

**AMENDED AND RESTATED CONDOMINIUM BYLAWS
PINE KNOB MANOR HOMES III**

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EXHIBIT A

AMENDED AND RESTATED CONDOMINIUM BYLAWS PINE KNOB MANOR HOMES III

ARTICLE I ASSOCIATION OF CO-OWNERS

Section 1. The Association. Pine Knob Manor Homes III, a residential Condominium located in the Township of Independence, 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, subject to and in accordance with the Amended and Restated Master Deed, these Amended and Restated Bylaws, the Articles of Incorporation, duly adopted Rules and Regulations of the Association (sometimes collectively referred to herein as the "Condominium Documents"), and the laws of the State of Michigan. All Co-owners and all persons using or entering upon the Condominium or acquiring any interest in any Unit or the Common Elements shall be subject to the provisions and terms set forth in the Condominium Documents.

Section 2. Purpose of Bylaws. These Bylaws are designated as both the Condominium Bylaws, relating to the manner in which the Condominium and the common affairs of the Co-owners of the Units shall be administered, as required by the Condominium Act, and the Association or Corporate Bylaws, governing the operation of the Association as a corporate entity, as required by the Michigan Nonprofit 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 on such tangible personal property shall be treated as expenses of administration. Governmental special assessments and property taxes shall be assessed against the individual Units identified as Units on the Condominium Subdivision Plan and not on the total property of the Condominium or any other part of the Condominium. Governmental special assessments and property taxes in any year in which the property existed as an established Condominium on the tax day shall be assessed against the individual Unit, notwithstanding any subsequent vacation of the Condominium. The levying of all property taxes and governmental special assessments shall comply with Section 131 of the Act.

Section 2. Expenses and Receipts of Administration. 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, except as modified by the specific assignment of responsibilities for costs contained in Article IV of the Amended and Restated Master Deed.

Section 3. Determination of Assessment. 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 that 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 below. 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 that 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. Failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Co-owner's obligation to pay the allocable share of the common expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget each Co-owner shall continue to pay each installment at the rate established for the previous fiscal year until notified of any change in the installment payment which shall not be due until at least ten (10) days after such new annual or adjusted budget is adopted. Co-owners shall have a ten (10) day grace period commencing with notice from the Board of Directors in which to submit their new or adjusted assessment payment.

B. Additional Assessments. The Board of Directors shall have the authority to increase the general assessment or to levy such additional 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 Association'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 of these Amended and Restated Bylaws. The authority to levy assessments pursuant to this subsection is solely for the benefit of the Association and the Co-owners and shall not be enforceable by any creditors of the Association or the Co-owners except in the event that the Association may voluntarily and conditionally assign the right to levy assessments to any lender in connection with any voluntary loan transaction entered into by the Association.

C. Special Assessments. Special assessments, in addition to those described in subsections A and B above, may be made by the Board of Directors from time to time if approved by the Co-owners as provided herein, to meet other requirements of the Association, including, but not limited to: (i) providing additions to the Common Elements at a total cost exceeding five percent (5%) of the Association's annual operating budget; (ii) assessments to purchase a Unit upon foreclosure of the lien for assessments described hereafter; or (iii) assessments for any other appropriate purpose not elsewhere described. Special Assessments as provided for by this subsection shall not be levied

without the prior approval of more than sixty percent (60%) of all Co-owners entitled to vote. The authority to levy assessments pursuant to this subsection is solely for the benefit of the Association and the Co-owners and shall not be enforceable by any creditors of the Association or the Co-owners except in the event that the Association may voluntarily and conditionally assign the right to levy assessments to any lender in connection with any voluntary loan transaction entered into by the Association.

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 percent (10%) of the Association's annual budget (excluding that portion of the budget allocated to the reserve fund itself). The Association may increase or decrease the reserve fund but may not reduce it below ten percent (10%) of the Association's annual budget (not including expenditures from, or payments to, the reserves). The reserve must be funded at least annually from the proceeds of the regular assessments set forth in subsection A of this Section; however, the reserve may be supplemented by additional assessments if determined necessary by the Board of Directors. 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).

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 equally without increase or decrease for the existence of any rights to the use of Limited Common Elements appurtenant to a Unit. Annual assessments shall be payable by Co-owners in one (1) installment or in such installments as may be provided by the Board in its sole discretion, 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. Additional and Special Assessments shall be payable as stated in the notice announcing their levy. The payment of an assessment shall be in default if such assessment, or any part of the assessment, is not paid to the Association in full on or before the due date for such payment. Assessments in default shall bear interest at the highest rate allowed by law until paid in full. In addition, all assessments, or installments of assessments, which remain unpaid as of ten (10) days after the due date (based on the postmark date), shall incur a uniform late charge of \$25.00 to compensate the Association for administrative costs incurred as a result of the delinquency. The Board of Directors may revise the uniform late charges from time to time, and may levy additional late fees for special and additional assessments, pursuant to Section 11 of Article VI of these Bylaws, without the necessity of amending these Bylaws. Once there is a delinquency in the payment of any installment of the annual assessments, the remaining unpaid installments of the annual assessment for that fiscal year may be automatically accelerated so that such unpaid installments are immediately due and payable. 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, including actual attorneys' fees) levied against their 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 their contribution toward the expenses of administration by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of their Unit.

Section 6. Enforcement.

A. Statutory Lien. Sums assessed to a Co-owner that are unpaid, together with interest on such sums, collection and late charges, advances made by the Association for taxes or other liens to protect its lien, attorneys' fees and fines (as allowed by the Condominium Documents or the Act), constitute a lien upon the Unit or Units owned by the Co-owner at the time of the assessment before other liens except tax liens on the 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 herein, have priority over a mortgage recorded subsequent to the recording of the notice and affidavit of lien. The lien upon each Unit owned by the Co-owner shall be in the amount assessed against the Unit, plus a proportionate share of the total of all other unpaid assessments attributable to Units no longer owned by the Co-owner but which became due while the Co-owner had title to the Units. The lien may be foreclosed by judicial action or by advertisement in the name of the Condominium on behalf of the other Co-owners as hereinafter provided.

B. Remedies. The Association may enforce collection of delinquent assessments by a suit at law for a money judgment or by foreclosure of the statutory lien that secures payment of assessments, or both. A Co-owner may not withhold or escrow assessments, and may not assert in an answer, or set-off to a complaint brought by the Association for nonpayment of assessments, the fact that the Association or its agents have not provided services or management to a Co-owner. Except as provided in Article X, Section 1, a Co-owner in default shall not be entitled to utilize any of the General Common Elements of the Condominium, 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 their Unit. The Association may also discontinue the furnishing of any services to a Co-owner in default. In a judicial foreclosure action, a receiver may be appointed to collect a reasonable rental for the Unit from the Co-owner or any persons claiming under them, and if the Unit is not occupied by the Co-owner, to lease the Unit and collect and apply the rents received. The Association may also assess fines for late payment or nonpayment of assessments in accordance with the provisions of Article XVI 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 Condominium, shall be deemed to have granted to the Association the unqualified right to elect to foreclose 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, and the provisions of Section 108 of the Act, 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 Condominium, 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 assessments 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 acknowledges that at the time of acquiring title to such Unit they were notified of the provisions of this Section 6 and that they voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and a hearing on the same prior to the sale of the subject 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 their last known address, of a written notice that one or more installments of the annual, additional or special assessment, as the case may be, 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, attorneys' fees and future assessments), (iv) the legal description of the subject Unit(s), and (v) the name(s) of the Co-owner(s) of record. Such affidavit shall be recorded in the Oakland County Register of Deeds 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 they may request a judicial hearing by bringing suit against the Association.

E. Expenses of Collection. All expenses incurred in collecting unpaid assessments, including interests, fines, costs, actual attorneys' fees (not limited to statutory fees and including attorneys' fees and costs incurred incidental to any bankruptcy proceedings filed by the delinquent Co-owner or probate or estate matters, including monitoring any payments made by the bankruptcy trustee or the probate court or estate to pay any delinquency, and/or attorneys' fees and costs incurred incidental to any State or Federal Court proceeding filed by the Co-owner) and advances for taxes or other liens or costs 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 their Unit.

Section 7. Liability of Mortgagee. Notwithstanding any other provisions of the Condominium Documents, the holder of any first mortgage covering any Unit, or its successors and assigns, which obtains title to the Unit pursuant to the foreclosure remedies provided in the mortgage, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which become due prior to the acquisition of title to the Unit by such person or entity (the date of the foreclosure sale), 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.

Section 8. Assessment Status upon Sale of Unit. Upon the sale or conveyance of a Unit, any unpaid assessments, interest, late fees, fines, costs and attorneys' fees against the Unit shall be paid out of the net proceeds of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature except (a) amounts due the State of Michigan or any subdivision of the State 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 Unit is entitled to a written statement from the Association setting forth the amount of unpaid assessments, interest, late fees, fines, costs and attorneys' fees outstanding against the Unit and the purchaser is not liable for any unpaid assessments, interest, late fees, fines, costs and attorneys' fees 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, late fees, fines, costs and attorneys' fees incurred in connection with the collection of such assessments.

Section 9. Construction Liens. Construction liens attaching to any portion of the Condominium shall be subject to the following limitations and Section 132 of the Act:

A. Except as provided herein, a construction lien for work performed upon a Unit or upon a Limited Common Element may attach only to the Unit upon which the work was performed.

B. A construction lien for work authorized by the Association may attach to each Unit only to the proportionate extent that the Co-owner of the Unit is required to contribute to the expenses of administration as provided by the Condominium Documents.

