

BY-LAWS OF
BUCK CREEK PLAZA CONDOMINIUM OWNERS ASSOCIATION

ARTICLE I

Object

1. The primary purpose for which this non-profit Association is formed is to provide for the acquisition, construction, management, maintenance and care of Association property and to govern the condominium property which has been or will be submitted to the provisions of the Condominium Ownership Act of the State of Colorado by the recording of the Declaration and supplements thereto and maps and supplements thereto bearing the name associated with this Association.

2. All present or future owners, tenants, future tenants or any other person that might use in any manner the facilities of the project located on the property therein described are subject to the regulations set forth in these By-Laws. The mere acquisition or rental of any of the condominium units or the mere act of occupancy of any of said units will signify that these By-Laws are accepted, ratified and will be complied with.

ARTICLE II

Memberships

1. Memberships. There shall be three classes of membership in the Corporation; every owner of a condominium unit shall enjoy general membership; residential memberships shall be limited to owners of residential units; commercial memberships shall be limited to owners of commercial units. The owner or owners of a condominium unit shall hold and share the memberships related to said condominium unit in the same proportion interests and by the same type of tenancy in which the title to the condominium unit is held. No person or entity other than an owner of a condominium unit may be a member of the Corporation.

2. Transfer of Membership. A membership in the Corporation and the share of a member in the assets of the Corporation shall not be assigned, encumbered, or transferred in any manner except as an appurtenance to transfer of title to the condominium unit to which the membership pertains; provided, however, that the rights of membership may be assigned to the holder of a mortgage, deed of trust, or other security instrument on a condominium unit as further security for a loan secured by a lien on such condominium unit. A transfer of membership shall occur automatically upon the transfer of title to the condominium unit to which the membership pertains, but the Corporation shall be entitled to treat the person or persons in whose name or names the membership is recorded on the books and records of the Corporation as the member for all purposes until such time as evidence of a transfer of title, satisfactory to the Corporation, has been submitted to the Secretary. A transfer of membership shall not release the transferor from liability for obligations accrued incident to such membership prior to such transfer. In the event of dispute as to ownership appurtenant thereto, title to the condominium unit, as shown in the records of the County Clerk and Recorder of Eagle County, Colorado, shall be determinative.

3. Voting Rights. Where the vote of the members is required or permitted by the statutes of the State of Colorado,

the Condominium Declaration or the Articles of Incorporation or these By-Laws, the vote shall be determined as follows:

The vote of the general membership shall be required for determination of general issues affecting the entire premises, the building as a whole, the general common elements, the general common expenses, and every other issue not strictly limited in application to the residential units on the one hand, or the commercial units on the other hand. Issues limited in application to residential units shall be determined by the vote of the residential membership. Issues limited in application to the commercial units shall be determined by the vote of the commercial membership. A presumption shall exist in favor of generality of issues, and each issue shall be presumed a general issue unless determined to be a residential issue, or a commercial issue, by inference which is clear and unmistakable. Only members shall be entitled to vote in Association elections, and, in any election on general issues, any member shall be entitled to vote the percentage of the total vote equal to such member's percentage interest in the general common elements. Only residential members shall be entitled to vote in Association elections on residential issues, and in such elections, any residential member shall be entitled to vote the percentage of the total residential vote equal to such member's percentage interest in the residential common elements. Only commercial members shall be entitled to vote in Association elections on commercial issues, and, in such elections, any commercial member shall be entitled to vote the percentage of the total commercial vote equal to such member's percentage interest in the commercial common elements. The owner or owners of a condominium unit shall hold and share the memberships related to that condominium unit in the same proportioned interests and by the same type of tenancy in which the title to the condominium unit is held.

Where there are co-owners of a condominium unit (whether by joint tenancy, tenancy in common, or otherwise) each co-owner shall be deemed to have a fractional portion of the votes for the membership appurtenant to that condominium unit proportionate to his interest in the fee title thereof; but any one of such co-owners present or represented is the agent and attorney-in-fact for other co-owners not present or represented by proxy, for the purposes of casting the vote of that membership. Voting by proxy shall be permitted. Proxies must be executed in writing by the owner or co-owner or his duly authorized attorney-in-fact and must be filed with the Secretary before the appointed time of each meeting. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy. The Corporation may suspend the voting rights of a member for failure to comply with any other obligations of the owners of the condominium unit under the Condominium Declaration.

