located within a Unit or elsewhere in the Condominium, as well as for all improvements and betterments to the Unit and Limited Common Elements, and for personal liability and property damage for occurrences within a Unit or upon limited Common Elements appurtenant to a Unit, and also for alternative living expense in event of fire, and the Association shall have absolutely no responsibility for obtaining such coverages. The Association and all Co-owners shall use their best efforts to see that all property and liability insurance carried by the Association or any Co-owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association. The liability insurance carried by the Association shall, where appropriate, contain cross-liability endorsements to cover liability of the Co-owners as a group to another Co-owner.

B. Insuring of Common Elements. All Common Elements of the Condominium shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association in consultation with its appropriate professional advisors. Such coverage shall also include interior walls within any Unit and the pipes, wires, conduits and ducts contained therein and shall further include all fixtures, equipment, doors and trim within a Unit which were furnished with the Unit as standard items, in accord with the plans and specifications for the Project on file with the Township of Waterford, or such replacements thereof as do not exceed the cost of such standard items. Any improvements or items installed in addition to such standard items, regardless of by whom installed, shall be covered by insurance obtained by and at the expense of the individual Co-owners; provided that, if the Association elects to include such improvements under its insurance coverage, any additional premium cost to the Association attributable thereto shall be assessed to and borne solely by said Co-owner and collected as a part of the assessments against said Co-owner under Article II hereof.

C. Cost of Insurance. All premiums for insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.

D. Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, the Co-owners and their mortgagees as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction, and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the Condominium unless all of the institutional holders of first mortgages on Units in the Condominium have given their prior written approval.

SECTION 2. Association as Attorney-in-Fact. Each Co-owner, by ownership of a Unit in the Condominium Project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the Condominium Project, his Unit and the Common Elements thereof and such insurer as may, from time to time, provide such insurance for the Condominium Project. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

ARTICLE V

RECONSTRUCTION OR REPAIR

SECTION 1. Determination of Reconstruction or Repair. If any part of the Condominium shall be damaged, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:

A. Repair or Reconstruction. If the damaged property is a Common Element or a Unit, the property shall be rebuilt or repaired if any Unit in the Condominium is tenantable, unless it is determined by the affirmative vote of eighty (80%) percent of the Co-owners in the Condominium that the Condominium shall be terminated, and each institutional holder of a first mortgage lien on any Unit in the Condominium has given prior written approval of such termination.

B. Decision Not to Repair or Reconstruct. If the Condominium is so damaged that no Unit is tenantable, and if each institutional holder of a first mortgage lien on any Unit in the Condominium has given its prior written approval of the termination of the Condominium, the damaged property shall not be

SECTION 8. Assessment Status Upon Sale of Unit. Upon the sale or conveyance of a Condominium Unit, any unpaid assessment against the Condominium Unit shall be paid out of the net proceeds of the sale price to the purchaser in preference over any other assessments or charges of whatever nature except (a) amounts due the State of Michigan or any subdivision thereof for taxes or special assessments due and unpaid and (b) payments due under first mortgages having priority to the unpaid assessments. A purchaser of a Condominium Unit is entitled to a written statement from the Association setting forth the amount of unpaid assessments outstanding against the Unit and the purchaser is not liable for any unpaid assessment in excess of the amount set forth in such written statement, nor shall the Unit be subject to any lien for any amounts in excess of the amount set forth in the written statement. Any purchaser or grantee who fails to request a written statement from the Association as provided herein at least five (5) days before the conveyance shall be liable for any unpaid assessments against the Unit together with interest, costs and attorneys' fees incurred in connection with the collection of such assessments.

ARTICLE III

ARBITRATION

SECTION 1. Arbitration. Disputes, claims, or grievances arising out of or relating to the interpretation or the application of the Condominium Documents, or any disputes, claims or grievances arising among or between Co-owners, or between a Co-owner or Co-owners and the Association shall, upon the election and written consent of the parties to any such disputes, claims or grievances and written notice to the Association, if applicable, be submitted to arbitration and parties thereto shall accept the arbitrator's decision as final and binding. The Commercial Arbitration Rules of the American Arbitration Association as amended and in effect from time to time hereafter shall be applicable to any such arbitration.

SECTION 2. Right to Judicial Action. In the absence of the election and written consent of the parties pursuant to Section 1, above, no Co-owner or the Association shall be precluded from petitioning the courts to resolve any such disputes, claims or grievances.

SECTION 3. Effect of Election to Arbitrate. Election by the parties to submit any such dispute, claim or grievance to arbitration shall preclude such parties from litigating such dispute, claim or grievance in the courts.

ARTICLE IV

INSURANCE

SECTION 1. Association Coverage. The Association shall carry fire and extended coverage, vandalism and malicious mischief and liability insurance, and workmen's compensation insurance, if applicable, pertinent to the ownership, use and maintenance of the Common Elements of the Condominium, Fidelity

Bond coverage for the members of the Board and any management agent who has access to and authority over any monies received by or payable to the Association, Directors and Officers Liability coverage, and such other insurance as the Board of Directors deems advisable, and all such insurance shall be carried and administered in accordance with the following provisions:

A. Respective Responsibilities. All such insurance shall be purchased by the Association for the benefit of the Association, the Co-owners and their mortgagees, as their interests may appear; and provision shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of Co-owners. Unit owners may obtain additional insurance upon their Units, at their own expense, in addition to the coverage carried by the Association. It shall be each Co-owner's responsibility to obtain insurance coverage for personal property located within a Unit or elsewhere in the Condominium, as well as for all improvements and betterments to the Unit and Limited Common Elements, and for personal liability and property damage for occurrences within a Unit or upon limited Common Elements appurtenant to a Unit, and also for alternative living expense in event of fire, and the Association shall have absolutely no responsibility for obtaining such coverages. The Association and all Co-owners shall use their best efforts to see that all property and liability insurance carried by the Association or any Co-owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against any Co-owner or the Association. The liability insurance carried by the Association shall, where appropriate, contain cross-liability endorsements to cover liability of the Co-owners as a group to another Co-owner.

