

**BYLAWS OF
THE DER BERGHOF ASSOCIATION, INC.**

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INTRODUCTION

These are the Bylaws of the Der Berghof Association (the "Association") which shall operate under the Colorado Revised Nonprofit Corporation Act, as amended (C.R.S. § 7-121-101, *et seq.*) ("Corporation Act"), and the Colorado Common Interest Ownership Act, as amended (the "Act").

Terms which are defined in the Condominium Declaration of Der Berghofs dated August ____, 2006 (the "Declaration") and in the Association's Articles of Incorporation, as the same shall be amended from time to time, (the "Articles") shall have the same meanings herein, unless otherwise defined herein. In the event any term in the Articles conflicts with usage found in the Articles, the terms used in the Declaration shall have controlling meaning. The word member or members as used in these Bylaws means and shall refer to Unit Owner(s) or Owner in the Common Interest Community.

ARTICLE 1 OBJECT

1.1 Purpose. The purpose for which the Association is formed is to:

1.1.1 Govern and operate the condominium project known as Der Berghof Condominiums (the "Common Interest Community") located on Lots K, L, M and N, Block 69, City and Townsite of Aspen, County of Pitkin, State of Colorado, in accordance with the Corporation Act and the Act;

1.1.2 Promote the health, safety, welfare, and common benefit of the Unit Owners and residents of the Common Interest Community; and

1.1.3 Be and constitute the Association to which reference is made in the Condominium Declaration of the Der Berghoff Condominiums (the "Declaration") which is recorded in the office of the Clerk and Recorder of the County of Pitkin, State of Colorado, relating to a condominium project described therein, in the City of Aspen, State of Colorado and to perform all obligations and duties of the Association and to exercise all rights and powers of the Association, as specified therein.

1.2 Owners Subject to Bylaws. All present or future Owners, tenants, future tenants or any other person that might use in any manner the facilities of the Common Interest Community are subject to the terms and provisions set forth in these Bylaws. The mere acquisition or rental of any of the Units, or the mere act of occupancy of any of the Units will signify that these Bylaws are accepted, ratified, and will be complied with.

ARTICLE 2 MEMBERSHIP, VOTING MAJORITY OF OWNERS, QUORUM, PROXIES

2.1 Membership. Ownership of a Unit is required in order to qualify for membership in this Association. Any person, on becoming an Owner of a Unit, shall automatically become a Member of this Association and be subject to these Bylaws. Such membership shall terminate without any formal Association action whenever such person ceases to own a Unit, but such termination shall not relieve

or release any such former owner from any liability or obligation to the Association or impair any rights or remedies which the Association may have against such former owner arising out of or in any way connected with ownership of a Unit and membership in the Association. No certificates of stock shall be issued by the Association, but the Board of Directors may, if it so elects, issue membership cards or certificates to the Owners. Such membership card or certificates shall be surrendered to the Secretary whenever ownership of the Unit designated thereon shall terminate.

2.2 Voting.

2.2.1 Votes are allocated among the Members as set forth in the Declaration. If title to any Unit shall be held by two (2) or more persons then each such person shall be a Member of this Association, provided, however, that the voting rights of such Owners shall not be divided but shall be exercised as if the Owner consisted of only one (1) person in accordance with the proxy or other designation made by the persons constituting such Owner. If only one (1) of several Owners of a Unit is present at a meeting of the Association, the Owner present is entitled to cast all the votes allocated to the Unit, unless one or more of the other Owners of that Unit have provided written proxy to the Association, as provided herein, that the Owner present at the meeting is not authorized to vote on behalf of Owners not present at the meeting, unless said proxy has been revoked. In the event the Association has received such a proxy, and such proxy has not been revoked, the votes allocated to that Unit shall not be counted. If more than one (1) of the owners are present, the votes allocated to the Unit may be cast only in accordance with the unanimous agreement of the Owners. There is unanimous agreement if any one (1) of the Owners casts the votes allocated to the Unit without protest being made promptly to the person presiding over the meeting by another Owner of the Unit.

