

BYLAWS

DILLON BAY IN CORINTHIAN HILL

CONDOMINIUM ASSOCIATION

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BY-LAWS
OF
DILLON BAY IN CORINTHIAN
HILL CONDOMINIUM ASSOCIATION

ARTICLE I

Object

1. The purpose for which this non-profit corporation is formed is to manage that property situate in the County of Summit, State of Colorado, known as Dillon Bay in Corinthian Hill Condominium, which property has been submitted to the provisions of the Declaration of the Covenants, Conditions and Restrictions of Dillon Bay in Corinthian Hill Condominium. (“Declaration”)
2. All present or future owners, their family members, invitees, tenants, and other persons who come upon or use such property in any manner are subject to the regulations set forth in these By-laws. Acquisition of a fee, leasehold or other interest in or the mere occupancy of any dwellings units of the project or a portion thereof, hereinafter referred to as the “units”, shall constitute ratification and acceptance of these By-laws and an agreement to comply herewith.

ARTICLE II

Membership, Voting, Quorum, Proxies

1. Membership. Membership in this Association, except for the membership of the first Board of Directors, shall be limited to record owners (including a purchaser in possession under a recorded purchase contract) of the units and shall be subject to the Declaration. One membership in the Association shall be issued to the record owner of each unit. If a Unit is owned by more than one Person, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation, all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The record owners of all units collectively shall constitute all the members. In the event any such unit is owned by two or more persons, whether by joint tenancy, tenancy in common, or otherwise, the membership as to such unit shall be joint and a single membership for such unit shall be issued in the names of all the owners, and they may designate to. The Association in writing from time to time, one person who shall hold the membership and have the power to vote said membership. Similarly, in the event any unit is owned by a corporation, partnership, or other entity not a natural person, the membership shall be in the name of such owner, which owner may from time to time in writing designate the natural person who shall have the power to vote such membership. No membership shall be issued to any other person or person except as they may be issued in substitution for outstanding memberships assigned to new record owners of units.
2. Voting. Each unit shall have allocated to it one vote, except as may be provided in the Declaration. Cumulative voting is prohibited.

3. Quorum. The presence either in person or by proxy of at least forty percent of all members shall constitute a quorum of the Association for all purposes unless the representation of a larger group shall be required by law, by the Articles of Incorporation, or by these By-laws, and in that event representation of the number so required shall constitute a quorum. A majority vote of the quorum on those matters properly submitted to a vote by the Association shall bind the Association.

4. Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting. Written or electronically transmitted fax or e-mail proxies may be given by any Owner as allowed by C.R.S. 7-127-203. All proxies shall be reviewed by the Association's Secretary or designee as to the following:

(i) Validity of the signature;

(ii) Signatory's authority to sign for the Owner;

Deleted: Signatory=s

(iii) Authority of the Owner to vote;

(iv) Conflicting proxies;

(v) Expiration of the proxy.

ARTICLE III

Administration

1. General. The Association shall administer the property subject to such Declaration through a Board of Directors as herein provided.
2. Place of Meetings. Meetings of the Association shall be held at such place as the Board of Directors may determine.
3. Annual Meetings. The first annual meeting of the Association shall be held within one year from the date of the first sale of a unit subject hereto. Thereafter, the annual meetings of the Association shall be held as the Association may by majority vote approve. At such meeting, there shall be elected a Board of Directors in accordance with the requirements set forth herein. The Association may also transact such other business of the Association as may properly come before it.
4. Special Meetings. Special meetings of the Association for any purpose or purposes other than those regulated by statute may be called for by the President as directed by resolution of the Board of Directors, upon demand by any member of the Board of Directors or upon a petition signed by members of the Association holding a majority of voting strength in the Association. Such petition shall state the purpose or purposes of such proposed meeting. No business shall be transacted at a special meeting except as stated in the notice thereof unless by consent of members holding three-fourths of the voting strength of the Association, either in person or by proxy.