4. Voting by Mail. The Board of Directors may decide that voting of the members shall be by mail with respect to any particular election of Directors or with respect to adoption of any proposed amendment to the Articles of Incorporation or adoption of a proposed plan of merger, consolidation or dissolution.

In case of election of Directors by mail, the existing Board of Directors shall advise the Secretary in writing of the names of proposed Directors sufficient to constitute a full Board of Directors and of a date at least 30 days after such advice is given by which all votes are to be received. The Secretary within 5 days after such advice is given shall give written notice of the number of Directors to be elected and of the names of the nominees to all owners or co-owners of each membership. The notice shall state that any such owner or co-owner may nominate an additional candidate or candidates, not to exceed the number of Directors to be elected, by notice in writing to the Secretary

at the specified address of the principal office of the Corporation, to be received on or before a specified date 15 days from the date the notice is given by the Secretary. Within 5 days after such specified date the Secretary shall give written notice to all owners or co-owners of a membership, stating the number of Directors to be elected, stating the names of all persons nominated by the Board of Directors and by the members on or before said specified date, stating that each owner or co-owner may cast a vote by mail, and stating the date established by the Board of Directors by which such votes must be received by the Secretary at the address of the principal office of the Corporation, which shall be specified in the notice. Votes received after that date shall not be effective. All persons elected as Directors pursuant to such an election by mail by receipt of the number of votes required by applicable law shall take office effective on the date specified in the notice for receipt of such votes.

In the case of a vote by mail relating to any proposed amendment to the Articles of Incorporation or adoption or a proposed plan of merger, consolidation or dissolution, the Secretary shall give written notice to all owners or co-owners of each membership which notice shall include a proposed written resolution setting forth a description of the proposed action, and shall state that such persons are entitled to vote by mail for or against such proposal stating a date not less than 20 days after the date such notice shall have been given on or before which all votes must be sent to the specified address of the principal office of the Corporation. Votes received after that date shall not be effective. Any such proposal shall be adopted if approved by the affirmative vote of not less than two-thirds of the votes entitled to be cast on such question.

Delivery of a vote in writing to the principal office of the Corporation shall be equivalent to receipt of a vote by mail at such address for purposes of this Paragraph 7.

5. Annual Meeting. An annual meeting of the members for the purposes of voting on such matters as properly may come before the meeting shall be held on the second Saturday in March of each year at a convenient location, to be selected by the Board of Directors. Directors shall be elected at each such annual meeting unless elected by mail as herein provided.

6. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors or by written request of ten per cent (10%) or more of the votes of the outstanding memberships and shall be held at a convenient location, to be selected by the persons calling the meeting.

7. Notices; Waiver. Notices of annual and special meetings of the members must be given in writing and must state the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called. Such notices shall be delivered not less than ten nor more than fifty days before the date of the meeting, either personally or by mail, by or at the direction of the President, or the Secretary, or the officers or persons calling the meeting, and shall be given to each owner or co-owner of a membership entitled to vote at such meeting. If mailed, such notice, and any notice given pursuant to Paragraph 5 of this Article II, shall be deemed to be delivered when deposited in the United States mail addressed to such owner or co-owner at his address as it appears on the records of the Corporation, with postage thereon prepaid.

Written waiver of notice signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

8. Quorum; Vote Required; Adjournment. Fifty per cent (50%) of the votes, represented in person or by proxy, of each respective class of membership shall constitute a quorum at any meeting of members. No action concerning any separate class of membership, whether general, residential or commercial, shall be taken unless a quorum of the membership class affected thereby exists. If a quorum does not exist, a majority of votes present of such membership classification, whether present in person or by proxy, may adjourn the meeting from time to time without further notice other than announcement at the meeting. At any meeting of members, if a quorum is present, the affirmative vote of more than fifty per cent (50%) of the votes represented at the meeting, in person, or proxy, shall be the act of the members, unless the vote of a greater number is required by law, the Articles of Incorporation, the Condominium Declaration, or these By-Laws.