C. A construction lien may not arise or attach to a Unit for work performed on the Common Elements not contracted for by the Association.

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 under the procedures set forth in the Uniform Arbitration Act 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.

Section 4. Mediation. Regardless of the other remedies available under these Bylaws or the Act, the parties to any dispute shall have the ability to agree to mediate any disputes. In instances involving a dispute between two or more Co-owners that has been presented to the Association, the Association may compel the disputing Co-owners to first attempt to mediate the dispute before considering any other action. All compelled mediation shall be conducted by qualified outside mediators at the expense of the disputing Co-owners. In all other instances, mediation shall be totally voluntary and upon agreement of the disputing parties.

ARTICLE IV INSURANCE

Section 1. Extent of Coverage; Responsibility for Coverage.

A. Association Responsibilities.

(1) Casualty. The Association shall insure all General Common Elements of the Condominium that the Association has responsibility for under Article IV of the Amended and Restated Master Deed against fire, vandalism, malicious mischief, and other perils covered by a standard extended coverage endorsement, in an amount equal to one hundred percent (100%) of the current replacement cost of the insurable improvements, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association.

(2) Liability, Worker's Compensation, Fidelity Bond, Directors and Officer, and Other Required Coverage. The Association shall also carry (1) liability insurance pertinent to the ownership, use, and maintenance of the Common Elements of the Condominium that are the Association's responsibility under Article IV of the Amended and Restated Master Deed, (2) worker's compensation insurance, if applicable, (3) fidelity bond or equivalent employee dishonesty/crime coverage in the minimum amount of a sum equal to three months aggregate assessments on all Units plus reserve funds on hand, with such fidelity bond or equivalent employee dishonesty/crime insurance covering all officers, directors, and employees of the Association and all other persons, including any management agent, handling or responsible for any monies received by or payable to the Association (it being understood that if the management agent or others cannot be added to the Association's coverage, they shall be responsible for obtaining the same type and amount of coverage on their own before handling any Association funds), (4) Directors and Officers Liability coverage, and (5) such other insurance as the Board of Directors deems advisable.

(3) Benefited Parties; Notice to Mortgagees. 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.

(4) Insurance Records. All non-sensitive and non-confidential information in the Association's records regarding Common Element insurance coverage shall be made available to all

Co-owners and mortgagees upon request and reasonable notice during normal business hours so that Co-owners shall be enabled to judge the adequacy of coverage and, upon the taking of due Association procedures, to direct the Board at a properly constituted meeting, to change the nature and extent of any applicable coverage, if so determined.

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

(6) Proceeds of Association Insurance Policies. Proceeds of all Association insurance policies 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 affected institutional holders of first mortgages on Units in the Condominium have given their prior written approval.

B. Co-owner Responsibilities. Each Co-owner shall be obligated and responsible for insuring their Residence and all other improvements constructed or to be constructed within the perimeter of the Unit and its appurtenant Limited Common Elements against fire, vandalism, malicious mischief, and other perils covered by a standard extended coverage endorsement, in an amount equal to one hundred percent (100%) of the current replacement cost of the insurable improvements, excluding foundation and excavation costs. There is no responsibility on the part of the Association to insure any of such improvements whatsoever. Each Co-owner shall also be obligated to obtain insurance coverage for their personal liability for occurrences within the perimeter of their Unit, appurtenant Limited Common Elements and the improvements located thereon, and also for any other personal or business insurance coverage that the Co-owner wishes to carry. Each Co-owner shall deliver certificates of insurance to the Association as may be requested from time to time to evidence the continued existence of all insurance required to be maintained by the Co-owner hereunder. In the event a Co-owner fails to obtain such insurance or to provide evidence of such insurance to the Association, the Association may, but is not required to, obtain such insurance on behalf of such Co-owner and the premiums paid shall constitute a lien against the Co-owner's Unit which may be collected from the Co-owner in the same manner that Association assessments may be collected in accordance with Article II of these Amended and Restated Bylaws. Co-owners are strongly advised to consult their insurance advisors to make sure they have all necessary and appropriate coverage required by this Section.

C. Waiver of Subrogation; Cross-Liability Endorsements. 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.

Section 2. Indemnification. Each Co-owner shall indemnify and hold harmless every other Co-owner and the Association for all damages and costs, including attorneys' fees, which such other Co-owners or the Association may suffer as a result of defending any claim arising out of an occurrence for which the individual Co-owner is required to carry coverage pursuant to this Article, and shall carry insurance to secure this indemnity if so required by the Association. This Section shall not be construed to give any insurer any subrogation right or other right or claim against any individual Co-owner.

ARTICLE V RECONSTRUCTION OR REPAIR IN CASE OF CASUALTY

Section 1. Applicability of Article. This Article shall apply only to damage by casualty or other insurable event. Any other situations involving maintenance, repair and replacement shall be governed by the allocation of responsibilities contained in Article IV of the Amended and Restated Master Deed.

Section 2. Determination of Reconstruction or Repair. If the damaged property is a Common Element, the property shall be rebuilt or repaired unless it is determined by the affirmative vote of eighty (80%) percent of the Co-owners that the Condominium shall be terminated, and two-thirds ($2/3^{\text{rds}}$) of all mortgagees of record have consented to such termination, which mortgagee consent shall be solicited in accordance with Section 90a of the Condominium Act.

Section 3. Co-owner Responsibility for Reconstruction and Repair of Residence, Unit and Limited Common Elements. If the damaged property is a Unit or Limited Common Element or any improvements thereon including the Residence, the Co-owner of such Unit alone, subject to the rights of any mortgagee or other person or entity having an interest in such property, shall be responsible for any and all reconstruction and repair. The Co-owner shall promptly restore their Unit, Limited Common Elements and any improvements thereon including the Residence in accordance with the Condominium Documents and to a condition substantially equal or comparable to the condition existing prior to damage in a manner satisfactory to the Association and in accordance with the provisions of Article VI of these Amended and Restated Bylaws.

Section 4. Association Responsibility for Reconstruction and 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 General Common Elements. Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance, repair or reconstruction, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that existing before the damage. If the proceeds of 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, or upon completion of such reconstruction or repair, the funds for the payment of the costs are insufficient, assessments shall be made against the Co-owners for the costs of reconstruction or repair of the damaged property in sufficient amounts to provide funds to pay the estimated or actual costs of repair. This provision shall not be construed to require replacement of mature trees and vegetation with equivalent trees or vegetation.

Section 5. Timing. If damage to Common Elements or a Unit adversely affects the appearance of the Condominium, the Association or Co-owner responsible for the reconstruction, repair and maintenance shall proceed with the replacement or repair of the damaged property without delay.

Section 6. Eminent Domain. Section 133 of the Act (to the extent not inconsistent with the following) 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 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 shall be binding on all Co-owners.

B. Unit Taken by Eminent Domain. If a Unit is taken by eminent domain, the undivided interest in the Common Elements appertaining to the Unit shall thenceforth appertain to the remaining 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 Unit.

C. Partial Taking of a Unit. If portions of a Unit are taken by eminent domain, the court shall determine the fair market value of the portions of the Unit not taken. The undivided interest of such Unit in the Common Elements shall be reduced in proportion to the diminution in the fair market value of such Unit resulting from the taking. The portions of undivided interest in the Common Elements thereby divested from the Co-owners of such Unit shall be reallocated among the other Units in proportion to their respective undivided interests in the Common Elements. A 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 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 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 Unit makes it impractical to use the remaining portion of that Unit for a lawful purpose permitted by the condominium documents, then the entire undivided interest in the Common Elements appertaining to that Unit shall thenceforth appertain to the remaining Units, being allocated to them in proportion to their respective undivided interests in the Common Elements. The remaining portion of that 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 Unit for the Co-owner's entire undivided interest in the Common Elements and for the entire Unit.

E. Future Expenses of Administration Appertaining to Units Taken by Eminent Domain. Votes in the Association of Co-owners and liability for future expenses of administration appertaining

to a Unit taken or partially taken by eminent domain shall thenceforth appertain to the remaining Units, being allocated to them in proportion to their relative voting strength in the Association. A 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 resurveyed 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 by any Co-owner, but only with the prior written approval of holders of two-thirds (2/3rds) of all first mortgage liens on individual Units.

G. Condemnation or Eminent Domain Proceeding. In the event any Unit, or any portion of a Unit, or the Common Elements, or any portion of the Common Elements, 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.

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

Section 8. Notification to Mortgagees and Guarantors. The Association shall give the holder of any first mortgage and any guarantors of the mortgage covering any Unit timely written notice of any condemnation or casualty loss that affects either a material portion of the Condominium or the Unit securing the mortgage.

ARTICLE VI RESTRICTIONS

Section 1. Use of Unit.

A. Single Family Use. No Unit shall be used for other than single-family residential purposes as defined by Township of Independence Zoning Ordinances, and the Common Elements shall be used only for purposes consistent with the use herein stated. No Co-owner shall carry on any business enterprise or commercial activities anywhere on the Common Elements or within the Units, specifically including for profit or nonprofit day care, adult foster care, nursing facilities, transitional housing and similar enterprises, except that Co-owners shall be allowed to have home offices in their Units, provided the same (1) do not involve additional pedestrian or vehicular traffic by customers, users or beneficiaries of the services being performed and/or congestion within the Condominium, (2) do not utilize or involve the presence of any employees within the Unit other than the individual Co-owner(s) and their families, (3) do not disturb other Co-owners, (4) do not involve additional expense to the Association (such as utility charges and insurance), and (5) do not violate any other provision or restriction contained in the Condominium Documents, (6) do not involve the storage of bulk goods for resale, and (7) do not constitute a violation of any ordinances or regulations of the Township of Independence.