B. Insuring of Common Elements. All Common Elements of the Condominium shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association in consultation with its appropriate professional advisors. Such coverage shall also include interior walls within any Unit and the pipes, wires, conduits and ducts contained therein and shall further include all fixtures, equipment, doors and trim within a Unit which were furnished with the Unit as standard items, in accord with the plans and specifications for the Project on file with the Township of Waterford, or such replacements thereof as do not exceed the cost of such standard items. Any improvements or items installed in addition to such standard items, regardless of by whom installed, shall be covered by insurance obtained by and at the expense of the individual Co-owners; provided that, if the Association elects to include such improvements under its insurance coverage, any additional premium cost to the Association attributable thereto shall be assessed to and borne solely by said Co-owner and collected as a part of the assessments against said Co-owner under Article II hereof.

C. Cost of Insurance. All premiums for insurance purchased by the Association pursuant to these Bylaws shall be expenses of administration.

D. Proceeds of Insurance Policies. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, the Co-owners and their mortgagees as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Article V of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction shall be applied for such repair or reconstruction, and in no event shall hazard insurance proceeds be used for any purpose other than for repair, replacement or reconstruction of the Condominium unless all of the institutional holders of first mortgages on Units in the Condominium have given their prior written approval.

SECTION 2. Association as Attorney-in-Fact. Each Co-owner, by ownership of a Unit in the Condominium Project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of fire and extended coverage, vandalism and malicious mischief, liability insurance and workmen's compensation insurance, if applicable, pertinent to the Condominium Project, his Unit and the Common Elements thereof and such insurer as may, from time to time, provide such insurance for the Condominium Project. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums therefor, to collect proceeds and to distribute the same to the Association, the Co-owners and respective mortgagees, as their interests may appear (subject always to the Condominium Documents), to execute releases of liability and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

ARTICLE V

RECONSTRUCTION OR REPAIR

SECTION 1. Determination of Reconstruction or Repair. If any part of the Condominium shall be damaged, the determination of whether or not it shall be reconstructed or repaired shall be made in the following manner:

A. Repair or Reconstruction. If the damaged property is a Common Element or a Unit, the property shall be rebuilt or repaired if any Unit in the Condominium is tenantable, unless it is determined by the affirmative vote of eighty (80%) percent of the Co-owners in the Condominium that the Condominium shall be terminated, and each institutional holder of a first mortgage lien on any Unit in the Condominium has given prior written approval of such termination.

B. Decision Not to Repair or Reconstruct. If the Condominium is so damaged that no Unit is tenantable, and if each institutional holder of a first mortgage lien on any Unit in the Condominium has given its prior written approval of the termination of the Condominium, the damaged property shall not be

rebuilt and the Condominium shall be terminated, unless eighty (80%) percent or more of all Co-owners in number and value agree to reconstruction by vote or in writing within ninety (90) days after the destruction.

SECTION 2. Repair and Reconstruction To Condition Existing Prior to Damage. Any such reconstruction or repair shall be substantially in accordance with the Amended and Restated Master Deed and the plans and specifications for the Condominium to a condition as comparable as possible to the condition existing prior to damage unless the Co-owners shall unanimously decide otherwise.

SECTION 3. Co-owner Responsibility for Reconstruction or Repair.

A. Definition of Responsibility. If the damage is only to a part of a Unit or common elements which are the responsibility of a Co-owner to maintain and repair and/or insure, it shall be the responsibility of the Co-owner to repair such damage in accordance with Subsection B. hereof. In all other cases, the responsibility for reconstruction and repair, although not necessarily the costs thereof, shall be that of the Association.

B. Co-owner Items. Regardless of the cause or nature of any damage or deterioration, each Co-owner shall be responsible for the reconstruction and repair of the interior of the Co-owner's Unit and all personal property, including, but not limited to, floor coverings, window shades, draperies, interior walls (but not any Common Elements therein), wall coverings, interior trim, furniture, light fixtures, all appliances, whether freestanding or built-in. In the event damage to interior walls within a Co-owner's Unit or to pipes, wires, conduits, ducts or other Common Elements therein is covered by insurance held by the Association, then the reconstruction or repair shall be the responsibility of the Association in accordance with Section 4 of this Article, although the responsibility for costs thereof shall be allocated in accordance with the provisions of this Section and Section 4. In no event shall the Association be responsible for restoration of more than finished, unpainted drywall in the case of damage to ceilings and walls which are the responsibility of the Association under this Article. If any other interior portion of a Unit is covered by insurance held by the Association for the benefit of the Co-owner, the Co-owner shall be entitled to receive the proceeds of insurance relative thereto, (but the Co-owner shall be responsible for any deductible amount), and if there is a mortgagee endorsement, the proceeds shall be payable to the Co-owner and the mortgagee jointly. In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the Association promptly shall so notify each institutional holder of a first mortgage lien on any Unit in the Condominium.

SECTION 4. Association Responsibility for Reconstruction or Repair of Common Elements. Subject to the responsibility of the individual Co-owners as outlined in Section 3 above, and other provisions of these Bylaws or the Amended and Restated Master Deed applicable to such situations, the Association shall

be responsible for the reconstruction and repair of the Common Elements. In no event shall the Association be responsible for any damage to the contents of a Unit and/or any personal property of any Co-owner or Limited Common Elements for which the Co-owner has responsibility. Immediately after a casualty causing damage to property for which the Association has the responsibility of repair and reconstruction, the Association shall obtain reliable and detailed estimates of the cost to replace the damaged property in a condition as good as that existing before the damage. If the proceeds of the insurance are not sufficient to defray the estimated costs of reconstruction or repair required to be performed by the Association, or if at any time during such reconstruction or repair, the funds for the repayment of the costs thereof are insufficient, assessments shall be made against all Co-owners for the cost of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual cost of the repair. This provision shall not be construed to require replacement of mature trees and vegetation with their equivalent.

