

EXHIBIT A

AMENDED AND RESTATED CONDOMINIUM BYLAWS 297 CLAY CONDOMINIUM

ARTICLE I ASSOCIATION OF CO-OWNERS

Section 1. The Association. 297 Clay Condominium, a residential Condominium located in the City of Muskegon, Muskegon 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 Second 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 Condominium 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 Condominium Act, except as modified by the specific assignment of responsibilities for costs contained in Article IV of the Second 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 adopted budget 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 repairs or replacements of existing Common Elements; (iii) to provide additions to the Common Elements at a total annual cost not exceeding ten percent (10%) 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) assessments to purchase a Unit upon foreclosure of the lien for assessments described hereafter; (ii) providing additions to the Common Elements at a total cost exceeding ten percent (10%) of the Association's annual operating budget; 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 50% of all Co-owners in good standing. 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). At least two (2) Directors must sign any checks or provide written authorization before any funds may be drawn from the reserve fund account. 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 in accordance with the percentage of value allocated to each Unit in the Second Amended and Restated Master Deed without increase or decrease for the existence of any rights to the use of a Unit's Limited Common Elements. Annual assessments shall be payable by Co-owners in twelve (12) monthly installments 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, which shall be the first (1st) day of each calendar month or such other date as may be established from time to time by the Board of Directors for any assessment. Assessments in default shall bear interest at the highest rate allowed by law (currently 7%) until paid in full. In addition, all assessments, or installments of assessments, that remain unpaid 10 days after the due date, shall incur a uniform late charge of \$25.00 for the first month, and \$75.00 per month thereafter for as long as the delinquency continues, 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 lasting for

more than two months, the Association may accelerate the remaining unpaid installments of the annual assessment for that fiscal year 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. A Co-owner making payment to the Association which exceeds any balance owing at the time payment is made consents to such excess payment as a donation to the Association, unless the Co-owner otherwise directs the Association to apply the payment toward a future assessment and the Association consents to said directive, and said Co-owner shall not be permitted any refund of said excess payment without written permission of the Board of Directors.

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 Condominium 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. In addition to Article X, Section 1, a Co-owner in default shall not be entitled to utilize any of the General Common Elements of the Condominium (including the parking lot), shall not be qualified to run for or function as an officer or Director of the Association, and shall not be entitled to vote 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

utilities or 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 Condominium 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 Muskegon 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 Condominium 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 Common Elements of the Condominium that the Association has responsibility for under Article IV of the Second 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. The Association's policy shall include a "Guaranteed Replacement Cost Endorsement" or a "Replacement Cost Endorsement" and, if the policy includes a coinsurance clause, an "Agreed Amount Endorsement." The policy shall also include an "Inflation Guard Endorsement," if available, a "Building Ordinance and Law Endorsement," and a "Steam Boiler and Machinery Coverage Endorsement" if the Condominium has central heating or cooling. The Association may also insure as secondary coverage those Common

Elements that Co-owners are assigned responsibility under Article IV of the Second Amended and Restated Master Deed.

(2) Liability, Worker's Compensation, Fidelity Bond, Directors and Officer, and Other Required Coverage. The Association shall also carry (1) liability insurance with coverage in the minimum amount of one million dollars (\$1,000,000.00) for a single occurrence 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 Second 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 and shall reimburse its managing agent for any separate fidelity bond purchased by the managing agent for the handling or responsibility of any monies received by or payable to the Association, (4) Directors and Officers Liability coverage, and (5) such other insurance as the Board of Directors deems advisable.

(3) Optional Umbrella Insurance. The Association may purchase as an expense of administration an umbrella insurance policy which covers any risk required hereunder which was not covered due to lapse or failure to procure.

(4) 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.

(5) 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.

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

(7) 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. Co-owners are advised that the Association's coverage is not intended to be complete as to all matters, and the Co-owners have an obligation to provide certain

coverage as outlined in this Article. Co-owners are advised to consult with their insurance advisors to determine what additional insurance they must obtain upon their Units and Common Elements, at their own expense, in addition to the coverage carried by the Association. It shall be each Co-owner's responsibility to obtain insurance coverage for (i) those Common Elements that the Co-owner is assigned responsibility under Article IV of the Second Amended and Restated Master Deed, (ii) the interior of their Unit, including all fixtures, equipment, and trim located within the Unit, (iii) personal property located within a Unit or elsewhere in the Condominium, (iv) all improvements and betterments to the Unit and Limited Common Elements, (v) personal liability and property damage for occurrences within a Unit or upon its Limited Common Elements and for General Common Elements that the Co-owner is assigned responsibility pursuant to Article IV of the Second Amended and Restated Master Deed, and (vi) alternative living expense in event of fire or other casualty, and the Association shall have absolutely no responsibility for obtaining such coverage. Co-owners are also advised to obtain insurance covering any insurance deductible or uninsured amount that the Co-owner may be required to pay pursuant to the provisions of Article V, Section 6 or Article VI, Section 14 of these Bylaws. Each Co-owner shall deliver certificates of insurance to the Association as may be required by the Association 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.

