

**BY-LAWS
OF THE
WOODSTREAM FALLS CONDOMINIUM ASSOCIATION, INC.**

The name of the Corporation shall be WOODSTREAM FALLS CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

Object

(Plan of Ownership)

1. The Woodstream Falls Condominium Association, Inc. shall be a non-profit corporation.
2. The purpose for which this non-profit Association is formed is 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 Condominium Declaration and Condominium Maps of Woodstream Falls.
3. 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 (hereinafter referred to as "units") or the mere act of occupancy of any of said units will signify that these Bylaws are accepted, ratified and will be complied with.

ARTICLE II

Membership, Voting, Majority of Owners, Quorum, Proxies

1. Membership. Except as is otherwise provided in these By-Laws, ownership of a condominium unit is required in order to qualify for membership in this Association. Any person on becoming an owner of a condominium unit shall automatically become a member or co-member of this Association and be subject to these By-Laws. 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, provided always that there shall be only one membership per condominium unit. Such membership shall terminate without any formal Association action whenever such person 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 Managers 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.
2. Voting. Each membership shall have the vote(s) appurtenant thereto as described in Articles of Incorporation. When more than one person holds the membership, they may appoint one of their co-members as proxy to cast the vote for that membership. Such vote shall be cast as the Owners thereof agree, but in no event shall more than one vote per question be cast

with respect to any one membership. If the co-members cannot agree as to the manner in which their vote should be cast when called upon to vote, then they will be treated as having abstained.

3. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of members holding one-third (1/3) of the votes entitled to be cast shall constitute a quorum. An affirmative vote of a majority of members present, either in person or by proxy, shall be required to transact the business of the meeting.

ARTICLE III

Administration

1. Association Responsibilities. The owners of the condominium units will constitute the members of Woodstream Falls Condominium Association, Inc. (hereinafter referred to as "Association"), which will have the responsibility of administering the project through a Board of Managers (hereinafter referred to as the "Board").

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

3. Annual Meeting. The first meeting of the Association members shall be held within one year of the date of incorporation. Thereafter, the annual meeting of the Association shall be held during the month of October of each succeeding year. At such meetings there shall be elected by ballot of the members a Board of Managers in accordance with the requirements of Section 5 of Article IV of these By-Laws. The members may also transact such other business of the Association as may properly come before them. "Declarant" as used in these By-Laws refers to the Declarant named in the Condominium Declaration for Woodstream Falls Condominium Association, Inc., its successors and assigns.

4. Special Meetings. The President may call a special meeting of the members upon his own initiative or as directed by resolution of the Board or upon receipt of a petition signed by at least one-third (1/3) of the members. The notice of any special 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 meeting unless by consent of two-thirds (2/3) of the members present, either in person or by proxy. Any such meetings shall be held at such place and time as the President determines within thirty (30) days after receipt by the President of such resolution or petition.

5. Notice of Meetings. The Secretary shall cause to be mailed or delivered a notice of each annual or special meeting, stating the purpose thereof as well as the time and place it is to be held, to each member of record, at the registered address of each member, at least five (5), but not more than thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in this Section or the delivery of such notice shall be considered notice served, and the Certificate of the Secretary that notice was duly given shall be prima facia evidence thereof.

6. Adjourned Meetings. If any meeting of members cannot be organized because a quorum has, not attended, the members who are present, either in person or by proxy, may adjourn the meeting, to a time not less than forty-eight (48) hours from the time the original meeting was called.

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

- (a) Roll call and certifying proxies
- (b) Proof of notice of meeting or waiver of notice
- (c) Reading of Minutes of preceding meetings
- (d) Reports of Officers
- (e) Reports of Committees
- (f) Election of Managers
- (g) Unfinished business
- (h) New business
- (i) Adjournment

ARTICLE IV

Board of Managers

1. Number and Qualification. Consistent with the provisions of paragraph 38(a) of the Declaration, the Declarant shall be solely entitled until all of the Condominium Units in the project have been sold or until December 31, 1978, whichever occurs first, to elect the Board of Managers. Thereafter there shall be elected any five (5) members of the Association to the Board who shall thereafter govern the affairs of this Association until their successors have been duly elected and qualified. Managers shall be Owners (as defined in the Declaration) which, in the case of Declarant or other corporate Owners, shall include the officers, directors, agents, or employees of Declarant and the officers and directors of other corporate Owners.

2. 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, residential 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 on 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, 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 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) To prepare a budget for the condominium at least annually, in order to determine the amount of the common expense assessments payable by the unit owners to meet the common expenses of the condominium project, and allocate and assess such common expenses among the unit owners according to their respective ownership interests in and to the common elements, and by majority vote of the Board, to adjust, decrease or increase the amount of the monthly common expense, assessments, and remit or return any excess of assessments over expenses, working capital, sinking funds, reserve 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 suit or otherwise and to enjoin or seek, damages from a member as is provided in the Declaration and these By-Laws. The Board shall have the duty, right, power and authority to prohibit use of a condominium unit by his tenants and lessees in the event that any assessment made remains unpaid more than thirty (30) days from the due date for payment thereof.