B. Occupancy Restrictions. The number of persons allowed to occupy or reside in any Unit shall be governed by the restrictions and regulations of the Building Officials and Code Administrators National Property Maintenance Code or such other codes or ordinances that may be adopted by the Township of Independence from time to time. Such restrictions shall automatically change, without the necessity of an amendment to these Bylaws, upon the adoption of alternative regulations by the Township of Independence, such that the occupancy of all Units shall be in accordance with all Township of Independence regulations at all times.

Section 2. Leasing and Rental of Units.

A. Right to Lease. A Co-owner may only lease a Unit within the Condominium if the Co-owner has obtained the Board of Director's prior written approval as to the lease form as more fully set forth in subsection C below. With the exception of those Units under an approved lease as of the effective date of the Amended and Restated Master Deed, the Board of Directors shall not grant approval if (1) the leasing of such Unit would result in any one person or entity (including affiliates or commonly owned entities) leasing more than 1 Unit at any given time, or (2) the leasing of such Unit would cause the total number of leased Units in the Condominium to exceed 5 Units. Co-owners who were permitted to lease their Units as of the effective date of the Amended and Restated Master Deed shall be entitled to continue leasing their Units despite the foregoing limitations on the number of Units that may be rented, provided the provisions of the Condominium Documents are followed and an approved lease form is on file with the Association prior to the effective date of the Amended and Restated Master Deed. In the event of a sale or transfer of ownership of a leased Unit, or in the event such a Unit is no longer being leased, being prepared for lease, or being held out or otherwise marketed for lease, all automatic rights to lease that Unit despite the 5 Unit rental limitation shall terminate and no further leasing of the Unit shall take place without first obtaining the written approval of the Association in compliance with these provisions. In addition to the foregoing requirements and limitations, no Co-owner shall lease less than an entire Unit, and all leases shall (i) be for an initial term of no less than one (1) year, (ii) require the lessee to comply with the Condominium Documents, and (iii) provide that failure to comply with the Condominium Documents constitutes a default under the lease and that, after fifteen (15) days' prior written notice by certified mail to the Co-owner and in accordance with Section 112 of the Condominium Act, the Board of Directors has the power to institute an action to evict the tenant and for money damages. A Co-owner may only lease a Unit for the same purposes as set forth in Article VI, Section 1, and in accordance with the provisions of this Section. Under no circumstances shall transient tenants be accommodated. For purposes of this Section, "transient tenant" refers to a non-Co-owner residing in a Unit for less than sixty (60) days and who has paid consideration for the residency, and "lease" shall refer to any occupancy agreement, whether or not in writing or for rent or other consideration, where the Co-owner does not occupy their Unit as a primary or secondary residence for a majority of the year. 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.

B. Exception to 5 Unit Leasing Limitation. Notwithstanding the provisions contained in subsection A above or anything to the contrary contained in the Condominium Documents, the Association recognizes that there may be circumstances beyond a Co-owner's control that may justify an exception to allow the temporary leasing of a single Unit, regardless of the abovementioned five

(5) Unit rental limitation. Therefore, under the following circumstances, but only for so long as such circumstances exist (but in no event longer than twenty-four (24) months) and only so long as the leasing of the Unit will not result in that Co- owner or any related person or entity leasing more than one (1) Unit in the Condominium, the Association may allow a Co-owner to lease their Unit even though five (5) or more Units may already be leased:

(1) A Co-owner must relocate to a nursing home or similar facility for a period likely to exceed six (6) months;

(2) A Co-owner must relocate for medical purposes (treatment, rehabilitation, or recuperation) for a period likely to exceed six (6) months;

(3) A Co-owner must relocate for employment purposes for a period likely to exceed six (6) months;

(4) A Co-owner or the estate of a Co-owner must rent a Unit due to an inability to sell the same without incurring a financial loss as a result of mortgage liens recorded against the Unit exceeding the fair market value of the Unit; or

(5) Any similar extenuating situation approved by the Board of Directors.

C. Procedures for Leasing. The leasing of Units shall conform to the following provisions:

(1) Disclosure. A Co-owner desiring to rent or lease a 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 at the same time supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents. The Co-owner shall not lease their Units prior to the Association approving the lease form for its compliance with the Condominium Documents. If no lease form is to be used, then the Co-owner shall supply the Board with the name and address of the potential lessee or other occupants, along with the amount and due dates of any rental or compensation payable to the Co-owner, and the term of the proposed occupancy arrangement. The Board of Directors may also require the use of a standard lease addendum. Each Co-owner shall, promptly following the execution of any approved lease of a Unit, forward a true copy of the fully executed lease to the Association. Co-owners who do not live in the Unit they own must keep the Association informed of their current correct address and phone number(s). The Board of Directors may charge such reasonable administrative fees for reviewing, approving and monitoring lease transactions in accordance with this Section as the Board, in its discretion, may establish. Any such administrative fees shall be assessed to and collected from the leasing Co-owner in the same manner as the collection of assessments under Article II of these Amended and Restated Bylaws.

(2) Compliance with Condominium Documents. Tenants or non-Co-owner occupants shall comply with all of the conditions of the Condominium Documents.

(3) Default by Tenant. If the Association determines that a 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) Notification. The Association shall notify the Co-owner by certified mail advising of the alleged violation.

(b) Time to Cure. The Co-owner shall have fifteen (15) days after receipt of such notice to investigate and correct the alleged tenant or non-Co-owner occupant breach or advise the Association that a violation has not occurred.

(c) Remedies. 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 occupant for breach of the conditions of the Condominium Documents. The relief set forth in this Section may be by summary proceeding, although the Association may pursue relief in any Court having jurisdiction and whether by summary proceeding or otherwise. The Association may hold the tenant, the non-Co-owner occupant and the Co-owner liable for any damages caused by the Co-owner, tenant or non-Co-owner occupants. The Co-owner shall be responsible for reimbursing the Association for all costs incurred as a result of a tenant's or non-Co-owner occupant's failure to comply with the Condominium Documents, including the pre-litigation costs and actual attorneys' fees incurred in obtaining their compliance with the Condominium Documents.

(4) Notice to Pay Rent Directly to Association. When a Co-owner is in arrears to the Association for assessments, the Association may give written notice of the arrearage to the Co-owner's tenant or non-Co-owner occupant and the tenant non-Co-owner occupant after receiving the notice shall deduct from their rental payments to the Co-owner the arrearage and future assessments as they fall due and shall pay them to the Association. The deductions shall not be a breach of the rental agreement or lease by the tenant or non-Co-owner occupant. If the tenant or non-Co-owner occupant, after being so notified, fails or refuses to remit rent to the Association that is otherwise due the Co-owner, then the Association may (1) prohibit the tenant from utilizing any of the General Common Elements, (2) issue a statutory Notice to Quit for non-payment of rent, and enforce that notice by summary proceedings, and/or (3) initiate proceedings pursuant to Section 112(4)(b) of the Condominium Act.

D. Lender Exception. Notwithstanding anything to the contrary and except for the prohibition on transient tenancies, first mortgage lenders or first mortgagee guarantors in possession of a Unit following a default of a first mortgage, foreclosure, or deed or other arrangement in lieu of foreclosure shall not be subject to the restrictions contained in this Article VI, Section 2A and which relate to the term of any lease or rental agreement.

E. Rent Loss Insurance Coverage. Those Co-owners that rent their Unit are advised to obtain insurance coverage for reimbursement of rental income that may be lost while the Unit is being repaired, rebuilt or is otherwise not capable of being occupied. The Association shall have absolutely no responsibility for obtaining such coverage and Co-owners shall have absolutely no claim against the Association for lost rental income.

Section 3. Architectural Control; Alterations and Modifications.

A. Approvals Required. No Co-owner shall commence or make alterations in exterior appearance or make structural modifications to any Unit including without limitation any Residence or other structures, improvements or landscaping located within the Unit or its appurtenant Limited Common Elements (including color or material used) or make changes in the appearance or use of any of the Common Elements, Limited or General, including but not limited to, exterior painting, replacement of windows, or the erection of lights, awnings, shutters, banners, doors, spas, hot tubs, decks, patios, fences, walls, landscaping or other exterior attachments or modifications visible from other Units or the Common Elements, until plans and specifications acceptable to the Board showing the nature, kind, shape, height, materials, color scheme, location and approximate cost of such structure or improvement and the grading or landscaping plan of the area to be affected (if applicable) shall have first been submitted to the Board pursuant to subsection "(2)" below and approved in writing by the Board. The Board shall have the right to refuse to approve any such plans or specifications, or grading or landscaping plans which are not suitable or desirable in its opinion for aesthetic or any other reasons, and in passing upon such plans, specifications, grading or landscaping, it shall have the right to take into consideration the suitability of the proposed structure, improvement or modification, the site upon which it is proposed to be constructed, and the degree of harmony thereof with the Condominium as a whole, it being understood that the purpose of this Section is to assure the continued maintenance of the Condominium as a beautiful and harmonious private residential development. In the event that any application for changes are approved by the Board of Directors, such approval shall be subject to a recordable, written undertaking by the Co-owner acknowledging that installation, maintenance and insuring of all of the improvements are to be at the Co-owner's sole expense. The Board of Directors shall have the right in its discretion to require a Co-owner to complete the installation of any approved improvements or modifications by a date certain. Any modifications or alterations performed by a Co-owner pursuant to this Section shall be performed by licensed and insured contractors and in accordance with all applicable governmental regulations and ordinances, including the requirement that proper permits be applied for and issued by appropriate governmental agencies. Notwithstanding anything to the contrary contained in Article XVI of these Bylaws, Co-owners who do not obtain the Association's prior written approval as required herein shall be subject to a monetary fine in the amount of \$500.00 to be assessed by the Association in accordance with the procedures set forth in Article XVI, Section 2 of these Bylaws. The provisions contained in this subsection A are subject to the applicable provisions of the Condominium Act governing improvements or modifications if the purpose of the improvement or modification is to facilitate access to or movement within the Unit for persons with disabilities under the circumstances provided for in the Condominium Act at MCL 559.147a, as may be amended from time to time. The Board shall be entitled to delegate to a Board-appointed Architectural Control Committee the power to review and provide recommendations for approval or disapproval to the Board of Directors with respect to alteration and modification requests submitted by Co-owners pursuant to this Section 3.