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 Association's liability insurance shall, where appropriate, contain cross-liability endorsements to cover liability of the Co-owners as a group to another Co-owner.

D. Determination of Primary Carrier. It is understood that there may be overlapping coverage between the Co-owners' policies and those of the Association, as required to be carried pursuant to this Article. In situations where both the Association's coverage and a Co-owner's coverage are applicable to a given loss, the provisions of this subsection shall control in determining the primary carrier. In cases of property damage to the Unit and its contents, or any other Unit, Common Element or other element or property for which the Co-owner is assigned responsibility for maintenance, repair, and replacement pursuant to the provisions of Article IV of the Second Amended and Restated Master Deed, or incidental or consequential damages to any other Unit resulting from an item, element, or occurrence for which the Co-owner is assigned responsibility in Article IV of the Second Amended and Restated Master Deed, the Co-owner's policy shall be deemed to be the primary coverage. In cases of property damage to the General Common Elements or a Limited Common Element for which the Association is assigned responsibility for maintenance, repair, and replacement pursuant to the provisions of Article IV of the Second Amended and Restated Master Deed, the Association's policy shall be deemed to be the primary coverage. In cases of liability for personal injury or otherwise, for occurrences in the Unit or upon a Common Element for which the Co-owner is assigned responsibility for maintenance, repair, and replacement pursuant to the provisions of Article

IV of the Second Amended and Restated Master Deed, the Co-owner's policy shall be deemed to be the primary coverage. In cases of liability for personal injury or otherwise, for occurrences on a Common Element for which the Association is assigned responsibility for maintenance, repair, and replacement pursuant to the provisions of Article IV of the Second Amended and Restated Master Deed, the Association's policy shall be deemed to be the primary coverage. In all cases where the Association's policy is not deemed the primary coverage, if the Association's insurance provider contributes to payment of the loss, the Association's liability to the Co-owner shall be limited to the amount of the insurance proceeds. In cases where the Co-owner's policy is deemed primary for the purpose of covering losses where the damage is incidental or caused by a General Common Element or the repair or replacement of a General Common Element, the insurance carrier of the Co-owner shall have no right of subrogation against the Association or its carrier.

Section 2. Association as Attorney-in-Fact. Each Co-owner, by ownership of a Unit in the Condominium, shall be deemed to appoint the Association as their true and lawful attorney-in-fact to act in connection with all matters concerning any insurance carried by the Association. Without limitation on the generality of the foregoing, the Association shall have full power and authority to purchase and maintain such insurance, to collect and remit premiums, to collect proceeds and to distribute the same to the Association, the Co-owners and respective mortgagees, as their interests may appear but subject always to the Condominium Documents, to execute releases of liability, and to execute all documents and to do all things on behalf of such Co-owner and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing.

Section 3. 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. Determination of Reconstruction or Repair. If the damaged property is a Common Element or a Unit, the property shall be rebuilt or repaired if any Unit in the Condominium is tenantable, unless it is determined by the affirmative vote of eighty percent (80%) of the Co-owners in the Condominium that the Condominium shall be terminated, and two-thirds (2/3rds) 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 2. Co-owner Responsibility for Reconstruction or Repair. If the damage is only to the Unit or a Common Element which is the responsibility of a Co-owner to maintain, repair, and insure, it shall be the responsibility of the Co-owner to promptly repair such damage in accordance with these provisions. Subject to the provisions of Article VI, Section 14, regardless of the cause or nature of any damage or deterioration, including, but not limited to, instances in which the damage is incidental to or caused by (i) a Common Element for which the Association is responsible pursuant to

Article IV of the Second Amended and Restated Master Deed, (ii) the maintenance, repair, or replacement of any Common Element, (iii) the Co-owner's own actions or the Co-owner's failure to take appropriate preventive action, or (iv) the malfunction of any appliance, equipment, or fixture located within or serving the Unit, each Co-owner shall be responsible for the cost of repair, reconstruction and replacement of all items for which the Co-owner is assigned responsibility under Article IV of the Second Amended and Restated Master Deed, and for those items which the Co-owner is primarily responsible to insure pursuant to Article IV of these Bylaws. Under no circumstances will the Association be responsible for any damage to the contents of any Unit or the personal property of a Co-owner or any occupant of the Unit. In the event any damage to Common Elements is the responsibility of the Association's insurance carrier pursuant to the provisions of Article IV, then the reconstruction or repair of the same shall be the responsibility of the Association in accordance with Section 4 of this Article, although the responsibility for costs shall be allocated in accordance with the provisions of this Section and Section 4. If any interior portion of a Unit is covered by insurance held by the Association for the benefit of the Co-owner, and the Association's carrier is responsible for paying a claim pursuant to the provisions of Article IV of these Amended and Restated Bylaws, the Co-owner shall be entitled to receive those proceeds of insurance, but only in the absence of Co-owner coverage for those items, and those proceeds shall be used solely for the necessary repairs. In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the Association promptly shall so notify each institutional holder of a first mortgage lien on any Unit in the Condominium.