9. Performance of Functions by Declarant. The rights, duties and functions of the Board shall, at the Declarant's option, be exercised by the Declarant by and through persons named as Directors in the Articles of Incorporation, or their successors, until the development of the entire condominium project has been completed. Notwithstanding the provisions hereof, the Declarant may, through the Association, delegate the responsibility for the operation, maintenance and repair of the general common elements and the billing and collection of the common expenses and other duties to the managing agent.

ARTICLE III

Board of Directors or Managers

1. The Board of Directors shall consist of not less than three nor more than five members, the specific number to be set forth from time to time herein. Initially, the Board of Directors shall consist of three members. The number of Directors may be increased by amendment of these By-Laws and shall not be increased to more than five members.

If the Board consists of three Directors, one Director shall be elected by each membership class (general, residential and commercial) voting separately; if the Board consists of four Directors, the Directors shall consist of two Directors elected by the general membership, one Director elected by the residential membership and one Director elected by the commercial membership; if the Board consists of five Directors, there shall be one Director elected by the general membership, two Directors elected by the residential membership and two Directors elected by the commercial membership. No decrease in the number of Directors shall have the effect of shortening the term of any of the incumbent Directors.

Powers and Duties

The Board shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the condominium project as a first class condominium property. Such powers and duties of the Board shall include, but shall not be limited to, the following, all of which shall be done for and in behalf of the owners of the condominium units.

(a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Condominium Declaration submitting the property to the provisions of the Condominium Ownership Act of the State of Colorado, the By-Laws of the Association and supplements and amendments thereto.

(b) To establish, make and enforce compliance with such rules and regulations as may be necessary for the operation, use and occupancy of the condominium units, with the right to amend same from time to time. Rules and regulations so promulgated shall be adopted by the Board of Directors at a regular or special meeting in the manner provided below.

(c) With the assistance of a managing agent, to incur such costs and expenses as may be necessary to keep in good order, condition and repair all of the general and limited common elements and all items of common personal property.

(d) With the assistance of a managing agent, to insure and keep insured all of the insurable general common elements and condominium units in an amount equal to the maximum replacement value. To insure and keep insured all of the common fixtures, common equipment and common personal property for the benefit of the owners of the condominium units and their first mortgagees. Further, to obtain and maintain comprehensive liability insurance covering the entire premises.

(e) With the assistance of a managing agent, to prepare a budget for the condominiums at least annually, in order to determine the amount of the common assessments payable by the unit owners to meet the common expenses of the condominium project, and allocate and assess such common charges among the unit owners as is provided in the Declaration and supplements thereto, and by majority vote of the Board, to adjust, decrease or increase the amount of quarterly or monthly assessments, and remit or return any excess of assessments over expenses, working capital, sinking funds, reserves for deferred maintenance and for replacement to the owners at the end of each operating year. To levy and collect special assessments whenever in the opinion of the Board it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies.

(f) To collect delinquent assessments by and through a managing agent by suit or otherwise and to enjoin or seek damages from an owner as is provided in the Declaration and these By-Laws.

(g) To protect and defend in the name of the Association all or any part of the condominium project from loss and damage by suit or otherwise.

(h) To enter into contracts to carry out these duties and powers.

(i) To establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable.

(j) To make repairs, additions, alterations and improvements to the general common elements consistent with managing the condominium project in a first class manner and consistent with the best interest of the unit owners; such duties may be delegated to the managing agent. Payment for such maintenance, repair, replacement or improvement of the common elements shall be from the assessments to the unit owners. Advance approval by the unit owners shall not be required. When any single expense shall exceed the sum of \$500.00, said expenditure shall require the approval of the Board of Directors, and such work shall not be performed pursuant to direction by the managing agent without first obtaining such approval from the Board of Directors.