SECTION 5. Eminent Domain. Section 133 of the Act and the following provisions shall control upon any taking by eminent domain:

A. Common Elements Taken by Eminent Domain. If any portion of the Common Elements is taken by eminent domain, the award therefor shall be allowed to the Co-owners in proportion to their respective undivided interests in the Common Elements. The Association acting through its Board of Directors, may negotiate on behalf of all Co-owners for any taking of the Common Elements and any negotiated settlement approved by more than two-thirds (2/3) of the Co-owners in number and value shall be binding on all Co-owners.

B. Condominium Unit Taken by Eminent Domain. If a Unit is taken by eminent domain, the undivided interest in the Common Elements appertaining to the Condominium Unit shall thenceforth appertain to the remaining Condominium Units, being allocated to them in proportion to their respective undivided interests in the Common Elements. The Court shall enter a decree reflecting the reallocation of the undivided interest in the Common Elements as well as for the Condominium Unit.

C. Partial Taking of a Condominium Unit. If portions of a Condominium Unit are taken by eminent domain, the court shall determine the fair market value of the portions of the Condominium Unit not taken. The undivided interest of such Condominium Unit in the Common Elements shall be reduced in proportion to the diminution in the fair market value of such Condominium Unit resulting from the taking. The portions of undivided interest in the Common Elements thereby divested from the Co-owners of such Condominium Unit shall be reallocated among the other Condominium Units in the condominium project in proportion to their respective undivided interests in the Common Elements. A Condominium Unit partially taken shall receive the reallocation in proportion to its undivided interest as reduced by the court under this subsection. The court shall enter a decree reflecting the reallocation of undivided interests

produced thereby, and the award shall include just compensation to the Co-owner of the Condominium Unit partially taken for that portion of the undivided interest in the Common Elements divested from the Co-owner and not revested in the Co-owner pursuant to the following subsection, as well as for that portion of the Condominium Unit taken by eminent domain.

D. Impossibility of Use of Portion of Unit not Taken by Eminent Domain. If the taking of a portion of a Condominium Unit makes it impractical to use the remaining portion of that Condominium Unit for a lawful purpose permitted by the condominium documents, then the entire undivided interest in the Common Elements appertaining to that Condominium Unit shall thenceforth appertain to the remaining Condominium Units, being allocated to them in proportion to their respective undivided interests in the Common Elements. The remaining portion of that Condominium Unit shall thenceforth be a Common Element. The court shall enter an order reflecting the reallocation of undivided interests produced thereby, and the award shall include just compensation to the Co-owner of the Condominium Unit for the Co-owner's entire undivided interest in the Common Elements and for the entire Condominium Unit.

E. Future Expenses of Administration Appertaining to Condominium Unit(s) Taken by Eminent Domain. Votes in the Association of Co-owners and liability for future expenses of administration appertaining to a Condominium Unit taken or partially taken by eminent domain shall thenceforth appertain to the remaining Condominium Units, being allocated to them in proportion to their relative voting strength in the Association. A Condominium Unit partially taken shall receive a reallocation as though the voting strength in the Association was reduced in proportion to the reduction in the undivided interests in the Common Elements.

F. Condominium Continuation after the taking by Eminent Domain. In the event the Condominium continues after a taking by eminent domain, then the remaining portion of the Condominium shall be re-surveyed and the Amended and Restated Master Deed amended accordingly. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Co-owner, but only with the prior written approval of all holders of first mortgage liens on individual Units in the Condominium.

G. Condemnation or Eminent Domain Proceeding. In the event any Unit in the Condominium, or any portion thereof, or the Common Elements, or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the Association promptly shall so notify each institutional holder of a first mortgage lien on any of the Units in the Condominium.

SECTION 6. Notice to Mortgagees. In the event that any mortgage in the Condominium is held or insured by any of the governmental secondary mortgage market lenders, such as the Federal Home Loan Mortgage Corporation ("FHLMC"), Federal

National Mortgage Association ("FNMA"), Veteran's Administration ("VA") or the United States Department of Housing and Urban Development ("HUD"), the Association shall give such entities written notice, at such address as it may from time to time direct, of any loss to or taking of the Common Elements of the Condominium, or any loss to or taking of any Unit, or part thereof, if the loss or taking exceeds TEN THOUSAND (\$10,000.00) DOLLARS in amount.

SECTION 7. Rights of First Mortgagees. Nothing contained in the Condominium Documents shall be construed to give a Condominium Unit Owner, or any other party, priority over any rights of first mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to Condominium Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Elements.

ARTICLE VI

RESTRICTIONS

SECTION 1. Use of Condominium Unit.

A. Single Family Use. No Unit in the Condominium shall be used for other than single family residential purposes, and the Common Elements shall be used only for purposes consistent with the use herein stated. No Co-owner shall carry on any commercial activities anywhere on the premises of the Condominium, except that Co-owners shall be allowed to have offices in their homes (upon written consent of the Board of Directors, which consent shall not be unreasonably withheld), provided the same do not constitute a violation of any ordinances or regulations of the Township of Waterford, and do not involve additional pedestrian or vehicular traffic and/or congestion within the Condominium, do not disturb other Co-owners, do not involve additional expense to the Association (such as utility charges and insurance), and do not violate any other provision or restriction contained in the Condominium Documents.