Section 3. Association Responsibility for Reconstruction or Repair of Common Elements. Subject to the responsibility of the individual Co-owners as outlined in Section 3 above and other provisions of these Bylaws or the Second Amended and Restated Master Deed applicable to such situations, the Association shall be responsible for the reconstruction and repair of the General Common Elements and those other items for which it is assigned responsibility in Article IV of the Second Amended and Restated Master Deed. 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.

Section 4. Timing. If damage to Common Elements or a Unit adversely affects the appearance of the Condominium or deprives others from utilizing the Common Elements, 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 5. Responsibility for Amounts within Insurance Deductible or Otherwise Uninsured. Notwithstanding any other provision of the Condominium Documents, except to the extent that a lack of insurance results from a breach of the Association's or other Co-owner's duty to insure, the responsibility for damage to any portion of the Condominium that is within the limits of any applicable insurance deductible, unless waived, and for any other uninsured amount, shall be borne by the responsible Co-owner whenever the damage is the result of a failure to observe or perform any requirement of the Condominium Documents, or if the damage results from damage to or misuse of any of the Common Elements by the Co-owner, 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.

Section 6. Indemnification. Each Co-owner shall indemnify and hold the Association harmless for all damages and costs, including, without limitation, actual attorneys' fees (not limited to reasonable attorneys' fees), which the Association suffers as the result of defending any claim arising out of an occurrence on or within such Co-owner's Unit or a Common Element for which the Co-owner is assigned the responsibility to maintain, repair, and replace. Each Co-owner shall carry insurance to secure this indemnity. This Section 6 shall not be construed to afford any insurer any subrogation right or other claim or right against a Co-owner.

Section 7. Eminent Domain. Section 133 of the Condominium 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 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 the Condominium 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 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 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 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 Second Amended and Restated Master Deed amended accordingly. Such amendment may be effected by an officer of the Association duly authorized by the Board of Directors without the necessity of execution or specific approval thereof by any Co-owner, but only with the prior written approval of holders of two-thirds (2/3rds) of all first mortgage liens on individual Units in the Condominium.

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

Section 8. 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 or Common Elements.

Section 9. Notification to Mortgagees and Guarantors. The Association shall give the holder of any first mortgage and any guarantors of the mortgage covering any Unit in the Condominium 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 Units.

A. Single Family Use. No Residential Unit shall be used for other than single-family residential purposes, and the Common Elements shall be used only for purposes consistent with the use herein stated. No Co-owner shall carry on any business enterprise or commercial activities anywhere within Residential Units, including without limitation for profit or nonprofit day care, adult foster care, nursing facilities, transitional housing and similar enterprises; provided, however, that Co-owners shall be allowed to have home offices in their Residential Units so long as 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 City of Muskegon.

B. Use of First Floor Units. Co-owners of First Floor Units as of the effective date of the Second Amended and Restated Master Deed may select to use their First Floor Units for residential or office use. Any other commercial use sought for First Floor Units after the effective date of this Second Amended and Restated Master Deed, other than office use, must be approved by the Board of Directors. Although identified as First Floor Units in the Amended Master Deed, Units 102, 105 and 106/107 shall, upon the effective date of this Second Amended and Restated Master Deed, be designated as Residential Units and no commercial, office or retail use shall be permitted in said Units.

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

D. Sex Offenders. No one may occupy any Unit who is subject to Michigan Public Act 295 of 1994, Sex Offenders Registration Act, MCL 28.721, et. Seq.

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 more fully set forth in this Section 2. Except as provided in this section, no fewer than ninety-five (95%) of the total number of Units in the Condominium shall be occupied by the Co-owner of record, except that the following exclusions shall apply: (i) any Unit owned by a business entity and used solely for non-residential purposes by that or a legally related business entity shall be considered to be owner-occupied and not be considered a leased or rented Unit; (ii) any Unit which is occupied as of September 1, 2015, by a tenant according to the terms of a lease and/or rental agreement, and which is in full compliance with these Amended and Restated Bylaws and all Rules and Regulations of the Condominium shall be exempt from the limitation unless and until either the Unit becomes owner-occupied or any portion of the ownership of the Unit is transferred from the Co-owner of record as of September 1, 2015 to any other person; or (iii) if at any time the Board of Directors, determines based upon the criteria defined by Rule by the Board of Directors that the prohibition on leasing contained in this Section will actually create a substantial economic hardship upon one of more of the Co-owners of the Unit, then the Board of Directors, in its discretion, may exempt one or more Units from the prohibition for the duration of the economic hardship; but in no instance shall the total number of leased Units exceed 30% of the total number of Units. 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. Procedures for Leasing. The leasing of Units shall conform to the following additional 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 Association 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, and all persons occupying Residential Units who are 18 years of age or older shall be signatories on the Lease as tenants, unless the occupant is a dependent child or spouse of a tenant. No Co-owner may lease, license or otherwise permit others to occupy parking space(s) preserved for the Unit except for (i) tenants of the Unit under the provision of a lease approved under this Section; or (ii) temporary visitors or invitees. 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). Notwithstanding anything to the contrary contained in Article XVI of these Bylaws, Co-owners who do not comply with the disclosure and submittal provisions contained in this Section shall be subject to a monetary fine in the amount of up to \$250.00 (or such other amount as may be established by the Board pursuant to duly adopted Rules and Regulations) to be assessed by the Association in accordance with the procedures set forth in Article XVI, Section 2 of these Bylaws.

