

INVERNESS CONDOMINIUM ASSOCIATION

ARTICLE VI

RESTRICTIONS

Section 1. No Unit in the Condominium shall be used for other than single-family residence purposes (except that persons not of the same immediate family residing together may occupy a Unit with written consent of the Board of Directors which consent shall not be unreasonably withheld) and the Common Elements shall be used only for purposes consistent with the use of single-family residences. A family shall mean one person or a group of two or more persons related by bonds of consanguinity, marriage, or legal adoption.

Section 2. A Co-owner may lease his Unit for the same purposes set forth in Section 1 of this Article VI; provided that written disclosure of such lease transaction is submitted to the Board of Directors of the Association in the same manner as specified in Section 13 of this Article VI. with the exception of a lender in possession of a Unit following a default of a first mortgage, foreclosure of deed or other arrangement in lieu of foreclosure, no Co-owner shall lease less than an entire Unit in the Condominium. The terms of all leases, occupancy agreements and occupancy arrangements shall incorporate, or be deemed to incorporate, all of the provisions of the Condominium Documents. The Developer may lease any number of Units in the Condominium in its discretion.

Section 3. No Co-owner shall make alterations in exterior appearance or make structural modifications to his Unit (including interior walls through or in which there exist easements for support or utilities) or make changes in any of the Common Elements, limited or general, without the express written approval of the Board of Directors including (but not by way of limitation) exterior painting or the erection of antennas, lights, aerials, awnings, doors, shutters or other exterior attachments or modifications, nor shall any Co-owner damage or make modifications or attachments to Common Element walls between Units which in any way impairs sound conditioning provisions. Antennas or aerials installed prior to the recording of the Master Deed shall be permitted to remain, such shall be maintained at the expense of the individual owner or owners. The Board of Directors may approve only such modifications as do not impair the soundness, safety, utility or appearance of the Condominium.

Section 4. No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements, limited or general, 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 on in any Unit or on the Common Elements. No Co-owner shall do or permit anything to be done or keep or permit to be kept in his Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium without the written approval of the Association and each Co-owner shall pay to the Association the increased cost of insurance premiums resulting from any such activity or the maintenance of any such condition.

Section 5. No animals, except one dog or two cats or one dog and one cat, none of which shall exceed 40 pounds in weight, shall be maintained by any Co-owner unless specifically approved in writing by the Association. No animal may be kept or bred for any commercial purpose and shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No animal may be permitted to run loose at any time upon the Common Elements and any animal shall at all times be attended by some responsible person while on the Common Elements, limited or general. No savage or dangerous animal shall be kept and any Co-owner who causes any animal to be brought or kept upon the premises of the Condominium shall indemnify and hold harmless the Association for any loss, damage or liability which the Association may sustain as the result of the presence of such animal

on the premises, whether or not the Association has given its permission therefor. Deposits of fecal matter shall be made only in those areas specifically designated for such purposes by the Association. The Association may charge all Co-owners maintaining animals a reasonable additional assessment to be collected in the manner provided in Article II of these Bylaws in the event that the Association determines such assessment necessary to defray the maintenance cost to the Association of accommodating animals within the Condominium. The Association may, without liability to the owner thereof, remove or cause to be removed any animal from the Condominium which it determines to be in violation of the restrictions imposed by this Section. The Association shall have the right to require that any pets be registered with it and may adopt such additional reasonable rules and regulations with respect to animals as it may deem proper.

Section 6. The Common Elements, limited or general, shall not be used for storage of supplies, materials, personal property or trash or refuse of any kind, except in the garage or attic appurtenant to an owner's unit and except as provided in duly adopted rules and regulations of the Association. Trash receptacles shall be maintained in areas designated therefor at all times and shall not be permitted to remain elsewhere on the Common Elements except for such short periods of time as may be reasonably necessary to permit periodic collection of trash. The Common Elements shall not be used in any way for the drying, shaking, or airing of clothing or other fabrics. The Association may adopt rules to regulate or restrict car washing. In general, no activity shall be carried on nor condition maintained by a Co-owner either in his Unit or upon the Common Elements, which spoils the appearance of the Condominium.

Section 7. Sidewalks, yards, landscaped areas, driveways, roads, parking areas, and porches shall not be obstructed in any way nor shall they be used for purposes other than for which they are reasonably and obviously intended. No bicycles, vehicles, chairs or benches may be left unattended on or about the Common Elements. Use of any recreational facilities in the condominium may be limited to such times and in such manner as the Association shall determine by duly adopted regulations.