2.2.2 Votes allocated to a Unit may be cast under a proxy duly executed by an Owner. If a Unit is owned by more than one (1) person, each Owner of the Unit may vote or register protest to the casting of votes by the other Owners of the Unit through a duly executed proxy. An Owner may revoke a proxy given under this section only by actual written notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven (11) months after its date, unless it provides otherwise. The Secretary of the Association must bring all proxies to each meeting where the Owners are entitled to vote and all proxies shall be available for inspection by the officers of the Association and by any Owner in attendance at such meeting. A proxy need not be an Owner. All proxies must be in writing and may be either general or for a particular meeting.

2.2.3 The vote of a corporation or business trust may be cast by any officer of that corporation or business trust in the absence of express notice of the designation of a specific person by the Board of Directors or bylaws of the owning corporation or business trust. The vote of a partnership may be cast by any general partner of the partnership in the absence of express notice of the designation of a specific person by the partnership. The vote of a limited liability company may be cast by any manager of the limited liability company in the absence of express notice of the designation of a specific person by the limited liability company. The moderator of the meeting may require reasonable evidence that a person voting on behalf of a corporation, partnership, limited liability company or business trust owner is qualified to vote.

2.2.4 Votes allocated to a Unit owned by the Association may not be cast.

2.2.5 Cumulative voting in the election of the Board of Directors shall not be permitted.

2.3 Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence at the beginning of any meeting of the Association in person or by proxy of forty percent (40%) of the votes entitled to be cast shall constitute a quorum present throughout the meeting.

2.4 Majority Vote. The vote of a majority of the Owners present in person or by proxy at a meeting at which a quorum shall be present shall be binding upon all Owners for all purposes except where a higher percentage vote is required in the Declaration, these Bylaws or by law.

ARTICLE 3 ASSOCIATION MEETINGS

3.1 Place of Meetings. Meetings of the Owners shall be held at such place within the State of Colorado as the Board of Directors may determine, so long as such alternate location is reasonably convenient to the Owners.

3.2 Annual Meeting. The annual meetings of the Association shall be held each year on such date as shall be selected by the Board of Directors, provided that such meeting shall occur in each year no later than six (6) months after the end of the Association's fiscal year. At such meetings, the Owners may transact such business of the Association as may properly come before the meeting. At each annual Meeting, and subject to the terms of the Declaration and the Articles, members of the Board of Directors shall be elected by ballot of the Owners in accordance with the provisions of Article 4 of these Bylaws. The Owners may transact such other business as may properly come before them at these meetings.

3.3 Special Meetings. Special meetings of the Association may be called by the President of the Association, by a majority of the members of the Board of Directors, or by Owners having forty percent (40%) of the votes in the Association.

3.4 Notice of Association Meetings. It shall be the duty of the Secretary of the Association to cause notice of meetings of the Owners of the Association to be hand-delivered or sent Prepaid by United States mail to the address of each Unit or to any other mailing address designated in writing by an Owner, not less than ten (10) nor more than fifty (50) days in advance of a meeting. The notice of any meeting must 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 to these Bylaws, and any proposal to remove an officer or member of the Board of Directors.

3.5 Waiver of Notice. Any Owner may, at any time, waive notice of any meeting of the Association in writing, and the waiver shall be deemed the same as receipt of notice. A waiver of notice, signed by any of the Owners before, at, or after any meeting shall be a valid substitute for notice for such Owners signing a waiver of notice. The certificate of the Secretary of the Association that

notice was properly given as provided in these Bylaws shall be prima facie evidence thereof.