5. Notice of Meetings. The President or Secretary shall give or cause to be given notice of the time, place and purpose of holding each annual or special meeting by mailing or hand delivering such notice at least ten days but not more than fifty days prior to such meeting to each Association member. Additional notice of any meeting of the Owners shall be as follows:

(a) Notice of any meeting of the Owners shall be conspicuously posted within the Project at least seven days prior to each such meeting, or as may otherwise be required by Colorado law. The Association shall also post notice on its website (if any) of all meetings. The notice shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes, and any proposal to remove an officer or member of the Executive Board.

(b) If any Owner has requested that the Association provide notice via email and has provided the Association with an email address, the Association shall send notice of all Owner meetings to such Owner at the email address provided at least 24 hours prior to any such meeting.

No action shall be adopted at a meeting except as stated in the notice.

6. Adjourned Meetings. If Association members constituting a quorum shall fail to attend in person or by proxy at the time and place of meeting, the Chairman of the meeting, or a majority of the voting strength of the Association members present in person or by proxy, may adjourn the meeting from time to time until the requirements of a quorum are met. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting.

7. Waiver of Notice. Any member may at any time waive any notice required to be given under these By-Laws, by statute or otherwise, and the presence of a member in person at any meeting of the members shall be deemed such a waiver.

8. Voting.

(a) All votes taken at Owner meetings shall be taken as follows. All contested elections of Board Members shall be conducted by secret ballot. Each Owner entitled to vote pursuant to the Bylaws shall receive a ballot. The ballot shall contain no identifying information concerning the ballot holder. In the event an Owner holds a proxy for another Owner, upon presentation of such proxy to the Secretary of the Association or the Secretary's designee, the Owner shall receive a secret ballot to cast the vote of the Owner who provided the proxy. The proxy shall be kept and retained by the Association.

(b) All other votes taken at a meeting of the Owners shall be taken in such method as determined by the Executive Board including acclamation, by hand, by voice or by ballot, unless otherwise required by law. Secret ballots are required upon a vote of 20% of a quorum of Owners.

(c) Written ballots shall be counted by a neutral third party or by a committee of volunteers. Such volunteers shall be Unit Owners who are selected or appointed at an open meeting, in a fair manner, by the chair of the meeting. The volunteers shall not be board Members and, in the case of a contested election for a Board position, shall not be candidates.

(d) The individual(s) counting the ballots shall report the results of the vote to the Chair by indicating how many votes were cast for each individual or how many votes were cast in favor and against any issue.

(e) The Executive Board may decide that voting of the Members on any matter required or permitted by the statutes of Colorado, the Articles of Incorporation, or these Bylaws will be by written ballot, hand delivered, U.S. mail, e-mail, facsimile or other electronic communication. Pursuant to the Colorado Revised Nonprofit Corporation Act, any action that may be taken at any annual, regular or special meeting of the Members may be taken without a meeting if the Secretary delivers a written ballot to every Member entitled to vote on the matter. A written ballot will: (i) set forth each proposed action; and (ii) provide an opportunity to vote for or against each proposed action. Approval by written ballot will be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. All solicitations for votes by written ballot will: (i) indicate the number of responses needed to meet the quorum requirements; (ii) state the percentage of approvals necessary to approve each matter other than election of members of the Executive Board; (iii) specify the time by which a ballot must be received by the Association in order to be counted; and (iv) be accompanied by written information sufficient to permit each person casting such ballot to reach an informed decision on the matter. A written ballot may not be revoked.

ARTICLE IV

Board of Directors

1. Number and Qualification:

(a) The affairs of this Association shall be governed by a Board of Directors consisting of five members of the Association.

Deleted: ; provided, however, that the persons named in the Articles of Incorporation shall act in such capacity until the first annual meeting of the Association or until the Declarant named in the Declaration has sold 75% of the units subject hereto, or until their successors are elected, whichever shall later occur

(b) Where a member of the Association is other than a natural person, it may designate one of its officers, principals, partners or agents who shall be entitled to serve on the Board of Directors in lieu of the member organization.