B. Occupancy Restrictions. All Units shall be occupied in strict conformance with the restrictions and regulations of the BOCA National Property Maintenance Code, or such other codes or ordinances which may be adopted by the Township of Waterford from time to time. Accordingly, the number of persons allowed to reside in any Unit shall be restricted by the size of the bedrooms and other areas of said Unit. Such restrictions shall automatically change, without the necessity of an amendment to this document, upon the adoption of alternative regulations by the Township of Waterford, such that the occupancy of all Units in the Condominium shall be in accordance with all Township regulations at all times. Initially, no more than two persons may occupy a one-bedroom unit, and no more than three persons may occupy a two-bedroom unit. In the event that a violation of this section by a family in occupancy of a Unit results from the birth or adoption of a child, this restriction shall be suspended as to such family for a period of one year to afford the family a reasonable time in which to vacate the Unit.

SECTION 2. Leasing and Rental of Units.

A. Right to Lease. A Co-owner may lease his Unit for the same purposes set forth in Section 1 of this Article VI; provided that written disclosure of such lease transaction is submitted to the Board of Directors of the Association in the same manner as specified in subparagraph B. below. No Co-owner shall lease less than an entire Unit in the Condominium. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents. Co-owners renting their Unit must provide their tenants with a full copy of the Condominium Documents, and shall have the tenant(s) acknowledge receipt of the same in writing, which receipt shall be delivered to the Board of Directors as a pre-requisite to approval.

B. Procedures for Leasing. The leasing of Units in the Project shall conform to the following provisions:

- (1) A Co-owner desiring to rent or lease a Condominium Unit, shall disclose that fact in writing to the Association at least ten (10) days before presenting a Lease Form to a potential lessee, and shall supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents. The Association shall be entitled to approve or not approve any such proposed lease transaction in accordance with the provisions of Section 13 of this Article.
- (2) Tenants or Non-Co-owner occupants shall comply with all of the conditions of the Condominium Documents of the Condominium Project and all leases and rental agreements shall so state.
- (3) If the Association determines that the tenant or Non-Co-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:
 - (a) The Association shall notify the Co-owner by certified mail advising of the alleged violation by tenant.
 - (b) The Co-owner shall have fifteen (15) days after receipt of such notice to investigate and correct the alleged breach by the tenant or advise the Association that a violation has not occurred.
 - (c) If after fifteen (15) days the Association believes that the alleged breach is not cured or may be repeated, it may institute on its behalf or derivatively by the Co-owners on behalf of the Association an action for eviction against the tenant or Non-Co-owner and tenant or Non-Co-owner occupant for breach of the conditions of the Condominium Documents. The relief set forth in this Section may be by summary proceeding. The

Association may hold both the tenant and the Co-owner liable for any damages caused by the Co-owner or tenant in connection with the Condominium Unit. The Co-owner shall be responsible for reimbursing the Association for all costs incurred in obtaining judicial enforcement of its rights, including actual attorneys fees.

- (4) When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to a tenant occupying a Co-owner's Condominium Unit under a lease or rental agreement and the tenant, after receiving the notice shall deduct from rental payments due the Co-owner the arrearage and future assessments as they fall due and pay them to the Association. The deductions shall not be a breach of the rental agreement or lease by the tenant.

SECTION 3. Alterations and Modifications in Appearance.

A. Alterations. No Co-owner shall make alterations in exterior appearance or make structural modifications to any Unit (including interior walls through or in which there exist easements for support or utilities) or make changes in any of the Common Elements, limited or general, without the express written approval of the Board of Directors including but not limited to, exterior painting or the erection of antennas, lights, aerials, awnings, shutters, doors, newspaper holders, mailboxes, spas, hot tubs or other exterior attachments or modifications. No Co-owner shall in any way restrict access to any plumbing, water line, water line valves, water meter, sprinkler system valves or any other element that must be accessible to service the Common Elements or any element which affects an Association responsibility in any way, nor shall any Co-owner damage or make modifications or attachment to common element walls between Units which in any way impairs sound conditioning qualities of said walls. Should access to any facilities of any sort be required, the Association may remove any coverings or attachments of any nature that restrict such access and will have no responsibility for repairing, replacing or reinstalling any materials, whether or not installation thereof has been approved hereunder, that are damaged in the course of gaining such access, nor shall the Association be responsible for monetary damages of any sort arising out of actions taken to gain necessary access.

B. Modifications or Improvements to Accommodate the Handicapped. Notwithstanding the previous subparagraph A, a Co-owner may make improvements or modifications to the Co-owner's Condominium Unit, including Common Elements and the route from the public way to the door of the Co-owner's Condominium Unit, at the Co-owner's expense, if the purpose of the improvement or modification is to facilitate access to or movement within the Unit for handicapped persons or to alleviate conditions that could be hazardous to handicapped persons, subject to the following:

- (1) The improvement or modification shall not impair the structural integrity of a structure or otherwise lessen the support of a portion of the Condominium Project,

nor unreasonably prevent passage by other residents of the Condominium Project upon the Common Elements.

- (2) The Co-owner shall be liable for the cost of repairing any damage to a Common Element caused by building or maintaining the improvement or modification, and such improvement or modification shall comply with all applicable state and local building requirements and health and safety laws and ordinances and shall be made as closely as possible in conformity with the intent of applicable prohibitions and restrictions regarding safety and aesthetics of the proposed modification.
- (3) Before an improvement or modification allowed by this subsection is made the Co-owner shall submit plans and specifications for such alteration to the Association for approval. If the proposed alteration substantially conforms to the requirements of this subsection, the Association shall not deny the same without good cause. A denial shall be in writing, delivered to the Co-owner, listing the changes needed for the proposed alteration to conform. Any requests for approval by the Association under this subsection shall be acted upon not later than sixty (60) days after the required plans and specifications are submitted. Failure of the Association to approve or deny a request within the sixty (60) day period shall entitle the Co-owner to undertake the alteration without the approval of the Association.
- (4) Any Co-owner making an alteration pursuant to this subsection shall maintain liability insurance, and provide the Association with proof thereof prior to undertaking the alteration or modification, underwritten by an insurer authorized to do business in this state, in an amount adequate to compensate for personal injuries caused by the exterior alteration, but the Co-owner shall not be liable for acts or omissions of the Association with respect to the exterior alteration, and the Co-owner shall not be required to maintain liability insurance with respect to any Common Element.
- (5) The Association shall be responsible for the cost of any maintenance of an exterior alteration, unless the maintenance cannot reasonably be included with the regular maintenance performed by or paid for by the Association, in which case the Co-owner shall be responsible for the cost of maintenance of the alteration.
- (6) A Co-owner having made an alteration allowed by this subsection shall notify the Association in writing of the Co-owner's intention to convey any interest in or lease his or her Condominium Unit to another, not less than thirty (30) days before the effective date of the conveyance or lease. Not more than thirty (30) days after receiving such a notice, the Association may