(1) Construction Restrictions. The following restrictions shall apply to structures and improvements constructed within the Units and Limited Common Elements:

(a) Roofs. Roof pitch must be at a minimum of 9/12 in proportion. Roofing material must be natural cedar shake shingles or Ludowici Ludo Shake Clay Tile (color: Premier-earth gray) except, where in the sole judgment of the Board, a Bay Window "Roofette" or "Roof Structure"

by design may be required to be finished in copper in lieu of cedar shake shingles or Ludowici Ludo Shake Clay Tile.

(b) Quoin, Corner and Overhead Garage Door Details. From the effective date of the Amended and Restated Master Deed, all Residence quoin, corner and overhead garage door details shall be in accordance with the details attached as Exhibit C.

(c) Exterior Lights. Any exterior Residence or post light located within a Unit shall be of a type substantially similar to that depicted on Exhibit D.

(d) Exterior Walls. Exterior walls of the Residences, garages, and other appurtenant structures must be either stucco or EIFS. Exterior walls, quoins and window trim colors must be approved by the Board prior to application.

(i) Residences – Existing. If any existing Residence (including walls, quoins and window trim) needs to be painted or repainted for any reason, then it must be painted or repainted in the color that exists on that Residence. To the extent a Co-owner desires to paint or repaint in a color that does not exist on that Residence, the Board may approve a varying color but only after the Co-owner completes the following approval process:

(A) Submit paint color/chip to the Board for the Board's review and initial color approval; and

(B) After obtaining the Board's initial color approval, proceed to paint one complete front wall of the Residence for the Board's review and approval prior to painting the entire Residence.

If an existing Residence has wood windows, then the following four color options are available for painting/repainting the wood window frames: (I) same color as the Residence walls; (II) white; (III) brown; and (IV) Sandstone.

(ii) Residences – New Construction. Residence walls are to be in the grey family color. Examples of this might be Suede (#105), Gulf Grey (#131), or Smoke Signal (#614) manufactured by "Dryvit." Quoins and trim may be Bright White (#102), China White (#310) or Dover Sky (#104) also manufactured by "Dryvit." There are numerous grey colors and manufacturers for either a Stucco or EIFS system exterior Residence wall finish. Different shades of grey and white colors may be approved by the Board following proper submission of such colors.

If a new construction Residence has wood windows, then the following four color options are available for painting/repainting the wood window frames: (I) same color as the Residence walls; (II) white; (III) brown; and (IV) Sandstone.

If a new construction Residence has clad windows, then the following three color options are available for window frames: (I) white; (II) brown; and (III) Sandstone.

(e) Gutters and Downspouts. Gutters and downspouts are required on all Residences and shall be of copper material. At a minimum, gutters shall be 5” K style and downspouts shall be 2”x 3” rectangular fluted style. At the Co-owners option or as required by the design of the structure, 6” K style gutters and 3”x 4” rectangular fluted downspouts may be used. As another option to the 3”x 4” rectangular fluted downspout, a 4” round fluted downspout may be used.

(f) Doors and Windows. All doors and windows shall match existing homes in character. All windows must have muntin bars. In keeping with the architectural style of the homes in the Condominium, front doors must be in a traditional style that reflects the nature of the neighborhood. Examples of front doors that will be considered for approval are: (i) six-panel doors, (ii) 15 light French doors, or (iii) 12 light French doors.

(g) Garage Doors. The Board will only permit the use and installation of garage doors, golf cart storage facility overhead doors, or any other overhead doors, that are similar to either the CLOPAY Premium Series, Model 4050/4051, or the CLOPAY Premium Series, Model 4300/4301. This door shall be used also when all existing wood doors on a Residence are being replaced. If the foregoing specified garage door models are no longer available, the Board shall, pursuant to Section 11 of Article VI of these Bylaws and without the necessity of amending these Bylaws, establish substitute models reasonably similar to those referenced in this subsection. All garage doors on a given Residence shall be identical and have electrically operated openers.

(h) Bay and Bow Windows. All glazed projections must match existing Residences.

(i) Chimneys. All chimneys are to match existing style. Special attention must be paid to upper chimney detailing (corbels), as well as to the chimney pots.

(j) Privacy Walls, Retaining Walls and Planters. All privacy walls, retaining walls and planters shall be stucco or stucco over masonry (brick). No other material is permitted.

(k) Gates, Fences, Balcony Railings and Decorative Metal. All exposed decorative metal work shall be black wrought iron. No other fence material shall be permitted.

(l) Decks, Walks and Patios. All decks, walks and patios shall be concrete, concrete pavers, brick, stone or natural slate. No other material is permitted.

(m) Exterior Lighting. Exterior lighting at the front entrance of Residences and garages doors shall operate on photo electric cells or timers that approximate dusk to dawn. A minimum of two (2) fixtures must be installed at the front entrance of the Residence and a minimum of one (1) fixture at all other entrances. The location and size of fixtures must be shown on the construction drawings. All exterior fixtures on a Residence, including any garage, must be of the same style. When flood lighting is installed for security reasons, light beams must be adjusted so as not to shine into neighbor windows. All exterior front entrance and garage mounted lights shall operate on photo electric cells or timers which approximate dusk to dawn. Secondary lighting for effect such as “malibu style” or other similar lighting for flower beds, patios, etc., must be harmonious and compatible with the Residence and the other Units within the Condominium.

(n) Sod. All grass areas within the Unit must be planted and maintained with sod. The use of ground cover is encouraged.

(o) Driveways. Driveways shall be asphalt to match existing driveways. Each Co-owner is responsible to maintain their driveway in first class condition. Topcoat sealer is to be applied as required or when determined to be required by the Board.

(p) Unit Irrigation Systems. Co-owners are required to install and maintain individual irrigation systems within their Unit. Co-owners shall operate their irrigation systems sufficiently to cause the grass and landscaped areas lying within the Unit and any appurtenant Limited Common Elements to be continuously and properly maintained in a good and healthy condition at all times and otherwise in accordance with such standards as shall be determined by the Board.

(q) Mailboxes. All mailboxes must conform to existing mailboxes. Subject to Article IV, Section 2B(2)(d) of the Amended and Restated Master Deed, Co-owners are responsible for installing and maintaining mailboxes.

(r) Swimming Pools. Any swimming pool shall be appropriately screened by landscaping or otherwise so as not to be visible from the road. Non-portable, "above-ground" swimming pools are strictly prohibited. As used herein, "above-ground swimming pool" shall mean a swimming pool that projects eighteen inches (18") or more above grade on any side. Notwithstanding the foregoing, pools that comply with the following requirements shall be considered a "wading" or "children" pool and not an above-ground swimming pool and shall otherwise be permitted: any pool having a retaining wall no higher than eighteen inches (18") from grade to the top edge of the wading pool retainer, covering no more than one hundred twenty-five (125) square feet of ground surface, being a type that can be readily emptied, not requiring filtering equipment.

(s) Outbuildings. Outbuildings, sheds, cabanas, storage buildings and other similar structures are prohibited.

(2) Submittal Process. The following drawings shall be submitted to the Board for obtaining the Board's final written approval for any alteration or modification:

- (a) Site Plan;
- (b) Construction Drawings to include all elevations, roof and floor plans, as applicable;
- (c) Driveway, Landscape and Exterior Lighting Plans, as applicable; and
- (d) Such other plans as the Board may reasonably require.

Unless a Co-owner is submitting preliminary plans for concept approval or for comment only (in which case only one (1) copy of the above-referenced documents need be submitted), Co-owners shall submit three (3) sets of the above-referenced documents to the Board for review. The Board will make reasonable efforts to perform its review of the required drawings and provide an approval or

disapproval within ten (10) business days from the time of receipt of submission. Notwithstanding the foregoing, in the event the Board fails to approve or disapprove plans within thirty (30) days after a full and final submission, then such plans shall be deemed disapproved. Board approval shall be deemed given if the plans and specifications submitted for approval are marked or stamped as having been finally approved by the Board, and are dated and signed by at least three (3) Board members.

(3) Construction Activities.

(a) Fees and Deposit. Prior to commencement of any construction activities relative to the construction or reconstruction of a Residence or other major improvement to or within their Unit, Co-owners shall deposit with the Association a two hundred fifty dollar (\$250.00) review fee, and (b) a five thousand dollar (\$5,000.00) debris removal and road maintenance deposit (the Board shall be permitted to revise the foregoing fees and deposits via rules and regulations without the need to amend these Bylaws). The review fee shall be used for review of plans and specifications required to be submitted herein. The debris removal and road maintenance deposit shall be utilized to (i) ensure that all construction debris is promptly cleaned up and properly disposed of off-site, and should any Co-owner or their builders, contractors and subcontractors not do so, the Board may arrange for such clean up and charge the same to the deposit, and (ii) to make sure that all damage to roads within the Condominium caused by a Co-owner or their builders, contractors, material suppliers or subcontractors is promptly repaired and that the roads are kept clean of debris, mud and soil, and should any Co-owner or their builders, material suppliers, contractors and subcontractors not do so, the Board may arrange for such repairs and clean up and charge the same to the deposit. All unused amounts of the debris removal and road maintenance deposit shall be refunded to the applicable Co-owner once the improvement being constructed has received a Certificate of Occupancy.