(k) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof by the unit owners at convenient weekday business hours; such duties may be delegated to a managing agent. Upon ten days notice to the Board of Directors or to the Managing agent and payment of a reasonable fee, any unit owner shall be furnished a statement of his account setting forth the amount of any unpaid assessment or other charges due and owing from such unit owner. If applicable, mortgagees may inspect the records of receipts, expenses and disbursements in like manner.

(l) With the assistance of a managing agent, to prepare and deliver annually to each owner a consolidated statement showing receipts, expenses or disbursements since the last such statement.

(m) In general, to carry on the administration of the Association and to do all of those things necessary and reasonable in order to carry out the governing and the operation of this condominium property.

(n) To designate and/or remove personnel necessary for the operation, maintenance, repair, and replacement of the common elements.

(o) To employ for the Association a managing agent who shall have and exercise those duties and powers granted to it by the Board, but not those powers which the Board, by law, may not delegate.

2. Qualification; Election; Term. Directors shall be members of the Corporation, need not be residents of the State of Colorado and shall be elected by members of the Corporation at their annual meeting or by mail as provided herein and as stated in the Articles of Incorporation and the Condominium Declaration.

The voting rights of members are as outlined in Article II, Paragraph 3 hereof. Directors shall serve a term of one year and until their successors are duly elected and qualified.

3. Removal; Resignation. At any meeting of members, the notice of which indicates such purpose, Directors may be removed in the manner provided in this Paragraph. The entire Board of Directors or any lesser number may be removed, with or without cause, by a vote of a majority of the members of the respective class then entitled to vote at an election of Directors. Any Director may resign by submitting a written notice to the Board stating the effective date of his resignation, and acceptance of the resignation shall not be necessary to make the resignation effective.

4. Vacancies. Any vacancy in the Board of Directors and any directorship to be filled by reason of an increase in the number of Directors may be filled by an affirmative vote of a majority of the remaining Directors though less than a quorum of the Board. A Director selected to fill a vacancy on the Board shall hold office for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of Directors may be filled by the Board of Directors for a term of office continuing only until the next election of Directors. All vacancies shall be filled by a member of the membership class in which the vacancy exists.

5. Meetings. There shall be a regular annual meeting of the Board immediately following the annual meeting of the members of the Corporation, and the Board may establish regular meetings to be held at such other places, and at such other times as it may determine from time to time. After the establishment of the time and place for such regular meeting, no further notice thereof need be given. Special meetings of the Board may be called by the President, or upon written request delivered to the Secretary of the Corporation, by any two Directors.

6. Notices; Waiver. Three days' notice of special meetings shall be given to each Director by the Secretary. Such notice may be given orally, in person or by telephone, or in writing, served on or mailed or telegraphed to each Director. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of such meeting.

Written waiver of notice signed by a Director, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting except when a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

7. Quorum; Vote Required; Adjournment. At any meeting of the Board of Directors, two-thirds of the number of Directors acting and qualified shall constitute a quorum for the transaction of business; however, it shall also be a requirement for a quorum

to exist that at least one Director from each membership classification shall be present. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except as otherwise specifically required by law, the Articles of Incorporation or these By-Laws. If a quorum does not exist a majority of the Directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting.

8. Action of Directors Without a Meeting. Any action required to be taken, or any action which may be taken, at a meeting of the Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken shall be signed by all of the Directors entitled to vote with respect to the subject matter thereof.

9. Executive Committee of Board of Directors. The Board of Directors by resolution adopted by a majority of the Directors in office, may designate and appoint an Executive Committee of the Board. The number of members of the Executive Committee shall be determined by the Board, but the number of such members shall not be fewer than three, with at least one member of the Executive Committee from each membership class. Unless limited by resolution of the Board, the Executive Committee shall have and exercise all the authority of the Board of Directors, except that such Committee shall not have the authority of the Board in reference to amending, altering, or repealing the By-Laws; electing, appointing or removing any member of such Committee or any officer or Director of the Corporation; amending the Articles of Incorporation; restating the Articles of Incorporation adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Corporation; authorizing the voluntary dissolution of the Corporation or revoking proceedings therefore; adopting a plan for the distribution of assets of the Corporation; or of Directors which by its terms provides that it shall not be amended, altered or repealed by such Committee. All of the provisions in these By-Laws with respect to notice of meetings of Directors, quorum at such meetings, voting at such meetings and waivers of notice of such meetings shall be applicable to the meetings of the Executive Committee.