require that the Co-owner remove the alteration and restore the premises at the Co-owner's expense. In the absence of the required notice of conveyance or lease, the Association may at any time remove or require the Co-owner to remove the alteration at the Co-owner's expense, however, the Association may not remove or require the removal of an alteration if the Co-owner conveys or leases the Condominium Unit to a handicapper who needs the same type of alteration, or to a person whose parent, spouse or child is a handicapper, requiring the same type of alteration and who resides within the Unit.

SECTION 4. Conduct upon the Condominium Premises. No immoral, improper, unlawful or offensive activity, including but limited to speeding or other vehicular infractions, shall be carried on or upon the Common Elements, limited or general, or any Unit, nor shall anything be done which may be or become an annoyance or a nuisance to the Co-owners of the Condominium, nor shall any unreasonably noisy activity be engaged in on the Common Elements or in Unit. No Co-owner shall do or permit anything to be done or keep or permit to be kept in his Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without written approval of the Association and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition.

SECTION 5. Animals upon the Condominium Premises. No animal, including household pets, shall be maintained by any Co-owner unless specifically approved in writing by the Association, which consent, if given, shall be revocable at any time by the Association for failure of such pets or their owners to abide by the provisions of this Section and the Rules and Regulations of the Association pertaining to the keeping of pets. In granting any such approval, the Association shall be guided by the type, size, and disposition of the animal (it is the intent of this restriction to limit the number of animals in the Project).

A. Grandfathering of Existing Pets. Those pets being maintained by Co-owners as of the date that these Restated Bylaws take effect as a result of being recorded in the office of the Register of Deeds for Oakland County, which would otherwise be prohibited without approval as required hereunder, shall be registered with the Association and deemed approved by the Association: **PROVIDED**, however, that said animals must be maintained in accordance with the provisions of this Section 5, and shall not be replaced if they die or are otherwise removed from the Condominium Premises. Said approval shall not extend to any new pets or replacements of existing pets, nor shall it in any way detract from the Association's rights to additionally assess Co-owners, revoke approval, deny future approvals or otherwise enforce the terms hereof from their effective date forward.

B. Restrictions Applicable to Pets in the Project. In no event shall approval be given for the keeping of more than one pet per household. **ALL PETS MUST BE REGISTERED WITH THE**

ASSOCIATION. No animals may be kept or bred for any commercial purpose. Any pets permitted to be kept in the Condominium shall have such care and restraint as not to be obnoxious on account of noise, odor or unsanitary conditions. No animal may be permitted to run loose upon the Common Elements and any animal shall at all times be leashed and attended by some responsible person while on the Common Elements. All pets shall be curbed and/or restricted to relieving themselves in any area designated therefor by the Board of Directors. Each Co-owner shall be responsible for the collection and disposition of all fecal matter deposited by any animal maintained by such Co-owner, anywhere in the Condominium Project. No savage or dangerous animal of any type shall be kept and any Co-owner who causes any animal to be brought, maintained or kept on the premises of the Condominium for any length of time shall indemnify and hold harmless the Association for any loss, damage or liability, including attorney fees and costs, which the Association may sustain as a result of the presence of such animal on the premises, whether such animal is permitted or not, and the Association may assess and collect from the responsible Co-owner such losses and/or damages in the manner provided in Article II hereof. No animal which creates noise and can be heard on any frequent or continuing basis shall be kept in any Unit or on the Common Elements. The Association may charge all Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article II of these Bylaws in the event that the Association determines such assessment necessary to defray the maintenance costs to the Association of accommodating animals within the Condominium. All animals kept in accordance with this Section shall be registered with the Association, and shall be licensed by the municipal agency having jurisdiction, and proof of the animal's shots shall be provided to the Association. The Association may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper. The Association may, after notice and hearing, without liability to the owner thereof, remove or cause to be removed any animal from the Condominium which it determines to be in violation of the restrictions imposed by this Section or by any applicable rules and regulations of the Association. The Association may also assess fines for such violation of the restrictions imposed by this Section or by any applicable rules and regulation of the Association. The term "animal" or "pet" as used in this section shall not include small domesticated animals which are constantly caged or confined such as birds or fish. Any exotic pets or animals, which for purposes hereof shall mean any animal except for ordinary, domesticated cats, dogs and similar pets, are strictly prohibited.

SECTION 6. Use of Common Elements. The Common Elements, limited or general, shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in duly adopted rules and regulations of the Association. Trash receptacles shall be maintained within Units or their appurtenant garages or in areas designated therefor by the Association, and except for such short periods of time as may be necessary to permit periodic collection of trash, shall not be permitted to remain on the Common Elements at any time. The Common Elements shall not be used in any way for the drying, shaking, or airing of clothing or other fabrics. Automobiles may

not be washed anywhere within the Condominium. In general, no activity shall be carried on nor condition maintained by a Co-owner either in his Unit or upon the Common Elements, which detracts from or spoils the appearance of the Condominium.