(2) Administrative Fee. 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.

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

(4) 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 may 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.

(5) 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 or 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.

C. 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. Tenants of Co-owners are required to maintain renters insurance coverage for not only personal property and alternative living expenses, but also for personal liability with coverage in the minimum amount of three hundred thousand dollars (\$300,000.00) for a single occurrence or such other amount as may be established by the Board pursuant to duly adopted Rules and Regulations. Co-owners must provide a certificate of insurance evidencing said coverage

on an annual basis. In the event the tenant refuses to purchase insurance required by this section, the Co-owner of the Unit shall be required to purchase said insurance.

Section 3. Alterations and Modifications.

A. Approvals Required. No Co-owner shall commence or make alterations in exterior appearance or make structural modifications to any Unit or make any changes in the appearance or use of any of the Common Elements, Limited or General, 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 shall have first been submitted to and approved in writing by the Association, and a copy of said plans and specifications, as finally approved, delivered to the Board. For purposes of this section “structural modifications” include, but are not limited to: (i) changes in the interior walls through or in which there exists easements for support or utilities; (ii) the maintenance, repair or replacement of any flooring or floor coverings in a Unit, excluding mere cleaning; (iii) the repair or replacement of plumbing fixtures servicing a Unit; and (iv) the installation or connection of appliances within a Unit. The Board shall have the right to refuse to approve any such plans or specifications that are not suitable or desirable in its opinion for aesthetic or any other reasons, and in passing upon such plans and specifications 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, the historical status of the building and the of harmony with the Condominium as a whole. In the event that any application for changes are approved by the Board of Directors, such approval may be subject to a recordable, written agreement 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, if applicable, 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. 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.

B. Sound Conditioning. A Co-owner shall not damage, attach anything to, or alter walls, ceilings or floors between Units so as to compromise sound conditioning.

C. Installation of Antennas/Satellite Dishes. The installation of antennas, direct broadcast satellite satellites and other technologies regulated by the Federal Communications Commission is expressly prohibited without the prior written consent of the Board of Directors as a result of the Condominium being listed in the National Register of Historic Places.

D. Association Access to Common Elements. No Co-owner shall in any way restrict access to any plumbing, water line, water line valves, water meters or any other 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 has been approved in accordance with the Condominium Documents, 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 harmful, offensive, improper or unlawful 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 device or thing of any sort whose normal activities or existence is in any way harmful, noisy, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the reasonable enjoyment of other Units. The Board of Directors shall be the final arbiter of whether a particular device or thing is in violation of the foregoing restrictions, and the disputing Co-owners shall mediate any disputes between them that cannot be amicably resolved 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 Board 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. Marijuana shall not be grown, cultivated, stored or used on the Condominium premises, regardless of whether it may be permitted by the Michigan Medical Marijuana Act.

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. 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. The term "animal" or "pet" as used in this section shall not include small animals, fish or birds that are constantly caged or in a tank, except that the aforementioned small animals or birds shall not exceed two (2) per Unit. 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.

i. The Board of Directors may require that Co-owners register their pets with the Association before the pet may be maintained on or within the Condominium. The Board may require that any such registration include, among other things, 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.

ii. 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.

iii. 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 on the Common Elements with the leash being held and controlled at all times by a responsible person and otherwise in accordance with any ordinances of the City of Muskegon that may apply.

iv. 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.

v. 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.

vi. 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.

vii. 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.

C. Association Remedies. The Association may, after notice and hearing, without liability to the Association, 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. The Association may adopt such additional reasonable rules and regulations with respect to animals, as it may deem proper.

