

(Adopted July 25, 1998)
(Amended July 28, 2001)

**AMENDED AND RESTATED
BYLAWS
OF
ANCHORAGE WEST ASSOCIATION
(A Colorado Non Profit Corporation)**

**ARTICLE I
Purpose**

1. The purpose for which this non profit corporation was formed is to govern the condominium property described in that certain "Condominium Declaration for Anchorage West" (the "Declaration") recorded in Book 225 at Pages 807, *et seq.* in the records of the Clerk and Recorder of Summit County, Colorado on November 8, 1972 as that Declaration has been amended from time to time.

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 Bylaws. The mere acquisition or rental of any of the condominium units or the mere act of occupancy of any of said condominium units will signify that these Bylaws are accepted, ratified, and will be complied with.

**ARTICLE II
Offices**

1. Principal Office. The principal office and place of business of the Association shall be at 512 Tenderfoot Street, Dillon, Colorado.

2. Registered Office. The registered office of the Association and its registered agent shall be as designated from time to time by the Board of Directors.

**ARTICLE III
Membership**

1. Membership. There shall be one membership in the corporation for each condominium unit as defined in the Declaration and any supplements or amendments thereto. The owner or owners of a condominium unit shall hold and share the membership related to that condominium unit in the same proportionate interest and by the same type of tenancy in which the title to the condominium unit is held, but there can be only one membership per condominium unit. Any person or entity, on becoming an owner of a condominium unit shall

automatically hold a membership in this Association and be subject to these Bylaws. Such membership shall terminate without any formal Association action whenever such person or entity ceases to own a condominium unit, but such termination shall not relieve or release any such former owner from any liability or obligation incurred under or in any way connected with this Association during the period of such ownership and membership in the Association, or impair any rights or remedies which the unit owners have, either through the Board of Directors of the Association or directly, against such former owner and member arising out of or in any way connected with ownership and membership and the covenants and obligations incident thereto.

ARTICLE IV Membership Meetings

1. Place of Meeting. Meetings of the Association shall be held at such place within the State of Colorado as the Board of Directors may determine.

2. Annual Meeting. The Annual Membership Meeting shall be held at a time, date and place established by resolution of the Board of Directors each year for the purpose of electing members of the Board of Directors of the Association and for the transaction of such other business as may come before the meeting.

3. Special Meetings. The President may call a special membership meeting upon his own initiative or as directed by resolution of the Board of Directors or upon receipt of a petition signed by the holders of at least one-third of the memberships. The notice of any special membership meeting shall state the time and place of such meeting and the purpose thereof. No business except as stated in the notice shall be transacted at a special membership meeting unless by consent by two-thirds of the memberships present, either in person or by proxy. Any such meetings shall be held at such time and place as the President determines within thirty (30) days after receipt by the President of such resolution or petition.

4. Notice of Meetings. The Secretary shall send by first class mail or deliver a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each condominium unit owner of record at the time the notice is issued, at least ten (10) but not more than sixty (60) days prior to such meeting. The mailing of a notice in the manner provided in this paragraph or the delivery of such notice shall be considered notice served.

5. Membership List. Each notice of a membership meeting shall include a copy of a membership list of the names and addresses of all holders of memberships listed by the Condominium Unit Number.

6. Adjourned Meetings. If a membership meeting cannot be organized because a quorum has not attended, the owners of memberships who are present, either in person or by proxy, may adjourn the meeting, from time to time, until a quorum is obtained.

7. Order of Business. The order of business at all membership meetings shall be as follows:

- (a) Roll call and certifying proxies
- (b) Proof of notice of meeting or waiver of notice
- (c) Reading and disposal of unapproved minutes
- (d) Reports of officers
- (e) Reports of committees
- (f) Election of directors
- (g) Unfinished business
- (h) New business
- (i) Adjournment

7. Voting. Each membership shall be entitled to one vote on all matters, including the election of directors, on which members are entitled to vote except for amendments to the Declaration which are governed by Section 18 thereof. If a membership stands of record in the names of two or more persons or entities, their acts with respect to voting shall have the following effect:

- a. If only one votes, such act binds all; and
- b. If more than one votes, the votes shall be divided on a pro rata basis.