10. Fidelity Bond. The Board may require that all officers and employees of the Association and the managing agent who handles or is responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a common expense.

ARTICLE IV

Officers

1. General. The officers of the Corporation shall consist of a President, one or more Vice Presidents, a Secretary and a Treasurer, all of whom shall be elected by the Board, and such assistant officers as the Board shall, from time to time elect. Officers may be, but need not be, Directors or members of the Board, but each shall be an owner of a condominium unit in this condominium project, or the Declarant or the Declarant's representative. Any person may hold two or more offices simultaneously, except the offices of President and Secretary.

2. President. The President shall be the principal executive officer of the Corporation and, subject to the control of the Board of Directors, shall direct, supervise, coordinate and have general control over the affairs of the Corporation, and shall have the powers generally attributable to the chief executive officer of a corporation. The President shall preside at all meetings of the members of the Corporation and at all meetings of the Board of Directors.

3. Vice Presidents. Vice Presidents may act in the place of the President in case of his death, absence, inability or failure to act, and shall perform such other duties and have such authority as is from time to time delegated by the Board of Directors or by the President.

4. Secretary. The Secretary shall be the custodian of the records and of the seal of the Corporation and shall affix the seal to all documents requiring the same; shall see that all notices are fully given in accordance with the provisions of these By-Laws and as required by law, and that the books, reports, and other documents and records of the Corporation are properly kept and filed; shall keep minutes of proceedings of the members, Board of Directors and Executive Committee; shall keep at the registered office of the Corporation a record of the names and addresses of the owners and co-owners entitled to vote; and in general, shall perform all duties incident to the office of Secretary and such other duties as may, from time to time, be assigned to him by the Board of Directors or by the President. The Board may appoint one or more Assistant Secretaries who may act in the place of the Secretary in case of his death, absence, inability or failure to act.

5. Treasurer. The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Corporation, shall deposit all such funds in the name of the Corporation in such depositories as shall be designated by the Board of Directors, shall keep correct and complete books and records of account and records of financial transactions and condition of the Corporation and shall submit such reports thereof as the Board of Directors may, from time to time, require; and, in general, shall perform all the duties incident to the office of Treasurer, and other duties as may, from time to time, be assigned to him by the Board of Directors or by the President. The Board may appoint one or more Assistant Treasurers who may act in place of the Treasurer in case of his death, absence, inability or failure to act.

6. Removal of Officers. Any officer may be removed by the Board whenever in their best judgment the best interest of the Corporation will be served thereby.

7. Compensation. Officers, agents, factors and employees shall receive such reasonable compensation for their services as may be authorized or ratified by the Board of Directors. Appointment of an officer, agent, factor or employee shall not of itself create contractual rights to compensation for services as such officer, agent, factor or employee.

ARTICLE V

Indemnification of Officers, Directors and Managing Agent

The Association shall indemnify every Director, officer, managing agent, their respective successors, personal representatives and heirs, against all loss, costs and expenses, including counsel fees, reasonably incurred in connection with any action, suit or proceeding in which he may be made a party by reason of his being or having been a Director, officer or managing agent of the Association, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in his performance of his duty as such Director, officer or managing agent in relation to the matter involved.

The foregoing rights shall not be exclusive of other rights to which such Director, officer or managing agent may be entitled. All liability, loss, damage, costs and expense incurred or suffered by the Association by reason of or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as a common expense, unless arising or in connection with matters associated exclusively with either residential class or commercial class, in which event, the foregoing indemnification provision shall be treated as an expense of such membership class.