Section 6. Use of Common Elements. Co-owners and other users of the Condominium shall not use 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 shall be stored and handled in accordance with all applicable rules and regulations of the Association and City of Muskegon 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. The Common Elements shall not be used in any way for the drying or airing of clothing or other fabrics. 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, or and only furniture and equipment consistent with ordinary deck use shall be permitted to remain on these areas. 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 Common Elements, including, without limitation, roads and sidewalks, shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. Except furniture and equipment consistent with ordinary deck use, no bicycles, toys, baby carriages or other personal property may be left unattended on or about the Common Elements. Furniture and equipment consistent with ordinary deck use, including but not limited to awnings and deck umbrellas, must be approved in writing in advance by the Board of Directors, and no such furniture and equipment may be stored on decks during seasons when decks are not reasonably in use, unless: (i) stored in a corner of the deck; (ii) covered by appropriate furniture covers; and (iii) approved in writing by the Board of Directors.

Section 8. Vehicles upon the Condominium.

A. Permitted Vehicles in General. Except as otherwise provided in this Section, only currently licensed automobiles, motorcycles (if not objectionable due to excessive noise or irresponsible operation), non-commercial pickup trucks, SUVs, and passenger vans not exceeding 21 feet in overall length, which are used as an occupant's primary means of transportation and not for any commercial purposes, may be parked in the Condominium or any other real property in which the Association has an interest. Except as otherwise provided in this Section, no house trailers, commercial vehicles (as defined in subsection B below), boat trailers, watercraft, boats, motor homes, camping vehicles, camping trailers, trailers, snowmobiles, snowmobile trailers, recreational vehicles, non-motorized vehicles, off-road vehicles or all terrain vehicles shall be parked or stored in the Condominium or in any other real property in which the Association has an interest. No Co-owner shall use or permit the use by an occupant, agent, employee, invitee or guest of the Unit, any casual motorized transportation anywhere within the Condominium or in any other real property in which the Association has an interest, including, but not limited to, motorized scooters, mopeds, go-carts, dirt bikes and the like.

B. 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 or any other real property in which the Association has an interest for purposes such as loading and unloading. 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.

C. Commercial Vehicles or Trucks. Commercial vehicles and trucks shall not be parked in or about the Condominium or any other real property in which the Association has an interest (except as above provided) unless parked in an area specifically designated for such vehicles or trucks by the

Association, or while making deliveries or pickups in the normal course of business. 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.

D. Standing Vehicles, Repairs. Nonoperational vehicles or vehicles with expired license plates shall not be parked on the Condominium or any other real property in which the Association has an interest without written permission of the Board of Directors. Nonemergency maintenance or repair of vehicles shall not be permitted on the Condominium or any other real property in which the Association has an interest, unless specifically approved by the Board of Directors.

E. Parking Restrictions. No parking of any vehicles is permitted allowed in designated fire lanes or in violation of duly promulgated rules and regulations of the Association. No more than two (2) vehicles per Unit shall be permitted on the Condominium without the written permission of the Board of Directors. All vehicles parked in reserved spaces shall contain permits or decals provided by the Association.

F. 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 or towed from the Condominium or any other real property in which the Association has an interest, 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 or other real property in which the Association has an interest. The Board of Directors may promulgate reasonable rules and regulations governing the parking and use of vehicles in the Condominium or any other real property in which the Association has an interest, 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, fireworks, 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. No barbecuing or grilling shall occur on the

Common Elements, nor shall any fire features be permitted, including but not limited to chimineas and fire pits, except as authorized in the rules and regulations adopted by the Board of Directors.

Section 10. Signs. No signs, notices, advertisements, pennants or flags, including "for sale" and "open house" signs other than: (i) a U.S. flag no larger than 3' x 5'; (ii) such signs as are necessary to identify the building and access to the Units as determined solely by the Association; (iii) such dignified and uniform signage consistent with a high quality commercial development as may be approved by the Association for authorized commercial uses for First Floor Units; and (iv) such signage as is customary and necessary to the efficient operation of a parking facility as determined solely by the Association, shall be displayed which are visible from the exterior of a Unit without written permission from the Association.

Section 11. Rules and Regulations Consistent with Act. Reasonable rules and regulations consistent with the Condominium Act, the Second Amended and Restated Master Deed, and these Amended and Restated Bylaws, concerning the use of the Common Elements, any other real property owned by the Association 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 two-thirds (2/3) of all Co-owners in good standing.

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 from time to time, during reasonable working hours, upon notice to the Co-owner, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Board of Directors may require all Co-owners to provide a key to the Association to assist the Association in gaining access to Units for any purpose authorized by the Condominium Documents. The Association or its agents shall also have access to each Unit and any Limited Common Elements at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit. It shall be the responsibility of each Co-owner to provide the Association means of access to their Unit and any Limited Common Elements 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 and any Limited Common Elements caused 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 upon the Common Elements, Limited or General, unless the same is in total conformance with the rules and regulations of the Association on landscaping as are published from time to time or is otherwise approved by the Association in writing. Any landscaping performed by the Co-owner and any such trees, shrubs or flowers planted by the Co-owner, if and when approved, shall be the responsibility of the Co-owner to maintain. In the event that such Co-owner fails to adequately maintain such landscaping performed by the Co-owner and any such trees, shrubs, or flowers planted by the Co-owner to the Association's satisfaction, the Association shall have the right to perform such