(b) Co-owner Liability. During any construction, building, or renovation period within a Unit, the Co-owner of the Unit assumes all liability for any damage done to the General or Limited Common Elements or to the property of other Co-owners including, but not limited to, damage to landscaping, driveways, sprinkler systems, television cables, roads and street lighting.

(c) Construction Site Access. Builders, contractors, material suppliers and subcontractors shall ensure all “heavy” construction traffic relating to Units located on or serviced by Bristol Parke Drive use only the “construction/emergency” access from Pine Knob Road. All “heavy” construction traffic relating to Units located on or serviced by Royal St. George shall use the “bridge bypass” from Waldron Road to Royal St. George Road. It is the Co-owner's responsibility to ensure that their builders, contractors, material suppliers and subcontractors are aware of these construction site access requirements. State of Michigan and local municipal “frost laws” or such other applicable statutes and ordinances shall be adhered to.

(d) Timing. All construction must be completed within twelve (12) months from the start date.

(e) Sod and Landscaping Installation. Co-owners shall cause all portions of their Units to be appropriately sodded within sixty (60) days of completion of construction or by the next July 1 if the construction is completed between September 1 and May 1 of any year. The Co-

owner may complete landscaping in stages as necessary; however, suitable and approved landscaping must be installed on the front of the Unit within ninety (90) days of completion of construction or occupancy, whichever occurs first, or by the next July 1 if the construction is completed between September 1 and May 1 of any year. Co-owners shall complete landscaping in the sides and rear of their Units within thirty (30) months of completion of construction or occupancy, whichever occurs first.

(f) Trees. It is the intent to retain as many mature trees as possible. All trees over twenty inches (20") in circumference measured one foot (1') from the ground must be shown on the site plan. Any trees twenty inches (20") in circumference or larger measured one foot (1') from the ground that are to be removed for construction of the Residence must be noted on the site plan (this is a pre-construction requirement). It is the Co-owner's responsibility to maintain all trees and shrubbery in good condition and proportionately sized. Co-owners may not remove any tree that has grown in size to twelve inches (12") in circumference measured one foot (1') from the ground without the Board's prior written approval.

(g) Insurance. Prior to the start of any construction activities, the Co-owner shall submit to the Board certificates of insurance evidencing their contractor's or builder's general liability, product, completed operations, worker's compensation, and automobile insurance coverages. At a minimum, the contractor or builder's general liability coverage shall be in the amount of \$500,000 for each occurrence of bodily injury or property damage and the Association shall be named as an additional insured on such coverage.

(h) Contractor or Builder Conduct. The conduct of contractors or builders while performing services on the Condominium shall be governed by the following:

(i) Power generators, air compressors or similar equipment are to be located in the back of the Residence within a sound box during construction to minimize noise to surrounding neighbors.

(ii) Parking is allowed only on the same side of the street as construction.

(iii) Loud music is prohibited, and music shall be considered "loud" if it can be heard beyond the Unit boundaries.

(iv) Any Port-A-John shall either be located in the back of the Residence or properly concealed if located in any other area.

(v) Construction activity shall only take place Monday through Saturday between 8:00 a.m. and 6:00 p.m. No construction activity shall take place on Sundays or Holidays.

B. Installation of Antennas/Satellite Dishes. The erection of antennas, DBS reception devices, and other technologies regulated by the Federal Communications Commission, shall be in accordance with duly promulgated rules and regulations of the Association, which shall at all times be

deemed to be or construed so as not to violate FCC regulations applicable thereto.

C. Association Access to Common Elements. No Co-owner shall in any way restrict access to any element that must be accessible to service the Common Elements or any element which affects an Association responsibility in any way. 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.

Section 4. Conduct upon the Condominium. No noxious, improper, unlawful or offensive activity, including without limitation speeding or other vehicular infractions, shall be engaged in 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 carried upon the Common Elements or any Unit. There shall not be maintained any animals or device or thing of any sort whose normal activities or existence is in any way noxious, noisy, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the reasonable enjoyment of other Units. Vehicles or equipment that have the tendency to create loud noise or vibration, such as motorcycles, lawnmowers and leaf blowers, shall not be operated or otherwise utilized between 10:00 p.m. through 8:00 a.m. daily. The Board of Directors of the Association shall be the final arbiter of whether a particular animal, device, or thing is in violation of the foregoing restrictions, and disputes among Co-owners that cannot be amicably resolved shall be mediated by the disputing Co-owners in accordance with Article III of these Amended and Restated Bylaws. No Co-owner shall do or permit anything to be done or keep or permit to be kept on their 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. All municipal codes and ordinances pertaining to the use of the Common Elements shall be followed at all times.

Section 5. Animals within the Condominium.

A. Number and Type. No animal, including household pets, shall be kept or allowed on the Condominium by any Co-owner without the written approval of the Board of Directors, which approval will only be given for such pets (type, size and disposition) as are consistent with the close, community living environment of Pine Knob Manor Homes III. The Board shall in no event approve more than 2 pets per Unit. Any such approval 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, if any. The term "animal" or "pet" as used in this section shall not include small animals, fish or birds that are constantly caged. Exotic pets (i.e. rare or unusual animals or animals generally thought of as wild and not typically kept as a pet) are strictly prohibited.

B. Restrictions Applicable to Pets; Responsibilities of Co-owners. The Association may require that Co-owners register their pets with the Association before the pet may be maintained on or

within the Condominium. The Association may require that any such registration include a complete description of the pet, its name, the name and telephone number of the adult person responsible for the pet at all times, and the name, address and telephone number of the veterinarian or veterinary clinic which maintains the pet's health and immunization records, and a current picture. 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 be housed outside of a Unit, in a pen or otherwise, nor shall pets be tied or restrained outside or be allowed to be loose upon the Common Elements. All pets shall be leashed when outdoors with the leash being held and controlled at all times by a responsible person and otherwise in accordance with any ordinances of the Township of Independence that may apply. Each Co-owner shall be responsible for the immediate collection and disposition of all fecal matter deposited by any animal maintained by such Co-owner, anywhere in the Condominium. 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 Condominium, 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 of these Amended and Restated Bylaws. No animal that 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 Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article II 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 licensed by the municipal agency having jurisdiction, and proof of the animal's shots shall be provided to the Association upon request. The Association may adopt such additional reasonable rules and regulations with respect to animals, as it may deem proper.

C. Association Remedies. The Association may, after notice and hearing, without liability to the owner thereof, remove or cause to be removed any animal from the Condominium that 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.

Section 6. Use of Common Elements and Units. Co-owners shall not use Unit exteriors (including, without limitation, driveways) or the Common Elements, Limited or General, for storage of supplies, materials, personal property or trash or refuse of any kind, except as provided in these Bylaws or duly adopted rules and regulations of the Association. Trash receptacles shall be maintained at all times in areas designated by the Association and shall not be permitted to remain elsewhere on the Common Elements or Unit exteriors except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. Trash shall be stored and handled in accordance with all applicable rules and regulations of the Association and Township of Independence ordinances and Co-owners shall be responsible for the collection and proper disposal of trash (or the costs of the Association collecting and disposing of such trash) dispersed about the Common Elements, regardless of the reason. Neither the Common Elements nor Unit exteriors shall be used in any way for the drying, shaking, or airing of clothing or other fabrics. Except as otherwise set forth

herein, no bicycles, toys, baby carriages or other personal property may be left unattended on or about the Common Elements or Units. For liability and security reasons, no garage sales, rummage sales, estate sales or any other type of sale open to the public shall be permitted within the Condominium, regardless of whether a permit has been issued by municipal agencies or otherwise. In general, no activity shall be carried on nor condition maintained by a Co-owner either in their Unit or upon the Common Elements, which detracts from or spoils the appearance of the Condominium. No unsightly condition shall be maintained on or in any deck, patio or porch and no furniture or equipment of any kind shall be stored on these areas during seasons when such area are not reasonably in use unless it is neatly and unobtrusively stored, with any furniture or equipment covers being neutral in color. All municipal ordinances pertaining to the use of the Common Elements shall be followed at all times.

Section 7. Obstruction of Common Elements. Except as otherwise expressly permitted herein, the General Common Elements, including, without limitation, sidewalks, landscaped areas, roads and entry ways, shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended.

Section 8. Vehicles upon the Condominium. No house trailers, commercial vehicles, boat trailers, watercraft, boats, motor homes, camping vehicles/trailers, snowmobiles, snowmobile trailers, recreational vehicles, any non-motorized vehicles, off-road vehicles, all terrain vehicles, or vehicles other than currently licensed automobiles, motorcycles (if not objectionable due to excessive noise or irresponsible operation) and non-commercial pickup trucks, SUVs and passenger vans, not exceeding 21 feet in overall length, 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, except in accordance with the provisions of this Section, unless parked fully in a Residence garage with the door closed. Garage doors shall remain closed at all times except when necessary for ingress and egress purposes. No Co-owner shall use, or permit the use by an occupant, agent, employee, invitee, guest or member of their family of any casual, personal, motorized transportation or entertainment anywhere within the Condominium, including, but not limited to, motorized scooters, mopeds, go-carts, dirt bikes and the like. Notwithstanding the forgoing, golf carts are permitted provided they are parked and stored inside garages, are operated in accordance with traffic control signs, are maintained and operated in a safe and proper manner, and are not otherwise objectionable on account of noise or irresponsible operation.