Contracts or other commitments made by the Board of Directors, officers or the managing agent shall be made as agents for the unit owners, and they shall have no personal responsibility on any such contract or commitment (except as unit owners), and liability of any unit owner on any such contract or commitment shall be limited to such proportionate share of the total liability thereof as the common interest of each unit owners to the aggregate common interest of all of the unit owners (within each appropriate membership class), except that any losses incurred because of an inability to collect such proportionate amount of the total liability owed by an owner shall be shared proportionately by the owners.

ARTICLE VI

Amendments

1. Articles of Incorporation. Amendments may be made to the Articles of Incorporation in the manner provided by law by vote of the membership of the Corporation at any annual meeting or special meeting of the membership, provided that the notice of such meeting states that such amendment is to be considered. Such amendments may also be made pursuant to voting by mail as herein provided.

2. By-Laws. These By-Laws may at any time and from time to time be amended, altered or repealed by the Board of Directors, or by vote of the membership of the Corporation at any annual or special meeting provided that the notice of such meeting states that such amendment, alteration or repeal is to be considered; amendment shall be by majority of the Board or majority in interest of the membership.

3. Limitation on Amendments. No amendment of the Articles of Incorporation or of these By-Laws shall be contrary or inconsistent with any provision of the Condominium Declaration, nor shall any amendment substantially and adversely affect the rights of any membership class in favor of another membership class.

ARTICLE VII

Mortgages

1. Notice to Association. An owner who mortgages his unit shall notify the Association through the managing agent, if any, or the Association's Secretary, giving the name and address of his mortgagee. The Association shall maintain such information.

2. Notice of Unpaid Common Assessments. The Association, whenever so requested, in writing by a mortgagee of a condominium unit, shall promptly report any then unpaid common assessments due from, or any other default by the owner of a mortgaged unit.

3. Notice of Default. When giving notice to a unit owner of a default in paying unit assessments or other default, the Board shall send a copy of such notice to each holder of a mortgage covering such condominium unit whose name and address has theretofore been furnished to the Board.

ARTICLE VIII

Obligations of Unit Owners

1. Assessments. All owners shall be obligated to pay the monthly or quarterly assessments imposed by the Association to meet the common expenses. The assessment shall be made according to the provisions of the Declaration. Assessments shall be due in advance. A member shall be deemed in good standing and entitled to vote at any annual or special meeting of members, within the meaning of these By-Laws, if, and only if, he shall have fully paid all assessments made or levied against him and the condominium unit owned by him.

2. Notice of Lien or Suit. An owner shall give notice to the Association of every lien or encumbrance upon his condominium unit, other than for taxes and special assessments, and notice of every suit or other proceeding which may affect the title to his condominium unit, and such notice shall be given in writing within five days after the owner has knowledge thereof.

3. Mechanic's Lien. Each owner agrees to indemnify and to hold each of the other owners harmless from any and all claims of mechanic's lien filed against other apartment units and the appurtenant general common elements for labor, materials, services or other products incorporated in the owner's apartment unit. In the event such a lien is filed and/or a suit for foreclosure of mechanic's lien is commenced, then within ten days thereafter, such owner shall be required to deposit with the Association cash or negotiable securities equal to one and one-half of the amount of such claim plus interest for one year together with a sum equal to ten per cent (10%) of the amount of such claim but not less than \$150.00, which latter sum may be used by the Association for any costs and expenses incurred, including attorney's fees incurred for legal advice and counsel. Except as is otherwise provided, such sum or securities shall be held by the Association pending final adjudication or settlement of the claim or litigation. Disbursement of such funds or proceeds shall be made by the Association to insure payment of or on account of such final judgment or settlement. Any deficiency, including attorney's fees incurred by the Association, shall be paid forthwith by the subject owner, and his failure to so pay shall entitle the Association to make such payment, and the amount thereof shall be a debt of the owner and a lien against his condominium unit which may be foreclosed as is provided in the Condominium Declaration. All advancements, payments, costs and expenses, including attorney's fees incurred by the Association shall be forthwith reimbursed to it by such owner(s) and the owner shall be liable to the Association for the payment of interest at the rate of twelve per cent (12%) per annum on all such sums paid or incurred by the Association.