maintenance and assess and collect from the Co-owner the cost in the manner provided in Article II of these Amended and Restated Bylaws. The Co-owner shall also be liable for any damages to the Common Elements arising from the performance of such landscaping or the planting of such trees, shrubs or flowers, or the continued maintenance of such landscaping. Should access to any Common Elements of any sort be required, or should any materials specified in this Section interfere with maintenance or services provided by the Association, the Association may remove any obstructions of any nature that restrict such access and/or services and will have no responsibility for repairing, replacing or reinstalling any materials, whether or not installation has been approved in accordance with the Condominium Documents, that are damaged in the course of gaining such access and/or performance of such services, nor shall the Association be responsible for monetary damages of any sort arising out of any such actions.

Section 14. Co-owner Maintenance of Unit and Common Elements. Each Co-owner shall maintain their Unit and any Common Elements for which they have maintenance responsibility in a safe, clean and sanitary condition and in such a manner that satisfies all aesthetic guidelines adopted by the Board of Directors. All Units must have operational smoke detectors installed at all times. Co-owners shall implement reasonable precautionary maintenance with respect to any vacant Unit as the Board of Directors from time to time shall require, including, but not limited to, maintaining electricity and heat to Units over the winter months. 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 serve 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 and not insurance held by the Co-owner, 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 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. 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. Any costs or expenses incurred by the Association as a result of a Co-owner's failure to timely report any damages to Common Elements, or Common Elements that are in otherwise need of maintenance, repair or replacement, shall be assessed to and collected from the responsible Co-owner in the manner provided in Article II.

Section 15. Application of Restrictions to the Association. None of the restrictions contained in this Article VI or elsewhere in the Condominium Documents shall apply to the activities of the Association in furtherance of its powers and purposes set forth in the Condominium Documents or the Condominium Act.

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 provisions of the Condominium Documents against a Co-owner or their licensees or invitees, including without limitation the restrictions set forth in this Article VI, 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 Amended and Restated 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.

Section 18. Fitness Room Fees and Credits. In accordance with MCL 559.169(2), use of the fitness room is deemed to be an unusual common expense benefitting less than all of the Condominium Units, and accordingly, the Board of Directors may adopt a reasonable fee for use of the Fitness Room by a Co-owner, including any offsets or credits to said fees resulting from the donation of fitness equipment by a Co-owner.

Section 19. Pool Fees. The Board of Directors may adopt such reasonable fees as it deems necessary for use of the pool by more than the maximum number of Co-owner guests allotted in the Rules and Regulations of the Association. Any such fees assessed to a Co-owner shall be levied and collected from the responsible Co-owner in the manner provided in Article II.

Section 20. Moving Fees. Co-owners shall be required to schedule appointments with the Association to move into or out of a Unit, either for themselves, their tenants or non-Co-owner occupants, pursuant to Rules and Regulations adopted by the Board of Directors. The Board of Directors may further adopt reasonable fees associated with the administrative expense for scheduling and monitoring individuals moving into or out of a Unit in the Association's Rules and Regulations. Any such expenses shall be levied and collected from the responsible Co-owner in the manner provided in Article II.

Section 21. Security Deposits. Landlord Co-owners, as may be defined by the Rules and Regulations of the Association, may be required to submit a reasonable damage deposit to be held by the Association for as long as the Unit is being rented. The Association may utilize the damage deposit for anything relating to or arising out of the occupancy of the Unit by a tenant, including but not limited to, damages to the Common Elements, monetary fines or unpaid assessments duly levied by the Association. In the event the Association is forced to utilize all or any portion of the damage deposit for any purpose relating to or arising out of the occupancy of the Unit by a tenant, the Co-owner shall be responsible for replacing the damage deposit within fourteen (14) days' notice of its use by the Association.

Section 22. Damage Deposits. Co-owners updating, renovating or making substantial repairs or replacements to the interior of their Unit or any Common Elements for which they are

assigned responsibility under the Second Amended and Restated Master Deed, regardless of whether such updates, renovations or repairs require prior written approval by the Board of Directors under Article VI, Section 3 herein, shall be required to post a damage deposit in an amount specified in the Rules and Regulations of the Association to protect against damages to the Common Elements and other Units in the Condominium. Upon satisfactory completion of said updates, renovations or repairs, the Association shall return within ten (10) days any unused portion of the damage deposit to the Co-owner.

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 Second 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. Voting shall be by number, except when the Condominium Documents or Act require a vote by number and value. In the case of any Unit owned jointly by more than one Co-owner, the voting rights associated with 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 by way of a recorded Deed, recorded Land Contract or recorded Memorandum of Land Contract. 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 more than fifty percent (50%) of the Co-owners qualified to vote shall constitute a quorum for holding a meeting of the members of the Association. 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 or by proxy, or as provided in the Restated Articles of Incorporation. Any proxies 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 held.