A. Temporary Presence. The Board of Directors shall have discretion to issue rules and regulations that provide for the temporary presence of the above enumerated recreational/leisure vehicles upon the Condominium for proper purposes, such as loading and unloading of such vehicles. The Association shall not be responsible for any damages, costs, or other liability arising from any failure to approve the parking of or to designate a parking area for such vehicles.

B. Commercial Vehicles or Trucks. Commercial vehicles and trucks shall not be parked in or about the Condominium (except as above provided) unless parked in an area specifically designated for such vehicles or trucks by the Association, while making deliveries or pickups in the normal course of business, or as otherwise may be approved in writing by the Board of Directors. For purposes of this Section, commercial vehicles shall include vehicles or trucks with a curb weight of more than 10,000 pounds, overall length in excess of 21 feet, or with more than two axles, vehicles with commercial license plates, vehicles with any commercial markings or advertising appearing on the

exterior, vehicles not designed or intended for personal transportation, or any vehicle either modified or equipped with attachments, equipment or implements of a commercial trade, including, but not limited to, ladder or material racks, snow blades, tanks, spreaders, storage bins or containers, vises, commercial towing equipment or similar items. For purposes of this Section, passenger vans, SUVs and pickup trucks, used for primary transportation, and no commercial purpose whatsoever, shall not be considered commercial vehicles provided they do not meet the definition of a commercial vehicle contained herein. 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 for parking such vehicles.

C. Standing Vehicles, Repairs. Nonoperational vehicles or vehicles with expired license plates shall not be parked on the Condominium, other than inside a Co-owner's garage, without written permission of the Board of Directors. Nonemergency maintenance or repair of vehicles shall not be permitted on the Condominium, unless specifically approved by the Board of Directors.

D. Parking Restrictions. Vehicles shall first be parked in Residence garages and then on driveways appurtenant to the Residence. Residence garages shall be utilized in a fashion so that the number of vehicles that may be parked in the garage equals the normal or intended capacity of that garage. The maximum number of vehicles that may be parked on driveways shall equal the normal garage capacity plus two; provided, however, that guests may park their vehicles in driveways and shall not be counted toward the aforementioned restriction on vehicles parked on driveways so long as such guest vehicles are not parked in the driveway for longer than 15 days in any given 30 day period. Overnight parking on any street in the Condominium or that provides direct access to a Unit is prohibited unless specifically approved by the Board of Directors. No parking of any vehicles whatsoever shall be allowed in designated fire lanes or in violation of duly promulgated rules and regulations of the Association.

E. Association Rights. Subject to the notice location and content requirements of Section 252(k) of the 2004 Public Act 493 of the Michigan Compiled Laws, 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 stickered and towed from the Condominium, 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 of these Amended and Restated Bylaws. 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. The Board of Directors may promulgate reasonable rules and regulations governing the parking and use of vehicles in the Condominium, and may levy fines for violations of such rules and regulations or this Section.

Section 9. Prohibition of Dangerous Items upon the Condominium. No Co-owner shall use, or permit the use or discharge by an occupant, agent, employee, invitee, guest or member of their family of any firearms, air rifles, pellet guns, BB guns, bows and arrows, slingshots or other similar dangerous weapons, projectiles or devices anywhere on or about the Condominium, nor shall any Co-owner use or permit to be brought into the buildings in the Condominium any unusually volatile liquids or materials deemed to be extra hazardous to life, limb, or property, without in each case obtaining the written consent of the Association.

Section 10. Signs. No signs, notices, advertisements, pennants or flags, including "for sale" and "open house" signs (other than a U.S. flag no larger than 3' x 5'), shall be displayed which are visible from the roadways without written permission from the Association, unless the same are in complete conformance with duly adopted rules and regulations.

Section 11. Rules and Regulations Consistent with Act. Reasonable rules and 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. Copies of all such regulations and amendments thereto shall be furnished to all Co-owners and shall become effective as stated in said rule or regulation. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty percent (50%) of all Co-owners entitled to vote.

Section 12. Association Access to Units and Limited Common 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; provided, however, that the Association shall be entitled to enter a Residence only in the event of circumstances that are life endangering or that threaten substantial damage to property. It shall be the responsibility of each Co-owner to provide the Association means of access to their 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 their Unit, Residence or 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, bird feeders, exterior lighting, furniture, implements, rocks or boulders, fencing or other decorative items (which are allowed only to the extent specified in the rules and regulations of the Association) upon the Common Elements or within Units without written permission from the Association, unless the same are in complete conformance with duly adopted rules and regulations.

Section 14. Co-owner Maintenance of Unit, Residence and Limited Common Elements. Each Co-owner shall maintain their Unit, Residence and any Limited Common Elements appurtenant thereto 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 them, or their 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 primary 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 of these Amended and Restated Bylaws. Each individual Co-owner shall indemnify the Association and all other Co-owners against such damages and costs, including actual 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 of these Amended and Restated Bylaws. 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 as soon as it is discovered.

Section 15. Application of Restrictions to the Association. None of the restrictions contained in this Article VI or elsewhere in these Bylaws or the Amended and Restated Master Deed shall apply to the activities of the Association in furtherance of its powers and purposes set forth herein, the Amended and Restated Master Deed and in its Articles of Incorporation, as the same may be amended from time to time.

Section 16. Cost of Enforcing Documents. Any and all costs, damages, fines, expenses or actual attorneys' fees incurred or levied by the Association in enforcing any of the restrictions set forth in this Article VI and/or rules and regulations promulgated by the Association and any expenses incurred as a result of the conduct of less than all those entitled to occupy the Condominium, or by their licensees or invitees, may be assessed to, secured by the statutory lien on the Unit and collected from the responsible Co-owner or Co-owners in the manner provided in Article II of these Amended and Restated Bylaws. This specifically includes actual costs and legal fees incurred by the Association in investigating and seeking legal advice concerning violations, and responding to and defending actions relating to violations in small claims court, or any other court of competent jurisdiction.

Section 17. 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 in the event of noncompliance with the conditions of such approval.

ARTICLE VII MORTGAGES

Section 1. Notification of Mortgage. Any Co-owner who mortgages their 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.

Section 2. Notification to Mortgagee of Insurance Company. Upon written request submitted to the Association, the Association shall notify a mortgagee appearing in the Mortgages of Units book of the name of each company insuring the Common Elements against fire and perils

covered by extended coverage, and vandalism and malicious mischief and the amounts of such coverage.

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

Section 4. Notification to Mortgagees and Guarantors. Upon written request submitted to the Association, any institutional holder of any mortgage or any guarantors of the mortgage covering any Unit shall be entitled to receive timely written notice of (i) any proposed action that requires the consent of a specified percentage of mortgagees, whether contained in the Amended and Restated Master Deed or these Bylaws, (ii) any delinquency in the payment of assessments or other charges by a Co-owner that is not cured within sixty (60) days, and (iii) any lapse, cancellation or material modification of any insurance policy maintained by the Association.

ARTICLE VIII MEMBERSHIP AND VOTING

Section 1. Membership in 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. A Co-owner's share 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 Unit owned, provided that the Co-owner is in good standing. As used throughout the Condominium Documents, "good standing" means a Co-owner (or Director, as the case may be) who is current in all financial obligations owing to the Association and who is not in default of any of the provisions of the Condominium Documents. 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 they have presented evidence of ownership of a Unit 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 subsection 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. The notice shall state the name and address of the individual representative designated, the number or

numbers of the Unit or Units owned by the Co-owner, and the name and address of each person, firm, corporation, partnership, limited liability company, association, trust or other entity that is the Co-owner. The Co-owner shall sign and date such notice. The Co-owner may change the individual representative designated at any time by filing a new notice in the manner provided herein. At any Association meeting the chairperson of the meeting may waive the filing of such written notice as a prerequisite to voting.

F. Quorum. The presence in person or by proxy of thirty percent (30%) of the Co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association. 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, or by such date as is established for voting in cases where no meeting is held, shall be counted in determining the presence of a quorum with respect to the question upon which the vote is cast. Any Co-owner who participates by remote communication in an Association meeting, as provided in Article IX, Section 5 below, shall also be counted in determining the necessary quorum.

G. Voting. Votes may be cast in person, in writing duly signed by the designated voting representative, or by any other means allowed by the voting procedures adopted by the Association for a given vote, provided the same are not in violation of the provisions of these Bylaws and Michigan law. Any proxies, written votes or other votes cast by means allowed hereunder must be filed with the Secretary of the Association or the Association's management agent at or before the appointed time of each Association meeting or voting deadline if no meeting is held. The Board of Directors may permit the casting of votes by mail, fax, delivery, electronic transmission, or any other method approved by the Board of Directors in advance of the vote. As used in the Condominium Documents, "electronic transmission" means transmission by any method authorized by the person receiving such transmission and not directly involving the physical transmission of paper, which creates a record that may be retrieved and retained by the Association and may be directly reproduced in paper form by the Association through an automated process. Cumulative voting is not permitted.

H. Majority. Unless otherwise provided, any action that could be authorized at an Association meeting shall be authorized by the vote of a simple majority of those Co-owners qualified to vote.