4. Maintenance and Repair.

(a) Every owner must perform promptly, at his own expense, all maintenance and repair work within his own unit which, if omitted, would affect the appearance of or the aesthetic integrity of part or all of the condominium project. All decisions regarding repair or replacement of general or limited common elements shall be by a majority in interest of each respective membership class.

(b) All the repairs of internal installations of the unit such as water, light, gas, power, sewage, telephone, sanitary installations, doors, windows, electrical fixtures, and all other accessories, equipment and fixtures shall be at the owner's expense.

(c) An owner shall be obligated to reimburse the Association promptly upon receipt of its statement for any expenditures incurred by it in repairing or replacing any general or limited common element damaged by his negligence or by the negligence of his tenants or agents or guests.

Summary to Order

5. Uses of Unit.

(a) Residential units shall be used and occupied solely for the purpose of lodging or as a dwelling by the owner or by the owner's family, guests, employees, invitees, licensees or tenants. No residential unit shall be used for any commercial purpose except as lodging on a rental basis.

(b) Commercial units shall be used and occupied only for commercial activities which do not interfere with the residential use of residential units. Excluded from commercial units are any restaurant and night club operations, and any entertainments, whether live or recorded, which do not have prior written approval of the Board, which approval shall not be unreasonably withheld. The Board of Directors shall not grant approval for any restaurant, night club, or entertainment without first having considered and approved proposed devices for ventilation, exhaust and fire protection, and without first having endorsed the proposed restaurant, night club or entertainment as compatible with the residential character of the building. Approval shall be denied in the case of any proposed restaurant, night club or entertainment which, in the opinion of the Board of Directors may require, as a condition of its approval, that an owner undertaking conversion of his unit to a restaurant or night club, make such structural changes as may reasonably be necessary to prevent emission from the premises of noise and odor, and may require that any such owner enter into an appropriate undertaking to guarantee his performance under any such requirement or requirements.

(c) An owner shall not make a structural modification or alteration to his unit or installations located therein without the written approval of the Board. The Board shall be notified in writing of the intended modifications through the managing agent, or if no managing agent is employed, then, through the President of the Board. The Association shall have the obligation to answer an owner's request within thirty days after such notice and failure to do so within such time shall mean that there is no objection to the proposed modifications or alterations.

6. Use of General Common Elements and Limited Common Elements. Each owner may use the general common elements, the limited common elements, sidewalks, pathways, roads and streets and other common elements located within the entire condominium project in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other owners, and subject to the rules and regulations contained in these By-Laws and established by the Board as is provided herein.

7. Right of Entry.

(a) An owner shall and does grant the right of entry to the managing agent or to any other person authorized by the Board in case of any emergency originating in or threatening his unit, whether the owner is present at the time or not.

(b) An owner shall permit other owners, or their representatives, to enter his unit for the purpose of performing installations, alterations or repairs to the mechanical, electrical or utility services which, if not performed, would affect the use of other units, provided that requests for entry are made in advance and that such entry is at a time convenient to the owner. In case of an emergency, such right of entry shall be immediate.

8. Rules and Regulations.

(a) The initial rules and regulations, which shall be effective until amended or supplemented by the Board, are annexed hereto and made a part hereof as Schedule A.

(b) The Board reserves the power to establish, make and enforce compliance with such additional rules and regulations as may be necessary for the operation, use and occupancy of residential condominium units with the right to amend same from time to time. Copies of such rules and regulations shall be furnished to each owner prior to the date when the same shall become effective.

9. Destruction and Obsolescence. Each owner, upon becoming an owner of a condominium unit, thereby grants his power of attorney in favor of the Association, irrevocably appointing the Association his attorney-in-fact to deal with the owner's condominium unit upon its damage, destruction or obsolescence, all as is provided in the Condominium Declaration.