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. 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 non-privileged and non-sensitive 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, except that Co-owners wish to inspect such documents must: (a) describe the requested documents with reasonable particularity; (b) be pursuing such inspection for a proper purpose; (c) must pay for all reasonable copying charges incurred by the Association or its management in preparing reproductions of such records; and (d) must pay for all administrative costs incurred by the Association or its management in collecting the records requested by the Co-owner and supervising any inspection. 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 Second 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 Second Amended and Restated Master Deed or the laws of the State of Michigan. Only Co-owners in good standing or their legal representatives, eligible non-Co-owner nominees to the Board of Directors or any other individual recognized by the Chairperson may speak at meetings of the Association and/or address the Board or Co-owners at any such meetings. Except for those individuals authorized to speak at meetings of the Association, the chairperson may also adopt rules establishing who is eligible to attend meetings of the Association. 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 the Association shall be held in the month of August each succeeding year at such time and place as shall be determined by the Board of Directors. The Board of Directors may, acting by a majority vote, change the date of the annual meeting in any given year, provided that at least one such meeting is held in each calendar year. Written notice of each annual meeting, as well as any change in the date of the annual meeting as provided for herein, 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 or acclamation of the Co-owners a Board of Directors in accordance with the requirements of Article X of these Bylaws, except that only those eligible individuals submitting a nomination within the time provided by the Association in advance of the delivery of the Annual Meeting notice shall be eligible to run for the Board of Directors. No nominations for the Board of Directors shall be permitted from the floor at the Annual Meeting unless there is an insufficient number of pre-registered nominees to fill the positions up for election. Other business of the Association shall be proscribed by the Agenda sent with notice of the Annual Meeting, except as determined by the chairperson at the Annual Meeting.

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 (1/3) of those Co-owners in good standing within thirty (30) days of receipt of a valid petition. 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, if consented to by the Co-owner. 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. 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 35% from the quorum requirement of the previously scheduled meeting.

Section 6. 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.

Section 7. Chairperson. A chairperson shall preside at each meeting of the Association. The chairperson shall be appointed by the Board of Directors. The chairperson at the meeting shall determine the order of business and has the authority to establish rules for the conduct of the meeting, so long as they are fair to the Co-Owners. The chairperson shall announce at the meeting when the polls close for each vote of the Co-owners, and if no announcement is made, the polls close on the final adjournment of the meeting. Once the polls have been closed, ballots, proxies and votes, and any revocations or changes thereof, shall not be accepted.

Section 8. Record Date. The Board of Directors shall be entitled to establish a record date for purposes of determining which Co-owners are entitled to notice of and to vote at a meeting, notice of an adjournment of a meeting, and for the purposes of determining the Co-owners that are entitled to receive and to cast a ballot under Articles IX and X of the Restated Articles of Incorporation. The record date shall not precede the date on which the resolution fixing the record date is adopted by the Board. The record date shall not be more than sixty (60) or fewer than ten (10) days before the date of a meeting or the first day on which a member may cast a vote at a polling place for a vote held under Article X of the Restated Articles of Incorporation. If the vote is by ballot under Article IX of the Restated Articles of Incorporation, the record date shall not be more than sixty (60) or fewer than twenty (20) days before the last date on which the corporation must receive the ballots for them to be counted. If the record date is not fixed by the Board, the record date for determination of Co-owners entitled to notice of or to vote at a meeting of Co-owners or cast a vote at a polling place under Article X of the Restated Articles of Incorporation is the close of business on the day next preceding the day on which notice is given. If the vote is by ballot under Article IX of the Restated Articles of Incorporation, and a record date is not fixed, the record date for determination of which Co-owners are entitled to receive and cast a ballot is the close of business of the day next preceding the day which the Association provides the ballot to Co-owners. If a determination of which Co-owners of record are entitled to notice of or to vote at a meeting of Co-owners is made under this Section, the determination applies to any adjournment of the meeting, unless the Board establishes a new record date under this Section.

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 consisting of five (5) members, at least three of whom must be Co-owners of Units in 297 Clay Condominium and in good standing. The Board of Directors may adopt rules and regulations proscribing the qualifications for the two director positions which do not require individuals to be Co-owners. 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. 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 three or two 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. Easements and Telecommunications. To grant such easements, licenses and other rights of entry, use and access, and to enter into any contract or agreement, including wiring agreements, utility agreements, right of way agreements, access agreements, and to the extent allowed by law, contracts for sharing of any installation or periodic subscriber fees as may be necessary, convenient or desirable to provide for telecommunications, broad band cable, satellite dish, earth antenna and similar services (collectively "Telecommunications") to the Condominium or any Unit therein. Notwithstanding the foregoing, the Board of Directors shall not have the authority to enter into any contract or agreement or grant any easement, license or right of entry or do any other act or thing

which would violate any provision of any federal, state or local law or ordinance. Any and all sums paid by any Telecommunications or any other company or entity in connection with such service, including fees, if any, for the privilege of installing same, or sharing periodic subscriber service fees, shall be receipts of administration, within the meaning of the Act, and shall be paid over to and shall be the property of the Association.