(c)

Deleted: Notwithstanding any provision herein to the contrary, the spouse of a member of the Association (not a member himself) may act as a member of the Board of Directors in the place and stead of his member spouse at the insistence and pleasure of such member spouse

2. **Powers and Duties.** The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association, and may do all such acts and things as are not by law, by the Articles of Incorporation, by the Declaration or by these By-laws directed to be exercised and done by the members. The Board of Directors shall have authority to designate and remove any and all personnel necessary or by the Board deemed reasonable or prudent to operate, maintain, repair and replace the common elements and otherwise to deal in connection therewith as provided in the Declaration. The powers of the Board of Directors shall include, but not be limited to, all of the rights and duties of the Board of Directors as set forth elsewhere in these By-laws, the Articles of Incorporation and the Declaration. The Board of Directors shall also have the power, by vote of at least two-thirds of the members of the Board to promulgate and to amend from time to time such administrative rules and regulations pertaining to such rights and duties as may be deemed by the Board of Directors to be necessary, prudent or proper and which are consistent with the foregoing. The Board of Directors may delegate such duties as appear in the best interests of the Association and to the extent permitted by law.

The Board of Directors may, on contracts delegate the routine operation and management of the Association affairs to a Manager to be selected by the Board of Directors. Such Manager shall be responsible to the Board of Directors, and shall submit a comprehensive report on his activities at each annual meeting. Appointment of a Manager shall not relieve the Board of Directors of any responsibilities of such Board pursuant hereto, to the Articles of Incorporation or to the Declaration.

3. **Election and Term of Office.** The term of the Directors named in the Articles of Incorporation shall be until the later of (1) the first annual meeting of the Association, or (2) the Declarant named in the Declaration has sold seventy-five percent of the units built on the submitted land, or (3) the Declarant permits their replacement, in the event the Declarant desires to end the term of the initial Directors prior to the occurrence of (2) above. Notwithstanding the foregoing, the term of the Directors named in the Articles of Incorporation shall be limited to a maximum of seven years from the date of the incorporation of the Association. Their successors shall be elected at the annual meeting of the members of the Association next succeeding the later of such events. A new Board of Directors shall be elected by the members at each regular annual meeting; the The term of office for the initial full slate of Board members elected by the Members will be fixed at the time of their election as they themselves will determine in order to establish a system of three-year terms in which at least one-third of the Board is elected each year, and the Board will identify in which year the Executive Board members terms for each category of representation are subject to election. Two Executive Board members will serve for a three-year term, two Executive Board members will serve a two-year term and one Executive Board member will serve a one-year term. At the expiration of the initial term of office of each respective Executive Board member, a successor will be elected to serve three years. Each Executive Board member will hold office until such Executive Board member's successor is elected by the Members and qualified to serve. The number of Directors may be altered from

Deleted: Members shall elect one director for a term of one year, two directors for terms of two years and two directors for a term of three years. thereafter and such Directors shall hold office for a term of one year or until a successor shall be elected and shall qualify except as hereinafter otherwise provided. At each annual meeting thereafter, the Members shall elect the same number of directors as there are directors whose terms are expiring at the time of each election, for terms of two years.

Inserted: Members shall elect one director for a term of one year, two directors for terms of two years and two directors for a term of three years.

Inserted: At each annual meeting thereafter, the Members shall elect the same number of directors as there are directors whose terms are expiring at the time of each election, for terms of two years.

time to time by the action of the members of the Association at any regular or special meeting called for such purpose. In the event of any increase in the number of Directors in advance of the annual meeting, each additional Director shall be elected by the then Board of Directors and hold office until his successor is elected and shall qualify.