8. Quorum. The presence, in person or by proxy, of not less than 25 memberships shall constitute a quorum. When a quorum is present, all actions voted upon except the election of directors shall be approved if the sum of the membership votes cast in favor of the action exceeds the sum of the membership votes cast against the motion. Once a membership is represented for any purpose at a meeting, including the purpose of determining that a quorum exists, the membership is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting.

9. Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting. Directors, officers, employees or agents of the Managing Agent are not eligible to be appointed proxies for Association memberships. (Second sentence adopted by membership on July 28, 2001).

ARTICLE V
Board of Directors

1. Number and Qualification. The Board of Directors of the Association shall be composed of five Directors who are natural persons at least 18 years of age who hold an interest in a condominium unit.

2. Election and Term of Office. Directors shall be nominated and elected at the annual membership meetings. They shall serve until their successors shall have been elected and hold their first meeting. They shall be elected to staggered terms of three years each, provided that if there are more than two vacancies to be filled at any annual membership meeting, the length of the terms to be filled at that meeting shall be adjusted to assure that the Directors serve staggered terms. In an election of multiple Directors, that number of candidates equaling the number of Directors to be elected, having the highest number of votes cast in favor of their election will be elected. In case of staggered term election, those Directors receiving the highest votes shall serve the longest terms; those receiving fewer votes shall serve the shorter terms. Cumulate voting for directors is prohibited.

3. Vacancies. Vacancies on the Board caused by any reason other than the removal of a Director by a membership or judicial proceeding shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association.

4. Removal of Directors. At any regular or special membership meeting duly called, any one or more of the Directors may be removed with or without cause by a majority of the memberships, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the holders of a membership shall be given an opportunity to be heard at the meeting.

5. Compensation. No member of the Board of Directors shall receive any compensation for acting as such.

6. Annual Meeting. The annual meeting of the Board of Directors shall be held immediately following and in the same place as the annual membership meeting in each calendar year, or on such other date and at such time and at such place as the President may determine. The annual meeting of the Board of Directors shall be for the purpose of electing officers and for the transaction of such other business as may come before the meeting provided that if there is a vacancy in the Board on the occasion of that meeting, the first order of business shall be to appoint a Director to fill that vacancy.

7. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least one

such meeting shall be held during each calendar quarter. Notice of regular meetings of the Board shall be given to each Director, personally, by mail, or telephone, at least seven days prior to the day named for such meeting.

8. Special Meetings. Special meetings of the Board may be called by the President on two days notice to each Director, given personally, by mail, or by telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of two or more Directors.

9. Presence at Meeting. The Board of Directors may permit any Director to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all Directors participating may hear each other during the meeting. A Director participating in a meeting by this means is deemed to be present in person at the meeting.

10. Waiver of Notice. Before or at any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. 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.

11. Board of Directors' Quorum. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors shall be the acts of the Board. If, at any meeting of the Board, 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 which might have been transacted at the meeting as originally called may be transacted without further notice.

12. Proxies. For purposes of determining a quorum with respect to a particular proposal, and for purposes of casting a vote for or against a particular proposal, a Director may be deemed to be present at a meeting and to vote if the Director has granted a signed, written proxy to another Director who is present at the meeting, authorizing the other Director to cast the vote that is directed to be cast by the written proxy with respect to the particular proposal that is described with reasonable specificity in the proxy. Except as permitted by this Section, Directors may not vote or otherwise act by proxy.

13. Powers and Duties. The Board shall have the power 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 residential condominium property. The Board may do all such acts and things except as by law or by these Bylaws or by the Declaration may not be delegated to the Board.

14. Other Powers and Duties. 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 Declaration submitting the property to the provisions of the Condominium Ownership Act of the State of Colorado, the Bylaws 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, rentals, use and occupancy of all of the condominium units with the right to amend same from time to time. A copy of such rules and regulations shall be delivered or mailed to each member upon the adoption thereof.
- c. 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. To insure and keep insured all of the insurable general common elements of the property in an amount equal to the maximum replacement value. To insure and keep insured all of the common fixtures, equipment and 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 in amounts not less than \$2,000,000.00 per person and \$2,000,000.00 per accident and \$2,000,000.00 property damages.
- e. To prepare a budget for the condominium, 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, and by majority vote of the Board to adjust, decrease or increase the amount of the quarterly or monthly assessments. 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 suit or otherwise and to enjoin or seek damages from an owner as is provided in the Declaration and these Bylaws. To enforce a late charge of not more than \$10.00 per month and to collect interest at the rate of 12% per annum in connection with

assessments remaining unpaid more than 15 days from due date for payment thereof, together with any expenses, including attorney's fees incurred.