(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 By-Laws, 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 obligations of all of the members in the same proportion as their interest in the common elements. The persons who shall be authorized to execute promissory notes and security instruments shall be the President and Secretary or Assistant Secretary.

(i) To enter into contracts to carry out their duties and powers and to hire and fire all personnel necessary for the operation, maintenance, repair and replacement of the common elements.

(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 common elements consistent with managing the condominium project in a first-class manner and consistent with the best interests of the unit owners.

(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 each of the members, and to cause a complete audit of the books and accounts by a certified or public accountant, once each year.

(m) To prepare and deliver annually to each member a consolidated statement showing receipts, expenses or disbursements since the last such statement.

(n) To meet at least semi-annually.

(o) 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.

(p) To control and manage the use of all parking areas, open spaces, common streets and other common property.

(q) To employ for the Association a Manager or Managing Agent who shall have and exercise those duties and powers granted to him by the Board, including those set forth above, but not those powers which the Board, by law, may not delegate.

3. 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 Condominium Declaration, the By-Laws, or the 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 shall have the right to enforce the same thereafter.

4. Election, Term of Office and Compensation. At the first Meeting of the Association, subsequent to the termination of the Declarant's right to elect the Managers, the term of office of two Managers shall be fixed for three (3) years; the term of office of two Managers shall be fixed for two (2) years; and the term of office of one Manager shall be fixed for one (1) year. At the expiration of the initial term of office of each respective Manager, his successor shall be elected to serve a term of three (3) years. Except as is otherwise provided by these By-Laws, the Managers shall hold office until their successors have been elected and hold their first meeting. No Manager shall be entitled to receive any compensation for the performance of his duties, but shall be entitled to reimbursement for expenses incurred by him.

5. Vacancies. Vacancies in the Board caused by any reason other than the removal of a Manager by a vote of the Association shall be filled by vote of the majority of the remaining Managers, even though they may constitute less than a quorum, and each person so elected shall be a Manager until his successor is elected.

6. Removal of Managers. Subject to the provisions of paragraph 38(a) of the Declaration, at any regular or special meeting duly called, any one or more of the Managers may be removed with or without cause by a majority of the members, and a successor may then and there be elected to fill the vacancy thus created. Any Manager whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting, prior to voting thereon.

7. Organization Meeting. The first meeting of a newly elected Board following each annual meeting of the members shall be held within ten (10) days thereafter at such place as shall be fixed by the Managers at the meeting at which such Managers were elected, and no notice shall be necessary to the newly elected Managers in order legally to constitute such meeting, providing majority of the whole Board shall be present.

8. 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 Managers, but at least two such meetings shall be held during each calendar year. Notice of regular meetings of the Board shall be given to each Manager, personally or by mail, telephone or telegraph, at least five (5) days prior to the day named for such meeting.

9. Special Meetings. Special meetings of the Board may be called by the President on three days' notice to each Manager, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) 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 Managers.

10. Waiver of Notice. Before or at any meeting of the Board, any Manager may, in writing waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Manager at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all of the Managers 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 Managers' Quorum. At all meetings of the Board, a majority of the Managers shall constitute a quorum for the transaction of business; and the acts of the majority of the Managers present at a meeting at which a quorum is present 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. Fidelity Bonds. The Board shall require that all officers and employees of the Association and the Managing Agent who handle or are responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a common expense.

ARTICLE V

Officers

1. Designation. The Officers of the Association shall be a President, a Vice-President, a Secretary-Treasurer, all of whom shall be elected by the Board, and such assistant officers as the Board shall, from time to time, elect. With the exception of the President, such Officers need not be members of the Board of Managers, but each shall be an owner of a condominium unit in this condominium project, or the Declarant or its representative(s), if an Owner or member.

2. Election of Officers. The Officers of the Association shall be elected annually by the Board 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 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 meetings.

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 exercise 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 may direct, and he shall, in general, perform all the duties incident to the office of Secretary.

The Secretary shall compile and keep up to date at the principal office of the Association a complete list of members and their registered 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 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. In addition, a list of all mortgagees of units shall be maintained. The records referred to in this subsection may be maintained by the Managing Agent.

7. Treasurer. The Treasurer shall have the 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; provided, however, that when a Managing Agent has been delegated the responsibility of collecting and disbursing funds, the Treasurer's responsibility shall be to review the accounts of the Managing Agent not less often than semi-annually.

ARTICLE VI

Indemnification of Officers, Directors and Managing Agent

1. Indemnification. The Association shall indemnify every Manager, officer, Managing Agent, their respective successors, personal representatives and heirs, 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 Manager, 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 the performance of his duty as such Manager, 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, cost 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 owners of a condominium unit who is or has been a Manager or Officer of the Association with respect to any duties or obligations assumed or liabilities incurred, by him under and by virtue of the Condominium Declaration.