3.6 Adjourned Meetings. If any meeting of the Association cannot be convened because a quorum has not attended or if the business of the meeting cannot be concluded, then in that event, a majority of the Owners who are present, either in person or by proxy, may adjourn the meeting from time to time for periods of no longer than one (1) week until a quorum is obtained or until a conclusion can be reached. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

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

3.7.1 Roll call or check-in procedure;

3.7.2 Proof of notice of meeting or waiver of notice;

3.7.3 Reading of minutes of preceding meeting;

3.7.4 Reports of officers;

3.7.5 Reports of committees;

3.7.6 Election of members of the Board of Directors (when required);

3.7.7 Unfinished business;

3.7.8 New business; and

3.7.9 Adjournment.

3.8 Rules Of Meetings. The Board of Directors may prescribe reasonable rules for the conduct of all meetings of the Board of Directors and Owners and in the absence of such rules, Robert's Rules of Order shall be used.

3.9 Meetings by Telecommunication. Any or all of the Owners may participate in an annual or special Owners' meeting by, or the meeting may be conducted through the use of, any means of communication by which all persons participating in the meeting may hear each other during the meeting. A shareholder participating in a meeting by this means is deemed to be present in person at the meeting.

ARTICLE 4 BOARD OF DIRECTORS

4.1 Association Responsibilities. The Association has responsibility to manage the Common

Elements and to administer the Common Interest Community, acting through an Board of Directors. In the event of any dispute or disagreement between any Owners relating to the Common Interest Community, or any questions of interpretation or application of the provisions of the Declaration or Bylaws, such dispute or disagreement shall be submitted to the Board of Directors. The determination of such dispute or disagreement by the Board of Directors shall be binding on each and all such Owners, subject to the right of Owners to seek other remedies provided by the Declaration or by law after such determination by the Board of Directors.

4.2 Number and Qualification. The Board of Directors shall be composed of three (3) persons elected from among the Owners. The number of directors may be increased or decreased by amendment of these Bylaws; provided, however, that the number of directors shall not be reduced to less than three (3) nor increased to more than five (5).

4.3 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a first class mixed-use planned community project. The Board of Directors may do all such acts and things as are not by law, the Articles, these Bylaws or the Declaration either prohibited or directed to be exercised and done by the Owners directly.

4.4 Other Powers and Duties. The Board of Directors shall be empowered and shall have the duties as follows:

4.4.1 To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration and in the Articles and these Bylaws;

4.4.2 To establish, make and enforce compliance with such reasonable rules and regulations as may be necessary for the operation, use and occupancy of the Common Interest Community and the Common Elements with the right to amend same from time to time. A copy of such rules and regulations shall be delivered or mailed to each Owner promptly upon the adoption thereof;

4.4.3 To keep in good order, condition and repair all of the Common Elements and all items of personal property, if any, used in the enjoyment of the entire Common Interest Community;

4.4.4 To obtain and maintain to the extent obtainable all policies of insurance required by the Declaration;

4.4.5 To periodically fix, determine, levy and collect the Assessments to be paid by each of the Owners towards the Common Expenses of the Association and to adjust, decrease or increase the amount of the Assessments, refund any excess Assessments to the Owners or credit any excess of Assessments over expenses and cash reserves to the Owners against the next succeeding assessment period; to levy and collect Special Assessments in accordance with the provisions of the Declaration, whenever in the opinion of the Board of Directors 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;

4.4.6 To impose penalties and 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;

4.4.7 To protect and defend the Common Interest Community from loss and damage by suit or otherwise;

4.4.8 To borrow funds and to give security therefor in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration or these Bylaws and to execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary or desirable;

4.4.9 To enter into contracts within the scope of their duties and powers;

4.4.10 To establish bank accounts that are interest bearing or noninterest bearing, as may be deemed advisable by the Board of Directors;

4.4.11 To keep and maintain detailed, full and accurate books and records showing in chronological order all of the receipts, expenses or disbursements pursuant to appropriate specificity and itemization and to permit inspection thereof as is provided in the Declaration, and, upon the request of any Agency or upon the vote of Owners representing an aggregate ownership percentage interest of at least fifty-one percent (51 %) of the Common Elements, to cause a complete audit to be made of the books and records by a competent certified public accountant;

4.4.12 To prepare and deliver annually to each Owner a statement showing all receipts, expenses or disbursements since the last such statement;

4.4.13 To designate and remove the personnel necessary for the operation, maintenance, repair and replacement of the Common Elements;

4.4.14 To suspend the voting rights of an Owner for failure to comply with these Bylaws or the rules and regulations of the Association or with any other obligations of the Owners pursuant to the Declaration; and

4.4.15 In general, to carry on the administration of the Association and to do all of those things necessary and/or desirable to govern and operate the Common Interest Community, except as expressly prohibited by the Act.