4. Vacancies. Vacancies on the Board of Directors caused by any reason shall be filled by a vote of a majority of the remaining Directors even though they may consist of less than a quorum and each member so elected shall be a Director until his successor is duly elected by the members of the Association at the next annual meeting or special meeting called for such purpose.

5. Removal of Directors. Except for the Directors comprising the first Board of Directors, at any regular or special meeting of the Association, any one or more of the Directors may be removed with or without cause at any time by the affirmative vote of members holding seventy-five percent of the voting strength in the Association and a successor may then be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the members of the Association shall be given an opportunity to be heard at the meeting.

6. Compensation. No compensation shall be paid to Directors for their services as Directors. No remuneration shall be paid to a Director for services performed by him for the Association in any other capacity, unless a resolution authorizing such remuneration shall have been adopted by the Board of Directors before the services are undertaken.

7. Agendas and Attendance. All regular and special meetings of the Association's Board, or any committee thereof, will be open to attendance by all Members of the Association or their representatives; however, Members will not be allowed to participate in the meetings unless authorized by the chairman of the meeting. Agendas for meetings of the Board will be made reasonably available for examination by all Members of the Association or their representatives.

8. Regular Meetings. Regular meetings of the Board of Directors 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 meeting shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least ten days prior to the day named for the meeting.

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

10. Waiver of Notice. Before, at or after any meeting of the Board of Directors, 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. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business, but if at any meeting of the Board there be less than a quorum present, a majority of those present may adjourn the meeting from time to time.

12. Adjournments. The Board of Directors may adjourn any meeting from day to day or for such other time as may be prudent or necessary in the interest of the Association, provided that no meeting may be adjourned for a period longer than thirty days.

13. Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association. The Manager will maintain fidelity insurance coverage or a bond providing the same type of insurance as described in Section 6.7 of the Declaration in an amount not less than the greater of (i) \$50,000, (ii) (a) the amount equal to the maximum funds that will be in the custody of the Association or the Manager, or (b) the amount of three month's current Assessments plus reserves, as calculated from the current budget of the Association, on all Units in the Buildings , or (iii) such higher amount as the Board may require;

Deleted: Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within thirty days of election at such time and place as shall be fixed at the meeting at which such Directors were elected; no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting.

ARTICLE V

Officers

1. Designation. The principal officers of the Association shall be a President, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Directors. The Directors may appoint an Assistant Secretary and an Assistant Treasurer, and such other officers as in their judgment may be necessary, such officers need not be Directors or members of the Association.
2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors, at the organization 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 Board of Directors, any officer may be removed, either with or without cause and his successor elected at any regular meeting of the Board of Directors, 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 members and of the Board of Directors. He shall have all of the general powers and duties which are normally vested in the office of the president of a corporation, including but not limited to the power to appoint committees from among the members from time to time as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the Association.
5. Secretary. The Secretary shall keep the minutes of all meetings of the members and of the Board of Directors; he shall have the custody of the Seal of the Association; he shall have charge of the membership books and such other 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.
6. Treasurer. The Treasurer (who may also be the Secretary) shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate records of all receipts and disbursements in books belonging to the Association. He shall be responsible for the 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 of Directors, provided however, that the Treasurer may delegate routine bookkeeping, including the duties of depositing and withdrawing Association funds and of maintaining records of receipts and expenditures affecting the general and limited common elements, to a Manager appointed by the Board, in which case, however, such Manager shall always be subject to the control of the Treasurer and subject to revocation of such authority at any time by the Treasurer.
7. Compensation. No compensation shall be paid to officers for their services as officers. No remuneration shall be paid to an officer for services performed by him for the Association in any other capacity, unless a resolution authorizing such remuneration shall have been adopted by the Board of Directors before the services are undertaken.
8. Action Taken Without a Meeting. The Board members will have the right to take any action which they could take at a meeting in the absence of a meeting by obtaining the written approval of the Executive Board members as provided in CRS §7-128-202. Any action so approved will have the same effect as though taken at a meeting of the Executive Board members.