- g. To protect and defend in the name of the Association any part or all of the condominium project from loss and damage by suit or otherwise.
- h. To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the recorded Declaration and these Bylaws, and to execute all such instruments evidencing such indebtedness as the Board may deem necessary and give security therefor. Such indebtedness shall be the several obligation of all of the condominium unit owners in the same proportion as their interest in the general common elements.
- i. To enter into contracts to carry out their duties and powers.
- j. To establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable.
- k. 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 interests of the unit owners; provided that discretionary improvements must have a final bid, which if more than \$15,000.00, shall not be undertaken without the prior approval of a majority of the members. (The proviso adopted by the members on July 28, 2001).
- l. To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by the holders of memberships.
- m. to prepare and deliver annually to each holder of a membership a statement showing receipts, expenses or disbursements since the last such statement.
- n. To meet at least once each quarter.
- o. To designate the personnel necessary for the maintenance and operation of the general and limited common elements.

- p. In general, to carry on the administration of this 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.
- q. To control and manage the use of all parking areas.
- r. To employ for the Association a resident manager or managing agent or both. The resident manager's services may be shared with other condominium associations.

ARTICLE VI

Fiscal Management

The provisions for fiscal management of the condominium units for and in behalf of all of the unit owners as set forth in the Declaration shall be supplemented by the following provisions:

1. Accounts. The funds and expenditures of the unit owners by and through the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expenses:
 - a. Current expense, which shall include all funds and expenditures within the year for which funds are budgeted, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves or to additional improvements.
 - b. Reserve for deferred maintenance, which shall include funds for maintenance items which occur less frequently than annually.
 - c. Reserve for replacement, which shall include funds for repair or replacement required because of damage, wear or obsolescence.

ARTICLE VII

Officers

1. Designation. The officers of the Association shall be a President, a Vice President, 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. Such officers shall be members of the Board. The same individual may simultaneously hold more than one office.
2. Election of Officers. The officers of the Association shall be elected annually by the Board at the annual meeting of each new Board and shall hold office at the pleasure of the Board.

3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board. He shall have all of the general powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association or as may be established by the Board or by the members of the Association at any regular or special meeting.

5. Vice President. The Vice President shall have all the powers and authority and perform all the functions and duties of the President, in the absence of the President, or his inability for any reason to execute such powers and functions or perform such duties.

6. Secretary. The Secretary shall keep all the minutes of the meetings of the Board and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary and as is provided in the Declaration and the Bylaws.

The Secretary shall compile and keep up to date at the principal office of the Association a complete list of members and their last known addresses as shown on the records of the Association. Such list shall also show opposite each member's name the number or other appropriate designation of the unit owned by such member, the undivided interest in the general common elements. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

7. Treasurer. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for all deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board. In the event the Managing Agent or Resident Manager has the responsibility of collecting and disbursing funds, the Treasurer shall review such accounts not less often than once each calendar quarter.

ARTICLE VIII
Indemnification of Officers, Directors, Managing Agent
and Resident Manager

1. Definitions. For purposes of this Article:

- a. The terms "director or officer" shall include a person who, while serving as a director or officer of the Association, is or was serving at the request of the Association as a director, officer, employee, Managing Agent or Resident Manager. The term "director or officer" shall also include the estate or personal representative of a director or officer, unless the context otherwise requires.
- b. The term "proceeding" shall mean any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, whether formal or informal, any appeal in such an action, suit, or proceeding, and any inquiry or investigation that could lead to such an action, suit, or proceeding.
- c. The term "party" includes an individual who is, was, or is threatened to be made a named defendant or respondent in a proceeding.
- d. The term "liability" shall mean any obligation to pay a judgment, settlement, penalty, fine or reasonable expense incurred with respect to a proceeding.
- e. When used with respect to a director, the phrase "official capacity" shall mean the office of director in the Association, and, when used with respect to a person other than a director, shall mean the office in the Association held by the officer or the employment, fiduciary or agency relationship undertaken by the employee or agent on behalf of the association.