SECTION 7. Obstruction of Common Elements. Sidewalks, yards, landscaped areas, driveways, roads, parking areas, porches, balconies and patios shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs, benches, other furniture, toys, baby carriages, obstructions or other personal property may be left unattended on or about the Common Elements, or stored in the front or back of any Unit. Use of any recreational facilities in the Condominium may be limited to such times and in such manner as the Association shall determine by duly adopted regulations. There shall be absolutely no storage whatsoever under common element stairways.

SECTION 8. Vehicles upon the Condominium Premises. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, snowmobiles, snowmobile trailers, off-the-road vehicles, all terrain vehicles or vehicles other than automobiles and non-commercial pick-up trucks and passenger vans used as an occupant's primary means of transportation, and not for any commercial purposes, may be parked or stored upon the premises of the Condominium, unless housed completely in the garage for said Unit, except in accordance with the provisions of this Section.

A. Temporary Presence. The Board of Directors shall have discretion to issue rules and regulations which provide for the temporary presence of the above enumerated recreational vehicles upon the Condominium Premises for proper purposes, such as loading and unloading of said vehicles. In such cases, the presence of said vehicles shall not be allowed for more than 48 hours. The Association shall not be responsible for any damages, costs, or other liability arising from any failure to approve the parking of such vehicles or to designate an area therefor.

B. Commercial Vehicles. Commercial vehicles and trucks shall not be parked in or about the Condominium (except as above provided) unless while making deliveries or pickups in the normal course of business. For purposes of this Section, small passenger vans and pick-up trucks, shall not be considered commercial vehicles provided there are no fixtures, equipment, markings or advertising appearing on said vehicles which indicate their commercial nature. The Association shall not be responsible for any damages, costs, or other liability arising from any failure to approve the parking of such vehicles or to designate an area thereof.

C. Standing Vehicles, Repairs. Non-operational vehicles or vehicles with expired license plates shall not be parked on the Condominium Premises without written permission of the Association, unless housed in the Unit garage with the door closed. Non-emergency maintenance or repair of motor vehicles shall not be permitted on the Condominium Premises, unless specifically approved by the Board of Directors.

D. Association Rights. The Association may allocate or assign available General Common Element parking spaces from time to time on an equitable basis. In the event that there arises a shortage of parking spaces or parking creates a nuisance, the Association may construct such additional parking facilities on the General Common Elements, or make whatever rules and regulations pertaining to parking, as the Association, in its discretion, determines. The Association may cause vehicles parked or stored in violation of this Section, or of any applicable rules and regulations of the Association, to be removed (towed) from the Condominium Premises and the cost of such removal may be assessed to, and collected from, the Co-owner of the Unit responsible for the presence of the vehicle in the manner provided in Article II hereof. In such cases, the Co-owner shall be responsible for costs incurred in having a towing company respond, even if the vehicle is moved and properly parked before the towing contractor arrives at the Condominium. Co-owners shall, if the Association shall require, register with the Association all vehicles maintained on the Condominium Premises. The Board of Directors may promulgate reasonable rules and regulations governing the parking and use of vehicles in the Condominium Project consistent with the provisions hereof, and may levy fines for violations of such rules and regulations or this Section.

SECTION 9. Prohibition of Dangerous Items upon the Condominium Premises. No Co-owner shall use, or permit the use by an occupant, agent, employee, invitee, guest or member of his family of any firearms, air rifles, pellet guns, B-B guns, bows and arrows, slingshots, or other similar dangerous weapons, projectiles or devices anywhere on or about the Condominium Premises, nor shall any Co-owner use or permit to be brought into the buildings in the Condominium any flammable oils or fluids such as gasoline, kerosene, naphtha, benzine, or other explosives or articles deemed to be extra-hazardous to life, limb, or property, without in each case obtaining the written consent of the Association.

SECTION 10. Signs upon the Condominium Premises. No signs or other advertising devices shall be displayed which are visible from the exterior of a Unit, including "For Sale" signs, without written permission from the Association. The Association shall have discretion to allow certain open house signs of a size, and during such times as the Association may establish through duly adopted Rules and Regulations. Notwithstanding this restriction, Co-owners may display the American Flag, provided the size of said flag does not exceed 3' x 5'.

SECTION 11. Regulations Consistent with the Act. Reasonable regulations consistent with the Act, the Amended and Restated Master Deed, and these Bylaws, concerning the use of the Common Elements or the rights and responsibilities of the Co-owners and the Association with respect to the Condominium or the manner of operation of the Association and of the Condominium may be made and amended from time to time by any Board of Directors of the Association. Copies of all such regulations and amendments thereto shall be furnished to all Co-owners and shall become effective thirty (30) days after mailing or delivery

thereof to the designated voting representative of each Co-owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty (50%) percent of all Co-owners in number and in value.

SECTION 12. Association Access to Units and/or Limited Commons Elements. The Association or its duly authorized agents shall have access to each Unit and any limited Common Elements appurtenant thereto from time to time, during reasonable working hours, upon notice to the Co-owner thereof, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agents shall also have access to each Unit and any Limited Common Elements appurtenant thereto at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit. It shall be the responsibility of each Co-owner to provide the Association means of access to his Unit and any Limited Common Elements appurtenant thereto during all periods of absence and in the event of the failure of such Co-owner to provide means of access, the Association may gain access in such manner as may be reasonable under the circumstances and shall not be liable to such Co-owner for any necessary damage to his Unit and any Limited Common Elements appurtenant thereto caused thereby or for repair or replacement of any doors or windows damaged in gaining such access.