ARTICLE VI

Indemnification of Officers and Directors

The Association shall indemnify every Director or officer, his heirs, executors, administrators, and representatives against all loss, costs and expenses; including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a director or officer 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 the performance of his duty as such manager or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director or officer may be entitled. All liability, loss, damage, costs and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses; provided, however, that nothing in this Article VI contained shall be deemed to obligate the Association to indemnify any member or owner of a unit, who is or has been a director or officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Declaration as a member or owner of a unit covered thereby.

ARTICLE VII

Powers, Rights and Duties of the Association and Members Thereof

1. The Association and its members shall have all the powers, rights, duties and obligations set forth in the Articles of Incorporation of the Association, these By-laws, all rules and regulations pursuant thereto, the Condominium Declaration, and as any of the same may be duly adopted or amended. No transfers of membership in the Association shall be made except as provided herein and no such transfer shall be made upon the books of the Association within ten days next preceding the annual meeting of the Association.

2. The members of the Association and Board of Directors, or each of them shall have the express authorization, right and power to enter into one or more management agreements with third parties in order to facilitate efficient operation of the subject property. It shall be the primary purpose of such management agreements to provide for the administration, management repair and maintenance of said property, all improvements thereon designated as common elements, and the personal property of the Association; however, the Association, when so delegating, shall not be relieved of its responsibilities under this Declaration. Any management agreement entered into by the Association shall be in writing, shall be terminable by the Association upon thirty (30) days written notice thereof and shall not have a term in excess of one year, which may be renewable by agreement of the parties for successive one year periods.

In addition, the Association may employ independent contractors or such other employees or persons as it deems necessary to carry out the Association's functions hereunder, and may prescribe their duties.

3. The terms of said management agreements shall be as determined by the Board of Directors to be in the best interests of the Association, and shall be subject to the Articles of Incorporation, these By-laws and the Declaration.

ARTICLE VIII

Corporate Seal

1. The Board of Directors shall provide a suitable corporate seal containing the name of the Association, which seal shall be in the custody and control of the Secretary.
2. A duplicate seal may be kept and used by such officer and the attestation by such officer or any Assistant Secretary or other officer of the Association shall be conclusive as to the validity of the seal, duplicate or any facsimile thereof.

ARTICLE IX

Miscellaneous

1. Books and Accounts. Books and accounts of the Association shall be kept under the direction of the Treasurer and in accordance with the reasonable standards of accounting procedure and prudence. Such records shall accurately and in detail present all receipts and expenditures affecting the general and limited common elements.
2. Auditing. At the discretion of the executive board the books and records of the association shall be subject to an audit, using generally accepted auditing standards, or a review, using statements on standards for accounting and review services, by an independent and qualified person selected by the board. Such person need not be a certified public accountant except in the case of an audit. A person selected to conduct a review shall have at least a basic understanding of the principles of accounting as a result of prior business experience, education above the high school level, or bona fide home study. The auditor or review report shall cover the association's financial statements, which shall be prepared using generally accepted accounting principles or this cash or tax basis of accounting. A review shall be required only when requested by the owners of at least one-third of the units represented by the association. An audit shall be required only when both of the following conditions are met:

- (a) The association has annual revenues or expenditures of at least two hundred fifty thousand dollars; and
- (b) An audit is requested by the owners of at least one-third of the units represented by the association.

Copies of an audit or review shall be made available upon request to any unit owner beginning no later than thirty days after its completion.