2. General Provisions. The Association shall indemnify any person who is or was a party or is threatened to be made a party to any proceeding by reason of the fact that such person is or was a director or officer of the Association, against expenses (including attorneys, fees), liability, judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such proceeding if such person: (i) acted in good faith, (ii) reasonably believed, in the case of conduct in an official capacity with the Association, that the conduct was in the best interests of the Association, and, in all other cases, that the conduct was at least not opposed to the best interests of the Association, and (iii) with respect to any criminal proceeding, had no reasonable cause to believe that the conduct was unlawful. However, no person shall be entitled to indemnification under this Section 2 either: (i) in connection with a proceeding brought by or in the right of the Association in which the director or officer was

adjudged liable to the Association; or (ii) in connection with any other proceeding charging improper personal benefit to the director or officer, whether or not involving action in that person's official capacity, in which the officer or director is ultimately adjudged liable on the basis that the director or officer improperly received personal benefit. Indemnification under this Section 2 in connection with a proceeding brought by or in the right of the Association shall be limited to reasonable expenses incurred in connection with the proceeding. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction or upon a plea of solo contender or its equivalent shall not of itself be determinative that the person did not meet the standard of conduct set forth in this Section 2.

3. Successful Defense on the Merits: Expenses. To the extent that a director or officer of the Association has been wholly successful on the merits in defense of any proceeding to which he was a party, such person shall be indemnified against reasonable expenses (including attorneys' fees) actually and reasonably incurred in connection with such proceeding.

4. Determination of Right to Indemnification. Any indemnification under Section 2 of this Article (unless ordered by a court) shall be made by the Association only as authorized in each specific case upon a determination that indemnification of the director or officer is permissible under the circumstances because such person met the applicable standard of conduct set forth in Section 2. Such determination shall be made: (i) by the Board of Directors by a majority vote of a quorum of disinterested directors who at the time of the vote are not, were not, and are not threatened to be made parties to the proceeding; or (ii) if such a quorum cannot be obtained, by the vote of a majority of the members of a committee of the Board of Directors designated the board, which committee shall consist of two or more directors who are not parties to the proceeding (directors who are parties to the proceeding may participate in the designation of directors to serve on such committee); or (iii) if such a quorum of the Board of Directors cannot be obtained or such a committee cannot be established, or even if such a quorum is obtained or such a committee is so designated, but such quorum or committee so directs, then by independent legal counsel selected by the Board of Directors in accordance with the preceding procedures, or by the Voting Members (other than the Voting Members who are directors and are, at the time, seeking indemnification). Authorization of indemnification and evaluation as to the reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that, if the determination that indemnification is permissible is made by independent legal counsel, authorization of indemnification and evaluation of legal expenses shall be made by the body that selected such counsel.

5. Advance Payment of Expenses: Undertaking to Repay. The Association shall pay for or reimburse the reasonable expenses (including attorneys, fees) incurred by a director or officer who is a party to proceeding in advance of the final disposition of the proceeding if: (i) the director or officer furnishes the Association a written affirmation of the director's or officer's good faith belief that the person has met the standard of conduct set forth in Section 2; (ii) the director or officer furnishes the Association with a written undertaking, executed personally or on the director's or officer's behalf, to repay the advance if it is determined

that the person did not meet the standard of conduct set forth in Section 2, which undertaking shall be an unlimited general obligation of the director or officer but which need not be secured and which may be accepted without reference to financial ability to make repayment; and [iii] a determination is made by the body authorizing indemnification that the facts then known to such body would not preclude indemnification.

6. Reports to Member. In the event that the Association indemnifies, or advances the expenses of, a director or officer in accordance with this Article whether in connection with a proceeding by or on behalf of the Association, or otherwise a report of that fact shall be made in writing to the membership with or before the delivery of the notice of the next meeting of the membership.

7. Other Employees and Agents. The Association shall indemnify such other employees and agents of the Association to the same extent and in the same manner as is provided above in Section 2 with respect to directors and officers, by adopting a resolution by a majority of the members of the Board of Directors specifically identifying by name or by position the employees or agents entitled to indemnification.