Section 8. No house trailers, commercial vehicles, boat trailers, boats, camping vehicles, camping trailers, snowmobiles, snowmobile trailers or vehicles other than automobiles may be parked or stored upon the premises of the Condominium, other than in an enclosed garage, unless approved by the Board of Directors or unless parked in an area specifically designated therefor by the Association. Commercial vehicles and trucks shall not be parked in or about the Condominium (except as above provided) unless while making deliveries or pickups in the normal course of business. Each Co-owner shall, park his car in any garage, carport space or parking space provided therefor. Co-owners shall, if the Association shall require, register with the Association all cars maintained on the Condominium Premises.

Section 9. No Co-owner shall use, or permit the use by any occupant, agent, employee, invitee, guest or member of his family of any firearms, air rifles, pellet guns, B-B guns, bows and arrows or other similar dangerous weapons, projectiles or devices anywhere on or about the Condominium Premises.

Section 10. No signs or other advertising devices shall be displayed which are visible from the exterior of a Unit or on the Common Elements, including "For Sale" signs, without written permission from the Association.

Section 11. Reasonable regulations consistent with the Act, the Master Deed and these Bylaws, concerning the use of the Common Elements may be made and amended from time to time by any Board of Directors of the Association, including the First Board of Directors (or its successors elected by the Developer prior to the First Annual Meeting of the entire Association held as provided in Article I, Section 7 of these Bylaws. All regulations made by the First Board of Directors shall not be effective until approved by the Michigan Department of Commerce. Copies of all such regulations and amendments thereto shall be furnished to all Co-owners and shall become effective thirty (30) days after mailing or delivery thereof to the designated voting representative of each Co-owner. Any such regulation or amendment may be revoked at any time by the affirmative vote of more than fifty percent (50%) of all

Co-owners in number and in value except that said First Annual Meeting of the entire Association.

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

Section 13. (a) A Co-owner, including the Developer, desiring to rent or lease a Condominium Unit, shall disclose that fact in writing to the Association at least twenty-one (21) days before leasing the Condominium Unit and shall supply the Association with a copy of the exact lease form for its review for its compliance with the Condominium Documents. If Developer desires to rent Condominium Units before the transitional control date, it shall notify either the advisory committee or each Co-owner in writing.

(b) Tenants or non co-owner occupants shall comply with all of the conditions of the Condominium Documents of the Condominium Project and all leases and rental agreements shall so state.

(c) If the Association determines that the tenant or non co-owner occupant has failed to comply with the conditions of the Condominium Documents, the Association shall take the following action:

(1) The Association shall notify the Co-owner by certified mail advising of the alleged violation by tenant.

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

(3) 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, if it is under the control of the Developer, an action for eviction against the tenant or non co-owner and tenant or non co-owner occupant for breach of the conditions of the Condominium Documents. The relief set forth in this section may be by summary proceeding. The Association may hold both the tenant and the Co-owner liable for any damages caused by the Co-owner or tenant in connection with the Condominium Unit.

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

Section 14. No Co-owner shall perform any landscaping or plant any trees, shrubs or flowers or place any ornamental materials upon the Common Elements unless approved by the Association in writing.

Section 15. No unsightly condition shall be maintained upon any patio and only furniture and equipment consistent with ordinary patio use shall be permitted to remain there during seasons when patios are reasonably in use and no furniture or equipment of any kind shall be stored on patios during season when patios are not reasonably in use.

Section 16. Each Co-owner shall maintain his Unit and any limited Common Elements appurtenant thereto for which he has maintenance responsibility in a safe, clean and sanitary condition. Each Co-owner shall also use due care to avoid damaging any of the Common Elements including, but not limited to, the telephone, water, gas, plumbing, electrical or other utility conduits and systems and any other elements in any Unit which are appurtenant to or which may affect any other Unit. Each Co-owner shall be responsible for damages or costs to the Association resulting from negligent damage to or misuse of any of the Common Elements by him, or his family, guests, agents or invitees, unless such damages or costs are covered by insurance carried by the Association in which case there shall be no such responsibility (unless reimbursement to the Association is excluded by virtue of a deductible provision, in which case the responsible Co-owner shall bear the expense to the extent of the deductible amount). Any costs or damages to the Association may be assessed to and collected from the responsible Co-owner in the manner provided in Article II hereof.

Section 17. None of the restrictions contained in this Article VI shall apply to the commercial activities Or signs or billboards, if any, of the Developer during the development and sales period as defined hereinafter, or of the Association in furtherance of its powers and purposes set forth herein-and in its Articles of Association and Bylaws as the same may be amended from time to time. For the purposes of this Section, the development and sales period shall be deemed to continue so long as Developer owns any Unit which he offers for sale. Until all Units in the entire Condominium Project are sold by Developer, Developer shall have the right to maintain a sales office, a business office, a construction office, model units, storage areas, reasonable parking incident to the foregoing and such access to, from and over the Project as may be reasonable to enable development and sale of the entire Project by Developer. Developer shall restore the areas so utilized to habitable status upon termination of use.