4.5 Managing Agent. The Board of Directors may employ for the Association a Managing Agent (at a compensation established by the Board of Directors), to perform such duties and services as it shall authorize. The Board of Directors may delegate any of the powers and duties granted to it but,

notwithstanding such delegation, shall not be relieved of its responsibility under the Declaration, the Act, the Articles or these Bylaws. If the Board of Directors delegates any powers relating to collection, deposit, transfer or disbursement of Association funds, (a) the Managing Agent or others to whom such powers are delegated (collectively, "Delegate") shall maintain all funds and accounts of the Association separate from the funds and accounts of the Delegate, (b) the Delegate shall maintain all reserve accounts of each association managed by it separate from the operational accounts of the Association, (c) fidelity bonds or insurance shall be maintained for or by the Delegate in the amounts set forth in Section 4.14 below, and (d) an annual accounting of Association funds shall be prepared and presented to the Association by the Delegate, a public accountant or a certified public accountant.

4.6 Election and Term of Office. Members of the Board of Directors shall be elected by a majority of the Owners voting at the annual meeting of the members of the Association. At each annual meeting the members shall elect one Director for each Director whose term is expiring at the time of the election. Until changed by the Association, the terms of Director shall be for three years and be scheduled so that the term of one third of the Directors shall terminate during each calendar year. Each Director shall serve until such director's successor is duly elected and qualified, unless such director is removed in the manner hereinafter provided.

4.7 Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the Association shall be fulfilled by election by 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 duly elected and qualified at the next annual meeting of the Association.

4.8 Removal of Directors. At any annual or special meeting of the Association, duly called, any one (1) or more of the directors may be removed, with or without cause, by the vote of Owners representing an aggregate ownership interest of at least two-thirds of the members present and entitled to vote at any such meeting and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting.

4.9 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 two (2) such meetings shall be held each year. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, telephone, telegraph or telecopy, at least three (3) days prior to the day named for such meeting.

4.10 Special Meetings. Special meetings of the Board of Directors may be called by the President, on his own initiative, on three (3) days' notice to each director, given personally, or by mail, telephone, telegraph or telecopy, which notice shall set forth 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 on receipt of a written request to call such a special meeting from at least two (2) directors.

4.11 Waiver of Notice. Before or at 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 of Directors, no notice shall be required and any business may be transacted at such meeting.

4.12 Board of Directors Quorum. At all meetings of the Board of Directors, a quorum is deemed present throughout any meeting if persons entitled to cast fifty percent (50%) of the votes on that board are present at the beginning of the meeting. The act of a majority of directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time for periods of no longer than one (1) week until a quorum is obtained. At any such adjourned meeting, any business which might have been at the meeting as originally called may be transacted without further notice.

4.13 Compensation: Fidelity Bonds. The members of the Board of Directors shall serve without salary or compensation. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds or insurance in amounts not less than fifty thousand dollars (\$50,000) or such higher amount as the Board of Directors may require. The premiums on such bonds shall be paid by the Association.

4.14 Telephonic Meetings of Board of Directors. The Board of Directors or any committee designated by the Board of Directors may participate in any meeting of the board or committee by means of conference telephone or similar communications equipment that enables all participants in the meeting to hear each other at the same time. Such participation shall constitute presence in person at the meeting.