SECTION 13. Landscaping and Decoration of Common Elements. No Co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials, including but not limited to statuary, exterior lighting, furniture, implements, rocks or boulders, fencing or other decorative items upon the Common Elements unless the same is approved by the Association in writing and is in total conformance with the Association's policies on landscaping as are published from time to time. Any landscaping performed by the Co-owner and any such trees, shrubs, or flowers planted by the Co-owner, if and when approved, shall be the responsibility of the Co-owner to maintain. In the event that such Co-owner fails to adequately maintain such landscaping performed by the Co-owner and any such trees, shrubs, or flowers planted by the Co-owner to the satisfaction of the Association, the Association shall have the right to perform such maintenance and assess and collect from the Co-owner the cost thereof in the manner provided in Article II hereof. The Co-owner shall also be liable for any damages to the Common Elements arising from the performance of such landscaping or the planting of such trees, shrubs, or flowers, or the continued maintenance thereof. Should access to any Common Elements of any sort be required, or should any materials specified in this Section interfere with maintenance or services provided by the Association, the Association may remove any obstructions of any nature that restrict such access and/or services and will have no responsibility for repairing, replacing or reinstalling any materials, whether or not installation thereof has been approved hereunder, that are damaged in the course of gaining such access and/or performance of such services, nor shall the Association be responsible for monetary damages of any sort arising out of any such actions.

SECTION 14. Unsightly Conditions. No unsightly condition shall be maintained upon any Limited Common Elements and only furniture and equipment consistent with ordinary courtyard, deck, patio and balcony use shall be permitted to remain there during seasons when said elements are reasonably in use and no furniture or equipment of any kind shall be stored on or in courtyards, decks, patios and balconies during seasons when said elements are not reasonably in use. Draperies, blinds or window shades with an off-white backing and of a design approved by the Association shall be installed in the windows of each Unit at the expense of the Co-owner.

SECTION 15. Co-owner Maintenance of Unit and Limited Common Elements. Each Co-owner shall maintain his Unit and any Limited Common Elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the Common Elements, including, but not limited to, the telephone, water, gas, plumbing, electrical, cable TV or other utility conduits and systems and any other Common Elements in any Unit which are appurtenant to or which may affect any other Unit. Each Co-owner shall be responsible for damages or costs to the Association resulting from damage to or misuse of any of the Common Elements by him, or his family, guests, agents or invitees, or by casualties and occurrences, whether or not resulting from Co-owner negligence, involving items or common elements which are the responsibility of the Co-owner to maintain, repair and replace, unless such damages or costs are covered by insurance carried by the Association, in which case there shall be no such responsibility (unless reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount.) Any costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof. Each individual Co-owner shall indemnify the Association and all other Co-owners against such damages and costs, including attorneys' fees, and all such costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof. The Co-owners shall have the responsibility to report to the Association any Common Element which has been damaged or which is otherwise in need of maintenance, repair or replacement.

SECTION 16. Application of Restrictions to the Association. None of the restrictions contained in this Article VI shall apply to the activities of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation, Corporate Bylaws and these Bylaws as the same may be amended from time to time.

SECTION 17. Costs of Enforcing Documents. Any and all costs, damages, expenses and/or attorneys fees incurred by the Association in enforcing any of the restrictions set forth in this Article VI and/or rules and regulations promulgated by the Board of Directors of the Association under Article VI, Sections 5 and 11 of these Bylaws, and any expenses incurred as a result of the conduct of less than all those entitled to occupy the

Condominium Project, or by their licensees or invitees, may be assessed to and collected from the responsible Co-owner or Co-owners in the manner provided in Article II hereof.

SECTION 18. Association Approvals Revocable. All approvals given by the Association in accordance with these Bylaws shall be revocable and in the nature of a license, and can be withdrawn upon thirty (30) days written notice.

SECTION 19. Recreational Restrictions - Peninsula. Upon application to, and written approval of the Board of Directors and compliance with this Section, Co-owners of this Condominium shall be entitled to launch boats from the Peninsula, and to utilize the pathway for the purpose of conveying boats to the water's edge. Authorized boats shall be limited to paddleboats and rowboats not exceeding 12 feet in length. All authorized boats shall be identified with the Co-owner's Unit number displayed in numbers not less than 3 inches in height, and shall be stored when not in use in only those areas specified for storage by the Board of Directors in duly promulgated Rules and Regulations. The launching, use and storage of authorized boats by Co-owners shall be at the sole risk and liability of the Co-owner, who shall be obligated to carry insurance of such types, and in such amounts, as may be required by the Association in duly promulgated Rules and Regulations. Proof of such insurance shall be supplied to the Association before storage or operation of the boat. All Co-owners shall indemnify and hold harmless the Association for any loss, damage or liability, including attorney fees and costs, which the Association may sustain as a result of the presence or operation of such boats on the premises, whether such boat is permitted or not, and the Association may assess and collect from the responsible Co-owner such losses and/or damages in the manner provided in Article II hereof.

ARTICLE VII

MORTGAGES

SECTION 1. Notification of Mortgage. Any Co-owner who mortgages his Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgages of Units." The Association may, at the written request of a mortgagee of any such Unit, report any unpaid assessments due from the Co-owner of such Unit. The Association shall give to the holder of any first mortgage covering any Unit in the Project written notification of any default in the performance of the obligations of the Co-owner of such Unit that is not cured within sixty (60) days.

SECTION 2. Notification to Mortgagee of Insurance Company. The Association shall notify each mortgagee appearing in said book of the name of each company insuring the Condominium Common Elements against fire, perils covered by extended coverage, and vandalism and malicious mischief and the amounts of such coverage.

SECTION 3. Notification to Mortgagee of Meetings. Upon request submitted to the Association, any institutional holder of a first mortgage lien on any Unit in the Condominium shall be entitled to receive written notification of every meeting of the members of the Association and to designate a representative to attend such meeting.