I. Action without Meeting. Any action that may be taken at an Association meeting (except for voting on questions or proposals where the full question, proposal or choice is not yet known) may be taken without a meeting by written vote or ballot of the Co-owners. Written votes or ballots shall be solicited in the same manner as provided in these Bylaws for the giving of notice of Association meetings. Such solicitations shall specify: (a) the proposed action; (b) that the Co-owner has the opportunity to vote for or against any such proposed action; (c) the number of responses needed to meet the quorum requirements; (d) the percentage of approvals necessary to approve the action; and (e) the time by which written votes must be received in order to be counted. The form of written vote or ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the Co-owner specifies a choice, the vote shall be cast in accordance with the Co-owner's specification. Approval by written vote or ballot shall be constituted by receipt, within the time period specified in the solicitation, of: (i) a number of written votes or ballots which equals or exceeds the quorum that would be required if the action were taken at a

meeting; and (ii) a number of approvals that equals or exceeds the number of votes that would be required for approval if the action were taken at a meeting.

J. Consent of Absentees. The transactions at any Association meeting, 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 Co-owners 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 of such meeting. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 2. 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. The books, records, contracts, and financial statements concerning the administration and operation of the Condominium shall be open for inspection by the Co-owners and their mortgagees during reasonable working hours and at mutually convenient times. 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 and which may be distributed by electronic transmission given in any such manner authorized by the person entitled to receive the financial statement, provided that any Co-owner may receive a written financial statement upon request. The Association shall on an annual basis have its books, records and financial statements independently audited or reviewed by a certified public accountant, as defined in Section 720 of the occupational code (MCL 339.720); provided, however, that the Association may opt out of such certified audit or review on an annual basis by an affirmative vote of a majority of the Co-owners. Any audit or review shall be performed in accordance with the statements on auditing standards or the statements on standards for accounting and review services, respectively, of the American Institute of Certified Public Accountants. Any institutional holder of a first mortgage lien on any Unit shall be entitled to receive a copy of such annual financial statement within ninety (90) days following the end of the Association's fiscal year if requested in writing. The Association shall also maintain on file current copies of the Amended and Restated Master Deed for the Condominium, any amendments thereto and all other Condominium Documents.

ARTICLE IX MEETINGS

Section 1. Place of Meetings. Meetings of the Association shall be held at any suitable place convenient to the Co-owners as may be designated by the Board of Directors. Association meetings shall be guided by Roberts Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Articles of Incorporation, the Amended and Restated Master Deed or the laws of the State of Michigan. Only Co-owners in good standing, and their legal representatives, may speak at meetings of the Association and/or address the Board or Co-owners at any such meetings. Any person in violation of this provision or the rules of order governing the meeting, which are incorporated herein by reference, may be removed from such meeting, without any liability to the Association or its Board of Directors.

Section 2. Annual Meetings. The annual meetings of members of the Association shall be held each succeeding year at such time and place as shall be determined by the Board of Directors.

Written notice of each annual meeting shall be given to all Co-owners at least ten (10) days before the date for which the meeting is or was originally scheduled. At the annual meeting, there shall be elected by ballot of the Co-owners a Board of Directors in accordance with the requirements of Article X of these Bylaws. The Co-owners may also transact at annual meetings such other business of the Association as may properly come before them.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the Co-owners as directed by resolution of the Board of Directors. The President shall also call a special meeting upon a petition presented to the Secretary of the Association that is signed by one third (1/3rd) of those Co-owners entitled to vote. Notice of any special meeting shall state the time, place and purpose of such meeting. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. It shall be the duty of the Secretary (or other Association officer in the Secretary's absence) to serve each Co-owner a notice of each annual or special meeting, stating the purpose as well as the time and place where it is to be held, at least ten (10) days, but not more than sixty (60) days, prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each Co-owner at the address shown in the notice required to be filed with the Association pursuant to Article VIII, Section 1.E of these Bylaws or to the address of the Unit owned by the Co-owner shall be deemed notice served. In lieu of the foregoing, such notice may also be hand delivered to a Unit if the Unit address is designated as the voting representative's address, and/or the Co-owner is a resident of the Unit. Such notice may also be given by electronic transmission. Any Co-owner may, by written waiver of notice signed by such Co-owner, waive such notice, and such waiver when filed in the records of the Association shall be deemed due notice.

Section 5. Remote Communication Attendance; Remote Communication Meetings. A Co-owner may participate in a meeting of the Association by a conference telephone or by other means of remote communication through which all persons participating in the meeting may hear each other, if the Board determines to permit such participation and (a) the means of remote communication permitted are included in the notice of the meeting or (b) if notice is waived or not required. All participants shall be advised of the means of remote communication in use and the names of the participants in the meeting shall be divulged to all participants. Co-owners participating in a meeting by means of remote communication are considered present in person and may vote at such meeting if all of the following are met: (a) the Association implements reasonable measures to verify that each person considered present and permitted to vote at the meeting by means of remote communication is a Co-owner or proxy holder; (b) the Association implements reasonable measures to provide each Co-owner and proxy holder a reasonable opportunity to participate in the meeting and to vote on matters submitted to the Co-owners, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with the proceedings; and (c) if any Co-owner or proxy holder votes or takes other action at the meeting by means of remote communication, a record of the vote or other action is maintained by the Association. A Co-owner may be present and vote at an adjourned meeting of the Co-owners by means of remote communication as if they were permitted to be present and vote by the means of remote communication in the original meetings notice given. The Board may hold a meeting of the Co-owners conducted solely by means of remote communication.

Section 6. Adjournment for Lack of Quorum. If any meeting of Co-owners cannot be held because a quorum is not in attendance, the Co-owners who are present may adjourn the meeting to a time not less than forty eight (48) hours from the time the original meeting was called. The quorum for each subsequent meeting shall be reduced by one-half from the quorum requirement of the previously scheduled meeting.

Section 7. Minutes. Minutes or a similar record of the proceedings of all meetings of members and the Board of Directors must be kept by the Association and, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE X BOARD OF DIRECTORS

Section 1. Qualification and Number of Directors. The affairs of the Association shall be governed by a Board of Directors all of whom must be Co-owners of Units in Pine Knob Manor Homes III and be in good standing. Any Director who is delinquent in any financial obligation owed to the Association, including late fees, shall pay in full the amount due within sixty (60) days of the delinquency. During the period of delinquency, the Director shall not be permitted to vote on any delinquency matter of another Co-owner, including matters that may affect the Director's own Unit. If the Director does not comply with the delinquency cure time period, and notwithstanding the provisions of Section 6 of this Article X, the Director shall be deemed removed from the Board of Directors for the remainder of the director's term and the vacancy shall be filled in accordance with Section 5 of this Article X. The Board shall consist of five (5) members. No two occupants of the same Unit may serve on the Board of Directors at the same time. Directors shall serve without compensation.

Section 2. Term of Directors. The respective terms of office for the Directors have been staggered based on election procedures previously adopted by the Association. In each year, either two or three directors shall be elected for two year terms depending on how many directorships expire that year. All directors shall hold office until their successors have been elected and hold their first meeting.

Section 3. 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 law or the Articles of Incorporation, the Board of Directors shall be responsible specifically for the following:

A. Management and Administration. To manage and administer the affairs of and maintenance of the Condominium and the Common Elements, all to the extent set forth in the Condominium Documents.

B. Collecting Assessments. To collect assessments from the Co-owners and to use the proceeds for the purposes of the Association.

C. Insurance. To carry insurance and collect and allocate the proceeds in the manner set forth in Article IV.

D. Rebuild Improvements. To rebuild improvements after casualty in the manner set forth in Article V.

E. 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.

F. 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 and any easements, rights-of-way and licenses) on behalf of the Association in furtherance of any of the purposes of the Association.

G. 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 percent (50%) of all Co-owners entitled to vote, except in the case of financing or refinancing of a Unit acquired through foreclosure of the statutory lien for unpaid assessments, which shall require no such approval.

H. Rules and Regulations. To make rules and regulations in accordance with Article VI, Section 11 of these Bylaws.

I. 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.

J. Enforce Documents. To enforce the provisions of the Condominium Documents.

K. Administrator. To do anything required of or permitted to the Association as administrator of the Condominium under the Condominium Documents.

L. General. In general, to enter into any kind of activity, to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, repair, replacement and operation of the Condominium and the Association.

Section 4. 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 this Article, 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 Co-owners. In no event shall the Board be authorized to enter into any contract with a professional management agent in which the maximum term is greater than three (3) years, or which is not terminable by the Association upon ninety (90) days' written notice to the other party.

Section 5. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Co-owners shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each person so appointed shall be a Director until the end of the term of the Director who they replaced and a successor is elected at such annual meeting of the Association.

Section 6. Removal of Directors. At any regular or special meeting of the Association duly called and held, any one or more of the directors may be removed with or without cause by the affirmative vote of more than fifty percent (50%) of all Co-owners, and a successor may then and there be elected to fill the vacancy thus created. The quorum requirement for the purpose of filling any vacancy shall be the normal thirty percent (30%) requirement set forth in Article VIII, Section 1F. Any director whose removal has been proposed by the Co-owners shall be given an opportunity to be heard at the meeting.

Section 7. Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the Directors. At least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally, or by mail, facsimile, electronically or telephone at least five (5) days prior to the date of the meeting, unless waived by such Director. Electronic transmission of such notice may also be given in any such manner authorized by the Director entitled to receive the notice.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called by the president upon three (3) days' notice to each Director, given personally, or by mail, facsimile, electronically or by telephone, which notice shall state the time, place and purpose of the meeting. Electronic transmission of such notice may also be given in any such manner authorized by the Director entitled to receive the notice. Special meetings of the Board of Directors shall be called by the president or secretary in like manner and on like notice on the written request of two Directors.