ARTICLE 5 OFFICERS

5.1 Designation. The officers of the Association shall be a President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. Further, the Board of Directors may, in its discretion, elect one (1) or more Vice Presidents, an Assistant Secretary and/or an Assistant Treasurer.

5.2 Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board. All officers must be members of the Association and the President must be elected from among the Board of Directors. One (1) person may hold concurrently more than one (1) office except that the President may not serve as both President and Secretary.

5.3 Removal of Officers. Upon an affirmative vote of a majority of the members of the 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.

5.4 President. The President shall be elected from among the Board of Directors and shall be the

chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of the president of a nonprofit corporation, including, but not limited to, the power to appoint committees from among the members from time to time as may be deemed 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.

5.5 Vice President. The Vice President shall have all of the powers and authority and perform all the functions and duties of the President, in the absence of the President or in the President's inability for any reason to exercise such powers and functions or perform such duties.

5.6 Secretary. The Secretary shall keep the minutes of all the meetings of the Board of Directors and the minutes of all meetings of the Association; the Secretary shall have charge of such books and papers as the Board of Directors may direct; and 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 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 percentage interests in the Common Elements attributable thereto and a description of the Limited Common Elements assigned appurtenant to each Unit. 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. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the Secretary.

5.7 Treasurer. The Treasurer shall have responsibility for Association funds, shall keep the financial records and books of account of the Association and shall be responsible for keeping full and accurate accounts of all receipts and disbursements 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. Assistant Treasurers, if any, shall have the same duties and powers, subject to supervision by the Treasurer.

ARTICLE 6 INDEMNIFICATION

6.1 Definitions. For purposes of this Article 6, the following terms shall have the meanings set forth below:

6.1.1 Proceeding. Any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal;

6.1.2 Indemnified Party. 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 he is or was a director or officer of the Association or a member of a committee formed by the Association or, while a director or officer of the Association or a member of a committee, is or was serving at the request of the Association as a director, officer, member, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, committee or other enterprise including, without limitation, any employee benefit plan of the

Association for which any such person is or was serving as a trustee, plan administrator or other fiduciary.

6.2 Indemnification.

6.2.1 Except as provided in paragraph 6.2.4 of this Section 6.2, the Association shall indemnify against liability incurred in any Proceeding an Indemnified Party if:

- (1) He conducted himself in good faith;
- (2) He reasonably believed:
 - (a) In the case of conduct in his official capacity with the Association, that his conduct was in the Association's best interest; or
 - (b) In all other cases, that his conduct was at least not opposed to the Association's best interests; and
- (3) In the case of any criminal proceeding, he had no reasonable cause to believe his conduct was unlawful.

6.2.2 An Indemnified Party's conduct with respect to an employee benefit plan for a purpose he reasonably believed to be in the interests of the participants in or beneficiaries of the plan is conduct that satisfies the requirements of sub-subparagraph (b) of subparagraph (2) of paragraph 6.2.1. An Indemnified Party's conduct with respect to an employee benefit plan for a purpose that he did not reasonably believe to be in the interests of the participants in or beneficiaries of the plan shall be deemed not to satisfy the requirements of subparagraph (1) of paragraph 6.2.1.

6.2.3 The termination of any Proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, is not of itself determinative that the individual did not meet the standard of conduct set forth in paragraph 6.2.1.

6.2.4 The Association may not indemnify an Indemnified Party (1) in connection with a Proceeding by or on behalf of the Association or its members in which the Indemnified Party was adjudged liable to the Association or its members, or (2) in connection with any Proceeding charging improper personal benefit to the Indemnified Party, whether or not involving action in his official capacity, in which he was adjudged liable on the basis that personal benefit was improperly received by him.

6.3 Insurance. By action of the Board of Directors, notwithstanding any interest of the directors in such action, the Association may purchase and maintain insurance, in such amounts as the Board of Directors may deem appropriate on behalf of any Indemnified Party against any liability asserted against him and incurred by him in his capacity of, or arising out of, his status as an Indemnified Party,

whether or not the Association would have the power to indemnify him against such liability under applicable provisions of laws.