2. Other. Contracts or other commitments made by the Board of Managers, Officer or the Managing Agent shall be made as agent for the Association, and they shall have no personal responsibility on any such contract or commitment.

ARTICLE VII

Amendments

1. The Articles of Incorporation may be amended in the manner provided by law.
2. These By-Laws may be amended by the members at a duly constituted meeting of the members for such purpose; provided, however, that no amendment shall conflict with or minimize the intended effect of the provisions of the Articles of Incorporation or the Declaration.

Any amendment shall require the affirmative approval of not less than fifty-one percent (51%) of the members.

ARTICLE VIII

Mortgages

1. Notice to Association. A member who mortgages his condominium 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 in a book entitled "Mortgagees of Units".

2. Notice of Unpaid Common Expenses. The Association, whenever so requested in writing by a mortgagee of a condominium unit, shall promptly report any then unpaid common expenses due from the Owner of its mortgaged Unit, or any other default by, the owners of a mortgaged unit, which is not cured within thirty (30) days.

3. Notice of Default. When giving notice to a member of a default in paying common expenses or other default, the Board shall send a copy of such notice to each holder of a mortgage covering such condominium unit.

4. Notice of Amendment or Change in Board of Managers or Managing Agent. The Association shall at least thirty (30) days prior to the effective date of any amendment to the Association's Articles of Incorporation or By-Laws, notify in writing the holders of all recorded mortgages or deeds of trust of any such amendment. Further, the Association shall notify said mortgagees of any changes in the Association's Board of Managers or Managing Agent.

5. Examination of Books. Each member and each mortgagee of a condominium unit shall be permitted to examine the books of account of the condominium at reasonable times on business days. Any Owner shall be entitled to obtain a certificate of status of assessments setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

ARTICLE IX

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

1. Proof of Ownership. Except for those members who initially purchase a condominium unit from Declarant, any person on becoming an owner of a condominium unit shall furnish to the Managing Agent 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 member or members shall be furnished by such member(s) to the Managing Agent or Board within fifteen (15) 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 person, his right to vote shall be established by the record title thereto. If title to a condominium unit is held by more than one person or 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 thereat 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 (30) 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 IX 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 meeting of members.

ARTICLE X

Obligations of the Owners

1. Assessments. All members shall be obligated to pay the monthly assessments imposed by the Association to meet the common expenses. The assessments shall be made pro rata according to percentage interest in and to the common elements. 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 By-Laws, if and only if, he shall have fully paid all assessments made or levied against him and the condominium units owned by him.

2. Notice of Lien or Suit. A member 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 (5) days after the owner has knowledge thereof.

3. Mechanic's Lien. Each member agrees to indemnify and to hold each of the other members harmless from any and all claims of mechanic's liens filed against other units and the appurtenant common elements for labor, materials, services or other products incorporated in the member's unit. In the event such a lien is filed and/or a suit for foreclosure of mechanic's lien is commenced, then within ten (10) days thereafter, such member shall be required to deposit with the Association cash or negotiable securities equal to one and one-half (1 1/2) of the amount of such claim. A portion of said 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 of 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 23 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 Member(s), and the member shall be

liable to the Association for the payment of interest at the rate of ten percent(10%) per annum on all such sums paid or incurred by the Association.

4. Maintenance and Repair.

(a) Every member must perform promptly, at his own expense, all maintenance and repair work within his own condominium unit which, if omitted, would affect the appearance of 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, telephone, sanitary installations, doors, windows, electrical fixtures and all other accessories, equipment and fixtures shall be at the member's expense.

(c) A member 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.

5. General.

(a) Each member shall comply strictly with the provisions of the recorded Condominium Declaration and these By-Laws and amendments thereto.

(b) Each member shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which this condominium project was built.

6. Uses of Units - Internal Changes.

(a) All units shall be utilized for only residential purposes as is provided in the Condominium Declaration.

(b) A member 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 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 member's request within thirty (30) 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.

7. 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 in Section 9 of this Article.

8. Right of Entry.

(a) Each member shall and does grant the right of entry to the Managing Agent or to any other person authorized by the Board in case of an emergency originating in or threatening his unit, whether the member is present at the time or not.

(b) Each member shall permit other members, 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.

9. Rules and Regulations.

(a) The initial rules and regulations shall be effective until amended or supplemented by the Board.

(b) The Board reserves the right to establish, make and enforce compliance with such additional rules and regulations as may be necessary for the operation, 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 owner prior to the date when the same shall become effective.

10. Destruction and Obsolescence. Each member 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 member's condominium unit upon its damage, destruction or obsolescence, all as is provided in the Condominium Declaration.

ARTICLE XI

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, Manager 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, Manager 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 XII

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 By-Laws 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 or the unit owners to carry out their duties as set forth in the Condominium Declaration or Association By-Laws. A release of the beneficiary's deed of trust shall not 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.

The undersigned Secretary of this Association does hereby certify that the above and foregoing By-Laws and rules and regulations were duly adopted by the Managers as the By-Laws and rules and regulations of said Association on this 13th day of April, A.D., 1972.