8. Insurance. The Board of Directors may exercise the Association's power to purchase and maintain insurance (including without limitation insurance for legal expenses and costs incurred in connection with defending any claim, proceeding, or lawsuit) on behalf of any person who is or was a director, officer, employee, fiduciary, agent or was serving as a director, officer, partner, member, trustee, employee, fiduciary of another domestic or foreign corporation, nonprofit corporation or other person or an employee benefit plan of the Association against any liability asserted against the person or incurred by the person in any such capacity or arising out of the person's status as such, whether or not the Association would have the power to indemnify that person against such liability under the provisions of this Article.

9. Nonexclusivity of Article. The indemnification provided by this Article shall not be deemed exclusive of any other rights and procedures to which one indemnified may be entitled under the Articles of Incorporation, any bylaw, agreement, resolution of disinterested directors, or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director or officer, and shall inure to the benefit of such person's heirs, executors, and administrators.

10. Other. Contracts or other commitments made by the Board, Officers, Managing Agent or Resident Manager shall be made as agent for the unit owners, and they shall have no personal responsibility on any such contract or commitment (except as unit owners), and the 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 owner bears to the aggregate common interest of all of the unit owners, 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 other owners.

ARTICLE IX Amendments to Bylaws

1. Amendments to Bylaws and Articles. These Bylaws and the Articles of Incorporation may be amended by a membership vote at a duly constituted membership meeting called for such purpose; provided, however, that an amendment shall not have the effect of canceling or abrogating any provisions contained in the Declaration or any contracts or commitments.

ARTICLE X Mortgages

1. Notice to Association. An owner who mortgages his unit shall notify the Association through the Managing Agent, if any, or the Resident Manager or the Secretary of the Association, giving the name and address of his mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Units".

2. Notice of Unpaid Common Assessments. The Association, upon receipt of notice from a first mortgagee, shall promptly report any then unpaid common assessments due from, or any other default by, the owner of a mortgaged unit who has been in default for 60 days.

ARTICLE XI Evidence of Ownership, Registration of Mailing Address and Designation of Voting Representative

1. Proof of Ownership. Any person on becoming an owner of a condominium unit shall furnish to the Resident Manager or Board a machine or a certified copy of the recorded instrument vesting that person with an interest or ownership in the condominium unit, which copy shall remain in the files of the Association.

2. Registration of Mailing Address. The owners or several owners of an individual condominium unit shall have one and the same registered mailing address to be used by the Association for mailing of monthly statements, notices, demands and all other communications, and such registered address shall be the only mailing address of a person or persons, firm, corporation, partnership, association or other legal entity or any combination thereof to be used by the Association. Such registered address of a condominium unit owner or owners shall be furnished by such owners to the Resident Manager or Board within fifteen days after transfer of title, or after a change of address, and such registration shall be in written form and signed by all of the owners of the condominium unit or by such persons as are authorized by law to represent the interest of (all of) the owners thereof.

3. Designation of Voting Representative - Proxy. If a condominium unit is owned by one or more persons their right to vote shall be established by the record title thereto. If title to a condominium unit is held by a firm, corporation, partnership, association, or other legal entity, or any combination thereof, such owners shall execute a proxy appointing and authorizing one person or alternate persons to attend all annual and special meetings of members and there to cast whatever vote the owner himself might cast if he were personally present. Such proxy shall be effective and remain in force unless voluntarily revoked, amended or sooner terminated by operation of law; provided, however, that within thirty days after such revocation, amendment or termination, the owners shall reappoint and authorize one person or alternate persons to attend all annual and special meetings as provided by this section 3.

The requirements herein contained in this Article XI shall be first met before an owner of a condominium unit shall be deemed in good standing and entitled to vote at any annual or special membership meeting.

Article XII Obligations of the Owners

1. Assessments. All owners shall be obligated to pay the monthly or quarterly assessments imposed by the Association to meet the common expenses. Except for insurance premiums which shall be shared as required by Section 19 of the Declaration, the expenses and assessments shall be shared equally by all of the condominium unit owners. The assessments shall be due in advance. A member shall be deemed to be in good standing and entitled to vote at any annual or at a special meeting of members, within the meaning of these Bylaws, 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 his title to his condominium unit, and such notice shall be given in writing within five days after the owner has knowledge thereof.