6.4 Right to Impose Conditions to Indemnification. The Association shall have the right to impose, as conditions to any indemnification provided or permitted in this Article 6, such reasonable requirements and conditions as to the Board of Directors may determine to be appropriate, including, without limitation, any one (1) or more of the following: (a) that any counsel representing the person to be indemnified in connection with the defense or settlement of any Proceeding shall be counsel mutually agreeable to the person to be indemnified and to the Association; (b) that the Association shall have the right, at its option, to assume and control the defense or settlement of any claim or proceeding made, initiated or threatened against the person to be indemnified; and (c) that the Association shall be subrogated, to the extent of any payments made by way of indemnification, to all of the indemnified person's right of recovery, and that the person to be indemnified shall execute all writings and do everything necessary to assure such rights of subrogation to the Association.

6.5 Non-Liability of the Directors, Board and Officers. Neither the Board of Directors nor officers of the Association shall be personally liable to the Owners for any mistake or judgment or for any acts or omissions of any nature whatsoever as directors, Board of Directors or officers, except for any acts or omissions found by a court to constitute gross negligence or fraud.

ARTICLE 7 AMENDMENTS

7.1 Bylaws. These Bylaws may be amended by action or approval of Owners representing an aggregate ownership interest of at least two-thirds of the Common Elements in the Project and any notice of any meeting therefor shall specify the nature and text of any proposed amendment or amendments, provided that these Bylaws shall at all times comply with the provisions of the Act and the Corporation Act.

7.2 Preparation of Amendments. The President and Secretary of the Association may prepare, execute, certify and record amendments to the Declaration.

ARTICLE 8 MISCELLANEOUS

8.1 Notice to Association. Every Owner shall timely notify the Association of the name and address of any Mortgagee, purchaser, transferee or lessee of his Unit. The Association shall maintain such information at the office of the Association.

8.2 Proof of Ownership. Every person becoming an Owner shall immediately furnish to the Board of Directors a photocopy or a certified copy of the recorded instrument vesting in that person such ownership, which instrument shall remain in the files of the Association. A member shall not be deemed to be in good standing nor shall he be entitled to vote at any annual or special meeting of members unless this requirement is first met.

8.3 Compliance. These Bylaws are intended to Comply with the requirements of the Act and the Corporation Act. If any provisions of these Bylaws conflict with the provisions of any of such Acts, as the Acts may be amended from time to time, it is hereby agreed that the provisions of the appropriate Acts will apply.

8.4 Character of Association. This Association is not organized for profit. No member, member of the Board of Directors, officer or person for whom the Association may receive any property or funds shall 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 of the Board of Directors, officers or members except upon a dissolution of the Association, provided, however, (1) that reasonable compensation may be paid to any member, manager, director, or officer while acting as an agent or employee of the Association for service rendered in effecting one (1) or more of the purposes of the Association, and (2) that any member, manager, 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.

8.5 Conveyances and Encumbrances. Corporate property may be purchased, conveyed or encumbered for security of monies borrowed by authority of the Association and/or the Board of Directors. Conveyance or encumbrances shall be evidenced by such documents deemed necessary by the Board which documents shall be executed by the President or Vice President and by the Secretary or the Treasurer or an Assistant Secretary or an Assistant Treasurer, or by such other person or persons to whom such authority may be delegated by the Board.

8.6 Inspection of Records. Any Owner may inspect the Association's records of receipts and expenditures at any reasonable time during convenient weekday business hours, and, upon ten (10) days' notice to the Board of Directors or Managing Agent, if any, and upon payment of a reasonable fee, not to exceed fifty dollars (\$50.00), any Owner shall be furnished a statement of account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner. Further, the Association shall make available for inspection during normal business hours, to any Owner, current copies of the Declaration, Bylaws, Articles of Incorporation, Rules and Regulations, and most recent financial statements of the Association.

ADOPTED by the Board of Directors on _____, 2006.

Secretary