Section 9. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing or orally, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. A Director's attendance at a Board meeting shall be deemed that Director's waiver of notice. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 10. Quorum. The presence of a majority of the Directors at a meeting shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which there is a quorum shall be the acts of the Board of Directors. A Director will be considered present and may vote on matters before the Board by remote communication, electronically or by any other method giving the remainder of the Board sufficient notice of the absent Director's vote and position on any given matter. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time.

At any such adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice. If a Director joins in the action of a meeting by signing and concurring in the minutes of that meeting, the Director shall be considered present for purposes of determining a quorum.

Section 11. Action without Meeting. Any action permitted to be taken by the Board of Directors at a meeting of the Board shall be valid if consented to in writing, including by electronic transmission, by a majority of the Board of Directors. Further, the presiding officer of the Association, in exceptional cases requiring immediate action, may poll all Directors by phone for a vote, and provided the action is consented to by the requisite number of Directors, such vote shall constitute valid action by the Board, provided the results of the vote and the issue voted upon are noted in the minutes of the next Board meeting to take place.

Section 12. Closing of Board of Director Meetings to Members; Privileged Minutes. The Board of Directors, in its discretion, may close a portion or all of any meeting of the Board of Directors to the Co-owners or may permit Co-owners to attend a portion or all of any meeting of the Board of Directors. Any Co-owner shall have the right to inspect, and make copies of, the minutes of the meetings of the Board of Directors; provided, however, that no Co-owner shall be entitled to review or copy any minutes of meetings of the Board of Directors to the extent that said minutes reference privileged communications between the Board of Directors and counsel for the Association, or any other matter to which a privilege against disclosure pertains under Michigan Statute, common law, the Michigan Rules of Evidence, or the Michigan Court Rules.

Section 13. Remote Communication Participation. Members of the Board of Directors may participate in any meeting by means of conference telephone or other means of remote communication through which all persons participating in the meeting can communicate with the other participants. Participation in a meeting by such means constitutes presence in person at the meeting.

Section 14. Fidelity Bond/Crime/Employee Dishonesty Insurance. The Board of Directors shall obtain fidelity bond or equivalent employee dishonesty/crime coverage in the minimum amount of a sum equal to three months aggregate assessments on all Units plus reserve funds on hand, with such fidelity bond or equivalent employee dishonesty/crime insurance covering all officers, directors, and employees of the Association and all other persons, including any management agent, handling or responsible for any monies received by or payable to the Association (it being understood that if the management agent or others cannot be added to the Association's coverage, they shall be responsible for obtaining the same type and amount of coverage on their own before handling any Association funds). The premiums for the foregoing shall be expenses of administration.

ARTICLE XI OFFICERS

Section 1. Designation. The principal officers of the Association shall be a president, vice president, secretary and treasurer. The directors may appoint such other officers as in their judgment may be necessary. Any two offices except that of president and vice president may be held by one person. The President must be a member of the Board of Directors.

Section 2. Appointment. The officers of the Association shall be appointed annually by the Board of Directors and shall hold office at the pleasure of the Board.

Section 3. Removal. The Board of Directors may remove any officer either with or without cause, and the successor to the removed officer may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

Section 4. President. The president shall be the chief executive officer of the Association, and shall preside at all meetings of the Association and of the Board of Directors. The president shall have all of the general powers and duties which are usually vested in the office of the president of a corporation, including, but not limited to, the power to appoint committees from among the Co-owners from time to time in the president's discretion as may be deemed appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. The vice president shall take the place of the president and perform the president's duties whenever the president shall be absent or unable to act. If neither the president nor the vice president is able to act, the Board of Directors shall appoint some other member of the Board to so do on an interim basis. The vice president shall also perform such other duties as shall from time to time be imposed by the Board of Directors.

Section 6. Secretary. The secretary shall keep the minutes of all Board and Association meetings, have charge of the corporate minute book, and of such books and papers as the Board of Directors may direct; and shall in general, perform all duties incident to the office of the secretary.

Section 7. Treasurer. The treasurer or management agent shall have responsibility for all Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The treasurer or management agent shall be responsible for the deposit of all monies and other valuable papers of the Association, in the name of and to the credit of the Association, in such depositories as may from time to time be designated by the Board of Directors.

ARTICLE XII FINANCES

Section 1. Fiscal Year. The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the Board of Directors. The commencement date of the fiscal year of the Association shall be subject to change by the Board of Directors for accounting reasons or other good cause.

Section 2. Banking. The funds of the Association shall be deposited in such bank or other depository as may be designated by the Board of Directors and shall be withdrawn only upon the check or order of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time.

Section 3. Investment of Funds. Funds of the Association shall only be held in accounts that are fully insured and/or backed by the full faith and credit of the United States Government. Only

depositories or instruments where there is no risk of principal loss may be utilized by the Association for investment of its monies.

ARTICLE XIII INDEMNIFICATION

Section 1. Indemnification of Directors and Officers. Every Director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including actual and reasonable counsel fees and amounts paid in settlement incurred by or imposed upon the Director or officer in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, to which the Director or officer may be a party or in which they may become by reason of their being or having been a Director or officer of the Association, whether or not they are a Director or officer at the time such expenses are incurred, except in such cases wherein the Director or officer is adjudged guilty of willful or wanton misconduct or gross negligence in the performance of the Director's or officer's duties, and except as otherwise prohibited by law; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the Director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors (with the Director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled. The Board of Directors shall notify all Co-owners of payment of any indemnification that it has approved at least ten (10) days before payment is made. The indemnification rights of this Article shall be at all times construed to be consistent with those contained in the Articles of Incorporation of the Association.

Section 2. Directors' and Officers' Insurance. The Association shall provide liability insurance for every Director and every officer of the Association for the same purposes provided above in Section 1 and in such amounts as may reasonably insure against potential liability arising out of the performance of their respective duties. With the prior written consent of the Association, a Director or an officer of the Association may waive any liability insurance for such Director's or officer's personal benefit. No Director or officer shall collect for the same expense or liability under Section 1 above and under this Section 2; however, to the extent that the liability insurance provided to a Director or officer was not waived by such Director or officer and is inadequate to pay any expenses or liabilities otherwise properly indemnifiable under the terms of this Article, a Director or officer shall be reimbursed or indemnified only for such excess amounts under Section 1 above or other applicable statutory indemnification.

ARTICLE XIV COMPLIANCE

Section 1. Compliance with Condominium Documents. The Association 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 and the Condominium Documents. 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 conflicts with any provision of the Amended and Restated Master Deed, the Amended and Restated Master Deed 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 Pine Knob Manor Homes III.

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 XV 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 of the foregoing, and such relief may be sought by the Association, or, if appropriate, by an aggrieved Co-owner or Co-owners.

B. Costs Recoverable From Co-owner. Failure of a Co-owner and/or non-Co-owner resident or guest to comply with the Condominium Documents shall entitle the Association to recover from such Co-owner or non-Co-owner resident or guest the pre-litigation costs and actual reasonable attorneys' fees incurred in obtaining their compliance with the Condominium Documents. In addition, in any proceeding arising because of an alleged default by any Co-owner, or in cases where the Association must defend an action brought by any Co-owner(s) or non-Co-owner resident or guest, (regardless if the claim is original or brought as a defense, a counterclaim, cross claim or otherwise), the Association, if successful, shall be entitled to recover from such Co-owner or non-Co-owner resident or guest pre-litigation costs, the costs of the proceeding and actual attorney's fees (not limited to statutory fees), incurred in defense of any claim or obtaining compliance or relief, but in no event shall any Co-owner be entitled to recover such attorney's fees or costs against the Association. The Association, if successful, shall also be entitled to recoup the costs and attorneys' fees incurred in defending any claim, counterclaim or other matter.

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 XVI 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 that 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.

Section 4. Rights of Co-owners. A Co-owner may maintain an action against the Association to compel enforcement of the provisions of the Condominium Documents, and may maintain an action for injunctive relief or damages against any other Co-owner for noncompliance with the Condominium Documents. Even if successful, Co-owners may not recover attorneys fees from the Association, but may recover such fees from another Co-owner if successful in obtaining compliance with the Condominium Documents.

ARTICLE XVI 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 their personal actions or the actions of their family, guests, tenants or any other person admitted through such Co-owner to the Condominium.

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, electronic transmission, 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 VIII, Section 1 E of these Bylaws.

B. Hearing and Decision. The offending Co-owner shall be provided a scheduled hearing before the Board at which the Co-owner may offer evidence in defense of the alleged violation. The

hearing before the Board shall be at its next scheduled meeting, but in no event shall the Co-owner be required to appear less than 7 days from the date of the notice.

C. 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 fails to appear at the scheduled hearing, 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 upon the decision of the Board as recited above, the following fines may be levied:

FIRST VIOLATION	No fine will be levied unless the Board determines that the nature of the violation is such as to be best deterred if a fine is imposed for a first violation
SECOND VIOLATION	\$50.00 Fine
THIRD VIOLATION	\$100.00 Fine
FOURTH VIOLATION AND ALL SUBSEQUENT VIOLATIONS	\$200.00 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 of the Association promulgated in accordance with Article VI, Section 11 of these Bylaws. For purposes of this Section, the number of the violation (i.e. 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 Condominium, 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 in such intervals as may be set forth in the Association's rules and regulations; however, no further hearings other than the first hearing shall be required for successive violations once a violation has been found to exist. 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 of Fines. The fines levied pursuant to Section 3 above shall be assessed against the Co-owner and shall be immediately due and payable. 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 XV of these Bylaws.

ARTICLE XVII 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.