ARTICLE VIII

COMPLIANCE

SECTION 1. Compliance of the Documents. The Association of Co-owners and all present or future Co-owners, tenants, future tenants, or any other persons acquiring an interest in or using the facilities of the Condominium in any manner are subject to and shall comply with the provisions of the Act, Amended and Restated Master Deed, these Bylaws, the Corporate Bylaws, the Articles of Incorporation of the Association and the Rules and Regulations of the Condominium. In the event that such Amended and Restated Master Deed, these Bylaws or Articles of Incorporation conflict with the provisions of any Statute, the Statute shall govern. If any provision of these Bylaws or the Corporate Bylaws conflicts with any provision of the Amended and Restated Master Deed, the Amended and Restated Master Deed shall govern. If any provision of the Corporate Bylaws conflicts with any provision of these Bylaws, these Bylaws shall govern.

SECTION 2. Amendment. These Bylaws may be amended in accordance with the Act and the provisions of ARTICLE VIII of the Amended and Restated Master Deed for Harbor Oaks.

SECTION 3. Definitions. All terms used herein shall have the same meaning as set forth in the Amended and Restated Master Deed to which these Bylaws are attached as an Exhibit, or as set forth in the Act.

ARTICLE IX

REMEDIES FOR DEFAULT

SECTION 1. Default by a Co-owner. Any default by a Co-owner shall entitle the Association or another Co-owner or Co-owners to the following relief:

A. Remedies for Default by a Co-owner to Comply with the Documents. Failure to comply with any of the terms or provisions of the Condominium Documents shall be grounds for relief, which may include without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien (if default in payment of assessment) or any combination thereof, and such relief may be sought by the Association, or, if appropriate, by an aggrieved Co-owner or Co-owners.

B. Costs. In any proceeding arising because of an alleged default by any Co-owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees (not limited to statutory fees), as may be determined by the Court, but in no event shall any Co-owner be entitled to recover such attorney's fees.

C. Association's Right to Abate. The violation of any of the provisions of the Condominium Documents shall also give the Association or its duly authorized agents the right, in addition to the rights set forth above, to enter upon the Common Elements, limited or general, or into any Unit, where reasonably necessary, and summarily remove and abate, at the expense of the Co-owner in violation, any structure, thing or condition existing or maintained contrary to the provisions of the Condominium Documents. The Association shall have no liability to any Co-owner arising out of its exercise of its removal and abatement power granted hereunder.

D. Assessment of Fines. The violation of any of the provisions of the Condominium Documents by any Co-owner shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines for such violations in accordance with Article X of these Bylaws. Fines may be assessed only upon notice to the offending Co-owners as prescribed in said Article X. Section 2, and an opportunity for such Co-owner to appear before and/or respond to the Board no less than 7 days from the date of the notice and offer evidence in defense of the alleged violation. All fines duly assessed may be collected in the same manner as provided in Article II of these Bylaws.

SECTION 2. Failure to Enforce Rights. The failure of the Association or of any Co-owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Association or of any such Co-owner to enforce such right, provisions, covenant or condition in the future.

SECTION 3. Cumulative Rights. All rights, remedies and privileges granted to the Association or any Co-owner or Co-owners pursuant to any terms, provisions, covenants or conditions of the aforesaid Condominium Documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall 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.

ARTICLE X

FINES

SECTION 1. General. The violation by any Co-owner, occupant or guest of any of the provisions of the Condominium Documents including any duly adopted rules and regulations shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines against the involved Co-owner. Such Co-owner shall be deemed responsible for such violations whether they occur as a result of his personal actions or the actions of his family, guests, tenants or any other person admitted through such Co-owner to the Condominium Premises.

SECTION 2. Procedures. Upon any such violation being alleged by the Board, the following procedures will be followed:

A. Notice. Notice of the violation, including the Condominium Document provision violated, together with a description of the factual nature of the alleged offense set forth with such reasonable specificity as will place the Co-owner on notice as to the violation, shall be sent by first class mail, postage prepaid, or personally delivered to the representative of said Co-owner at the address as shown in the notice required to be filed with the Association pursuant to Article I, Section 3 E. of these Bylaws.

B. Opportunity to Defend. The offending Co-owner shall have an opportunity to appear before the Board and offer evidence in defense of the alleged violation. The appearance before the Board shall be at its next scheduled meeting or the Board's earliest convenience, but in no event shall the Co-owner be required to appear less than 10 days from the date of the notice.

C. Default. Failure to respond to the notice of violation within thirty (30) days of the violation constitutes a default.

D. Hearing and Decision. Upon appearance by the Co-owner before the Board and presentation of evidence of defense, or, in the event of the Co-owner's default, the Board shall, by majority vote of a quorum of the Board, decide whether a violation has occurred. The Board's decision is final.

SECTION 3. Fines. Upon violation of any of the provisions of the Condominium Documents, and after default of the offending Co-owner, or upon the decision of the Board as recited above, the following fines may be levied:

1. FIRST NOTICE OF VIOLATION	No Fine
2. SECOND NOTICE OF VIOLATION	\$25.00 Fine
3. THIRD NOTICE OF VIOLATION	\$50.00 Fine
4. FOURTH NOTICE OF VIOLATION AND ALL SUBSEQUENT VIOLATIONS	\$100.00 Fine

The Board of Directors, without the necessity of an amendment to these Bylaws, 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 duly adopted Rules and Regulations promulgated in accordance with Article VI, Section 11 of these Bylaws. For purposes of this Section, the number of the violation (ie. first, second etc.) is determined with respect to the number of times that a Co-owner violates the same provision of the Condominium Documents, as long as that Co-owner may be an owner of a Unit or occupant of the Project, 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. Nothing in this Article shall be construed as to prevent the Association

from pursuing any other remedy under the Condominium Documents and/or the Act for such violations, or from combining a fine with any other remedy or requirement to redress any violation.

SECTION 4. Collection. The fines levied pursuant to Section 3 above shall be assessed against the Co-owner and shall be due and payable together with the regular Condominium assessment on the first day of the next following month. Failure to pay the fine will subject the Co-owner to all liabilities set forth in the Condominium Documents including, without limitations, those described in Article II and Article IX of these Bylaws.

ARTICLE XI

SEVERABILITY

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