3. Inspection of Books. Financial reports and membership records of the Association shall be available at the principal offices of the Association for inspection at reasonable weekday business hours by any member and by any mortgagee of any member.
4. Statement of Account. Upon ten days' notice to the Board of Directors or the Manger, if one has been appointed, and upon payment of \$15.00, any owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such owner.
5. Execution of Association Documents. With the prior authorization of the Board of Directors, all notes, checks and contracts or other obligations shall be executed on behalf of the

Deleted: At the closing of each fiscal year, upon written demand of any member, the books and records of the Association shall be audited by a Certified Public Accountant, whose report shall be prepared and certified. In the absence of such demand, the Treasurer nevertheless shall prepare and certify such books and records within thirty days of the end of such fiscal year. Based upon such reports the Association will make available for inspection by its members a statement of the income and disbursements of the Association for each fiscal year.

Association by any officer of the Association or by any Manager duly authorized to so execute the same.

6. Fiscal Year. The fiscal year of the Association shall be determined by the Board of Directors and may be changed from time to time as determined by the Board.

7. Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

(a) A segregation of accounting duties should be maintained, and disbursements by check in any amount greater than \$10,000 will require two signatures. The two signatures will be the signature of the Manager and a Board Member, or the signature of two Board Members. The Board may modify this requirement from time to time by the resolution of the Board. Cash disbursements will be limited to amounts of \$200 or less.

(b) Cash accounts of the Association will not be commingled with any other accounts.

(c) No remuneration will be accepted by the Executive Board members or the Manager from vendors, independent contractors or other providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts or otherwise (except that such persons may be employees of Declarant during the Period of Declarant Control). Anything of value received will be for the benefit of the Association.

(d) Any financial or other interest that the Manager or a Member of the Board may have in any firm (other than Declarant) providing goods or services to the Association will be disclosed promptly to the Board.

(e) Commencing at the end of the quarter in which the first Unit is sold and closed, financial reports shall be prepared for the Association at least quarterly containing:

(i) an income statement reflecting all income and expense activity for the preceding period on an accrual basis;

(ii) a statement reflecting all cash receipts and disbursements for the preceding period;

(iii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;

(iv) a balance sheet as of the last day of the preceding period; and

(v) a delinquency report listing all Owners who are delinquent in paying any assessments at the time of the report and describing the status of any action to collect such assessments which remain delinquent (any assessment or installment thereof shall be considered to be delinquent on the 15th day following the due date unless otherwise specified by Board resolution).

(f) An annual report consisting of at least the following shall be made available to all Members within 120 days after the close of the fiscal year: (i) a balance sheet; (ii) an operating (income)

statement; and (iii) a statement of changes in financial position for the fiscal year. Such annual report shall be prepared on an audited, reviewed, or compiled basis, as the Board determines, by an independent public accountant.

Deleted: Working Capital Transfer Fee.

Upon the initial sale of each unit subject to the Declaration by the Declarant, the Association shall collect from the purchasers, for use as a working capital reserve, an amount equal to one-fourth of the estimated annual assessments for such unit for such year of first sale. Each owner shall be required to deposit at the time of initial purchase and thereafter to maintain with the Association a sum of equal to three (3) times the amount of the original estimated monthly common expense assessment. Such collection shall be in addition to any currently due assessment and shall be transferred to subsequent owners of such unit on any resale thereof.¶

(The transfer fee requires an amendment of the Declaration approved by 67% of owners and all 1st mortgages per M. Richmond's previous review of docs.)

Inserted: Transfer Fee

Inserted: Each owner shall be required to deposit at the time of initial purchase and thereafter to maintain with the Association a sum of equal to three (3) times the amount of the original estimated monthly common expense assessment.

Inserted: ¶

(The transfer fee requires an amendment of the Declaration approved by 67% of owners and all 1st mortgages per M. Richmond's previous review of docs.)

8. Subject to the provision of the Declaration, the Association shall have the right to construct new additions to the general common elements. Ownership of , and the expenses for, any such additions to the general common elements shall be apportioned among all condominium units in proportion to the respective undivided interest in the common elements appurtenant thereto, as shown in Exhibit B to the Declaration. The Association shall not have the right to construct new additions to the limited common elements without the written consent of the owners of all condominium units to which any such limited common element is or will be appurtenant. In no event shall the construction of new additions to the general common elements affect an owner by way of modification of his voting power in the Association.