ARTICLE IX

Association - Not For Profit

This Association is not organized for profit. No part of the net earnings of the Corporation shall inure (other than by acquiring, constructing or providing management, maintenance and care of Association property, and other than by rebate of excess membership dues, fees or assessments) to the benefit of any private member or individual. No member, member of the Board, officer or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any member of the Board, officer or member; provided, however, always (i) that reasonable compensation may be paid to any member, Director or officer while acting as an agent or employee of the Association, for services rendered in effecting one or more of the purposes of the Association, and (ii) that any member, Director or officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association. The provisions herein are not applicable to the managing agent who shall perform its manager's duties and functions according to written agreement for the compensation stated therein.

ARTICLE X

Contracts, Conveyances, Checks and Miscellaneous

1. Contracts. The Board of Directors may authorize any officer or agent of the Association to enter into any contract or execute and deliver any instrument in the name of the Association, except as otherwise specifically required by the Articles of Incorporation or these By-Laws.

2. Conveyances and Encumbrances. Association property may be conveyed or encumbered by authority of the Board of Directors or such other person or persons to whom such authority

may be delegated by resolution of the Board. Conveyances or encumbrances shall be by instruments executed by the President or Vice President and by the Secretary or the Treasurer or an Assistant Secretary or an Assistant Treasurer, or executed by such other person or persons to whom such authority may be delegated by the Board.

3. Checks. All checks, drafts, notes and orders for the payment of money shall be signed by the President or a Vice President or the Treasurer, or shall be signed by such other officer of the Association as shall be duly authorized by resolution of the Board of Directors.

4. Seal. The Board of Directors may adopt a corporate seal of such design as it may deem appropriate.

5. Fiscal Year. The fiscal year of the Association shall be January 1 to December 31.

6. Services. The following is a list of services to be provided by the Association, which are to be paid for out of the periodic assessment. The services listed are the initial services to be provided by the Association; The Association may, from time to time, add to or subtract from said list.

- (a) Lawn and grounds care.
- (b) Snow removal from sidewalks and parking areas which are part of the general common areas.
- (c) Trash removal.
- (d) Water and sewer service.
- (e) Lighting of the general common areas.
- (f) Administration, bookkeeping, legal and audit.
- (g) Insurance, as is more fully described in the Declaration.
- (h) All other ordinary maintenance, repair work and services relating to the general common elements as may be necessary.

7. Liens.

- (a) All sums assessed but unpaid for the share of common expenses assessed to any unit shall constitute a lien on such unit in favor of the Association. This lien is more fully described in the Condominium Declaration.
- (b) Each owner may mortgage his unit and such mortgage may cover the owner's interest in general and limited common elements. However, except for mechanics liens, assessment liens, or tax liens, no other liens may be obtained against the general or limited common elements.

8. Alienability. Subject to the limitations on uses of the unit as described in paragraph 5 of these By-Laws, the unit owners are not restricted in the free alienability of the unit, either by sale or lease; these units are not subject to any right of first refusal.

9. Recreational Facilities. There are presently no plans to construct any major recreational facilities as part of the condominium project.

10. New Additions of General and Limited Common Elements. At the present time, there are no plans to construct or add additional general common elements or limited common elements.

In the event of an addition to the general common elements, there will be an increase in the common expenses, which will likely result in an increase in the per unit assessments. Should additional units be constructed or added at the time of an increase or addition to the general common elements, the per unit common expenses will likely be totally or partially defrayed by the additional unit owners who will be assessed there pro-rata share of the common expenses. In the event that there are new additions of general or limited common elements, (without the addition of new units), each owner shall have the same ownership interest in the new general and limited common elements that he has in existing general and limited common elements. His ownership interest in existing general and limited common elements shall remain uneffected. The addition of new general and limited common elements shall have no effect on an owner in reference to his voting power in the Association. However, the addition of new units will have the effect of decreasing each owner's voting power, resulting from the diminution of each owners percentage interest in the general common elements, which is used to determine each owner's voting power.

APPROVED AND ADOPTED this _____ day of _____, 1980, by the undersigned as the initial Board of Directors.

Richard Cuny

A. J. Wells

Ludwig Jordan