H. 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 in good standing, 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.

I. Assign Right to Future Income. To assign its right to future income, including the right to receive Co-owner assessment payments.

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

K. 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. The Board of Directors shall appoint an Executive Committee, which shall act with all powers and duties of the Board of Directors except as provided in duly adopted resolutions of the Board. The Executive Committee shall be entitled to make and approve expenditures on behalf of the Association, subject to the following limitations: (i) any single expenditure up to \$500.00 shall require the approval of at least two (2) members of the Executive Committee; and (ii) any single expenditure in excess of \$500.00, up to \$2,000.00 shall require the approval of three (3) members of the Executive Committee; and (iii) the Executive Committee shall not make or approve expenditures exceeding \$2,000.00. The Executive Committee shall consist of the President, Secretary and Treasurer of the Association.

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

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

N. 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, which may be a Member of the Board of Directors or a Co-owner, 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.

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. Vacancies created by resignation or a Director elected by a Co-owner who ceases to be a Co-owner shall be filled in thirty (30) days. 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 Board of Directors, any one of the Directors may be removed with or without cause by the affirmative vote of all of the remaining directors then in office not subject to the removal action. If a director is removed in this fashion, the remaining directors shall appoint a successor in accordance with Section 5 of this Article. Directors may also be removed in accordance with the Restated Articles of Incorporation, as amended.

Section 7. First Meeting of New Board. The first meeting of a newly elected Board shall be held within ten (10) days of election of Directors at an Annual Meeting at such place and time as shall be fixed by the Directors at the meeting at which such Directors were elected. No notice shall be necessary to the newly elected Directors in order to legally constitute such meeting, provided a majority of the entire Board is present at such a meeting.

Section 8. 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 three (3) 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 9. Special Meetings. Special meetings of the Board of Directors may be called by the president upon one (1) day 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 10. 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 11. Quorum and Voting. 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 12. Action without Meeting. Any action permitted to be taken by the Board of Directors at a meeting of the Board shall be valid in the absence of a meeting 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 13. 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 14. 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 15. Fidelity Bond/Crime/Employee Dishonesty Insurance. The Board of Directors shall obtain a 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 and shall reimburse its managing agent for any separate fidelity bond purchased by the managing agent for the handling or responsibility of any monies received by or payable to the Association . 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, secretary and treasurer. The Directors may appoint such other officers as in their judgment may be necessary. The president, secretary and treasurer must be members 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. Directors may serve in the same officer position in successive terms, without limit.

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. Any officer who is more than thirty (30) days' delinquent in any financial obligation owing to the Association, or who ceases to serve as a Director, shall be automatically removed as an officer. Officer vacancies shall be filled within thirty (30) days of being created.

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 nonprofit 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. Secretary. The secretary shall keep the minutes of all Board and Association meetings, be responsible for maintaining a record of the minutes and of such books and other records as the Board of Directors may direct, and shall in general perform all duties incident to the office of the secretary, including communications between the Board and the Co-owners.

Section 6. 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 and shall report to the Board of Directors on the financial status of the Association on a monthly basis. 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, Officers and Volunteers. The Board of Directors shall be indemnified in accordance with the terms and provisions of the Restated Articles of Incorporation.

Section 2. Directors' and Officers' Insurance. The Association shall provide liability insurance for every Director and every officer of the Association and in such amounts as may reasonably insure against potential liability arising out of the performance of their respective duties.

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 Second Amended and Restated Master Deed, these Bylaws, or Restated 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 Second Amended and Restated Master Deed, the Second 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 Second Amended and Restated Master Deed for 297 Clay Condominium.

Section 3. Definitions. All terms used herein shall have the same meaning as set forth in the Second 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. Any expenses incurred by the Association in exercising the remedy afforded herein shall be assessed to and collected from the Co-owner as provided in Article II of these Amended and Restated Bylaws. 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.

E. Prohibition on Accessing Certain Common Elements. Co-owners, and the occupants of a Unit, may be barred from using the fitness room, pool, and any other General Common Element for violations of the Condominium Documents, so long as such prohibition does not prohibit a Co-owner, or the occupants of a Unit, from gaining access to their Unit.

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 | \$25.00 Fine |
| 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 but not limited to the indexing of such fines to the rate of inflation or specific fines for particular violations of the Condominium Documents, 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 each successive day during which a violation continues or 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 or the Condominium 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 Unit and 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.