ARTICLE X

Amendment of By-Laws

1. Amendment by the Members. These By-laws may be amended by the affirmative vote of members holding 67% of the voting strength in the Association at any validly constituted regular or special meeting called for such purpose. Amendments may be proposed by the Board of Directors or by a petition signed by members holding a majority of the voting strength in the Association. A statement of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment shall be voted upon. These By-laws may not be amended insofar as such amendment would be inconsistent with the Declaration.
2. Amendment by the Directors. These By-laws may be amended by the affirmative vote of a majority of the Board of Directors at any validly constituted regular or special meeting called for such purpose, provided however, that such amendment by the Board of Directors shall not conflict with any amendment previously approved as above provided by the members. A statement of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment shall be voted upon. These By-laws may not be amended insofar as such amendment would be inconsistent with the recorded Declaration.
3. Compliance with Statute. No amendment shall be enacted which shall have the effect of deleting from these By-laws any provision required by statute, unless such requirement may under such statute, be provided in the Declaration and is so provided.

Deleted: three-fourths

ARTICLE XI

Obligations of the Owners

1. Assessments. Except as is otherwise provided in the Declaration, all owners shall be obligated to pay the assessments imposed by the Association to meet the common expenses. The Assessments shall be made pro rata according to the provisions of the Declaration. Assessments shall be due in advance on the date stated in the notice thereof, or otherwise as may be determined by the Board of Directors or the Declaration. Contributions for assessments shall be prorated if the ownership of a unit commences on a day other than the first day of the assessment period. 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 By-laws, if, and only if, he shall have fully paid all assessments made or levied against him and the unit owned by him.

Insert adoption date and certification of Secretary

2. Maintenance and Repair.

(a) Every owner must perform promptly at his own expense all maintenance and repair work within his own unit as provided in the Declaration. An owner shall not do an act or any work that will impair the structural soundness or integrity of the building or impair any easement or hereditament.

(b) An owner shall be obligated to reimburse the Association promptly upon receipt of its statements for any expenditure incurred by it in repairing or replacing any damage caused by his negligence or by the negligence of his tenant, invitees, or agents.

3. General. Each owner shall comply strictly with the provisions of the Declaration. Each owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which this project was built.

4. Uses of Units - Internal Changes.

(a) All units shall be utilized for residential purposes only.

(b) An owner shall not make structural modifications or alterations to his unit or installations located therein without the written consent and approval of the Board of Directors. The Board of Directors shall be notified in writing of the intended modifications through the President of the Board of Directors.

5. Right of Entry. Each owner shall and does grant to the Managing Agent or Board of Directors of the Association the right of access to his unit from time to time during reasonable hours as may be necessary for such maintenance, repair, or replacement of all property for which maintenance, repair and/or replacement is the responsibility of the Association as provided in the Declaration. Except as may be provided in the Declaration, damage to the interior or any part of a unit as a result of such entry thereto shall be a common expense of all of the owners, provided, however, that if such entry, resulting in damage, was made necessary as a result of the negligence or malfeasance of the unit owner, then such unit owner shall be responsible for all such damage.

ARTICLE XII

Conveyances and Encumbrances

Corporate 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, except as restricted in the Declaration, provided, however, that if the Association acquires a unit subject to the Declaration, sale thereof shall not be made without the approval of holders of seventy-five percent of the voting strength of the Association at a validly constituted meeting, the notice of which refers to such proposed sale, and the members at such meeting may impose such conditions on such proposed sale as they deem appropriate. Conveyances or encumbrances shall be by instrument executed by the President and to which the seal of the Association shall be affixed and attested to by the Secretary or the Treasurer or an Assistant Secretary or Assistant Treasurer, or executed by such other person or persons to whom such authority may be delegated by the Board.