3. 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.
- (b) All the repairs of internal installations of the unit such as water, light, gas, power, sewage, sanitary installations, doors, window, electrical fixtures and all other accessories, equipment and fixtures shall be at the owners' expense; provided, however, that if such internal installations are damaged

as a result of an external force or cause and if such damage is not covered by insurance, the cost of repair shall be a general common expense.

- (c) An owner shall be obligated to reimburse the Association promptly upon receipt of its statement for any expenditure incurred by the Association 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.

4. Mechanic's Lien. Each owner agrees to indemnify and hold each of the other owners harmless from any and all claims of mechanic's lien filed against other condominium units and the appurtenant general common elements for labor, materials, services or other products incorporated in the owner's condominium unit. In the event such a lien is filed and/or a suit for foreclosure of mechanic's 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 of the amount of such claim but not less than One Hundred Fifty Dollars, 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 paragraph 22 of 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 owners(s), and the owner shall be liable to the Association for the payment of interest at the rate of twelve per cent per annum on all such sums paid or incurred by the Association.

5. General.

- (a) Each owner shall comply strictly with the provisions of the recorded Condominium Declaration and these Bylaws and amendments thereto.
- (b) Each owner shall always endeavor to observe the promote the cooperative purposes for the accomplishment of which this condominium project was built.

6. Use of Units - Internal Changes.

- (a) All units shall be utilized only for the purpose as provided in the Condominium Declaration.

- (b) An owner shall not make structural modifications or alterations 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, The Board shall have the obligation to answer an owner's request within thirty days after receipt of such notice, and failure to do so within such time shall mean that there is no objection to the proposed modifications or alterations.

7. Use of General Common Elements and Limited Common Elements. Each owner may use the general common elements, the limited common elements, sidewalks, pathways, road 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 Bylaws and established by the Board as is provided in section 9 of this Article.

8. Right of Entry.

- (a) An owner shall and does grant the right of entry to the Managing Agent, Resident Manager, 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 their unit(s); 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.

9. 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 house rules a may be necessary for the operation, and use and occupancy of this condominium project with the right to amend same from time to time. Copies of such rules and regulations shall be furnished to each unit owner prior to the date when the same shall become effective.

10. 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.

11. No Waiver of Rights. The omission or failure of the Association or any condominium unit owner to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provisions of the Declaration, the Bylaws or the house rules and regulations adopted pursuant thereto, shall not constitute or be deemed a waiver, modification or release thereof, and the Board or the Managing Agent or the Resident Manager shall have the right to enforce the same thereafter.

Article XIII **Abatement and Enjoinment of Violations by Unit Owners**

1. Abatement and Enjoinment. The violation of any rule or regulation adopted by the Board, or the breach of any Bylaw, or the breach of any provision of the Declaration, shall give the Board, the Managing Agent or the Resident Manager the right, in addition to any other rights set forth therein (i) to enter the unit in which , or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting unit owner, any person, structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions thereof, and they shall not be deemed guilty in any manner of trespass, and to expel, remove and put out, using such force as may be necessary in so doing, without being liable to prosecution or in damages therefor; (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

ARTICLE XIV **Association - Not for Profit**

1. Association - Not For Profit. This Association is not organized for profit. 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 (1) 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 (2) 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.

ARTICLE XV **Mortgagees as Proxies**

1. Mortgagees as Proxies. Condominium unit owners shall have the right to irrevocably constitute and appoint the beneficiary of a trust deed their true and lawful attorney to vote their membership in this Association at any and all meetings of the Association and to vest in such beneficiary or his nominee any and all rights, privileges and powers that they have as unit owners under the Certificate of Incorporation and Bylaws of this Association or by virtue of the recorded Condominium Declaration. Such proxy shall become effective upon the filing of a notice by the beneficiary with the Secretary of the Association at such time or times as the beneficiary shall deem its security in jeopardy by reason of the failure, neglect or refusal of the Association, the Managing Agent, Resident Manager or the unit owners to carry out their duties as set forth in the Condominium Declaration. A release of the beneficiary's deed of trust shall operate to revoke such proxy. Nothing herein contained shall be construed to relieve condominium unit owners, as mortgagors, of their duties and obligations as condominium unit owners or to impose upon the beneficiary of the deed of trust the duties and obligations of a unit owner.