

BY-LAWS OF
MARTHINSSON - NOSTDAHL CONDOMINIUM ASSOCIATION

ARTICLE I

OBJECT

1. 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 declaration and supplements thereto and maps and supplements thereto bearing the name associated with this Association.

2. All present or future owners, tenants, future tenants, or any other person that might use or have an interest in any manner in 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 By-Laws 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 of this Association and be subject to these By-Laws. Membership shall terminate without any formal Association action whenever a person ceases to own a condominium unit. Provided, however, 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. Termination shall not impair any rights or remedies which the unit owners have, either through the Board of Managers or 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: Voting shall be based upon the percentage of the undivided interest owned by each unit owner in all of the general common elements. The ownership interest allocable to each unit shall be set forth in the Condominium Declaration. The aggregate of all of the undivided interests in the general common elements shall be considered one hundred (100%) percent for voting purposes. Cumulative voting is prohibited. Unless specifically set forth herein to the contrary, when a vote of the members requires that a certain percentage of votes be cast for approval, it shall be a percentage of the undivided interests in the general common elements, not a percentage of the total members in the Association.

3. Majority of Unit Owners: As used in these By-Laws the term "majority of unit owners" shall mean more

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

7. Order of Business: The order of business at the annual meetings of the owners of units shall be as follows:

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

8. Performance of Functions by Declarant: Notwithstanding the provisions of paragraph 3 of Article III, the rights, duties and functions of the Board of Managers shall, at the Declarant's option, be exercised by the Declarant until more than fifty-percent of the voting interests in the Association vest in another or others.

ARTICLE IV

BOARD OF MANAGERS

1. Number and Qualification: At the first meeting there shall be elected from among the unit owners three (3) members of the Association to the Board of Managers who shall thereafter govern the affairs of this Association until their successors have been duly elected and qualified. The number of Managers on the Board may be increased to no more than seven (7) or decreased to no less than three(3).

2. Powers and Duties: The Board of Managers 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. The Board of Managers may do all such acts and things except as by law or by these By-Laws or by the Condominium Declaration may not be delegated to the Board of Managers.

3. Other Powers and Duties: Such powers and duties of the Board of Managers shall include, but shall not be limited to, the following, all of which shall be done for and in behalf of the owners of the condominium units:

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

(b) To establish, make and enforce compliance with such rules and regulations as may be necessary for the operation of the condominium complex and for the operation, rental, use and occupancy of all of the condominium units with the right to amend same from time to time.

(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 of the property 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 in amounts not less than \$100,000.00 per person and \$300,000.00 per accident and \$50,000.00 property damages.

(e) To prepare, according to generally accepted accounting principles, a budget for the condominium at least annually, in order to determine the amount of the common assessments payable by the unit owners to meet the common expenses of the condominium project. To allocate and assess such common charges among the unit owners according to their respective common ownership interests in and to the general common elements. To cause the Association to provide for, among other things, the following services to be paid for out of the regular assessments (or special assessments if necessary): the maintenance, repair, operation, additions, alterations and improvements of and to the common elements, including expenses of management; insurance relative to the common elements; common electricity, common heating, common water, and common sewer; trash collections; legal and accounting relative to the common elements and the Association; snow removal; and other services deemed necessary by the Board of Managers for the maintenance of the common elements and operation of the Association. By majority vote of the Board to adjust, decrease or increase the amount of the quarterly or monthly assessments, and remit or return any excess of assessments over expenses, working capital, sinking funds and 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 an owner as is provided in the Declaration and these By-Laws. To collect interest at the rate of eighteen (18%) percent per annum in connection with assessments remaining unpaid more than fifteen (15) days from due date for the payment

thereof, together with all expenses, including attorneys' fees incurred. The Board of Managers shall have the duty, right, power and authority to prohibit use of the limited and general common elements by an owner, his guests, tenants, lessees and invitees 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 of Managers may deem necessary and give security therefor (including security which may be liens upon the common elements). Such indebtedness shall be the several obligation of all of the owners in the same proportion as their interest in the general common elements.

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

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

(k) To maintain the general and limited common elements; to make or cause to be made repairs, replacements, additions, alterations and improvements to the general and limited common element consistent with managing the condominium project in a first class manner and consistent with the best interest of the unit owners. However, there shall be no additions, alterations or improvements by the Board of Managers or the Managing Agent of or to the general and limited common elements requiring an expenditure in the excess of Five Thousand Dollars (\$5,000.00) in any one calendar year without prior approval of a majority of the owners in writing or as reflected in the minutes of a regular or special meeting of the owners. Such limitation shall not be applicable to the replacement, repair, maintenance or obsolescence of any general or limited common element or common property.

(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 convenient weekday business hours by each of the owners, or their mortgagees, if applicable.

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

(n) To meet at least semi-annually.

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

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

(q) To control and manage the use of all parking areas.

(r) To employ for the Association a Managing Agent who shall have and exercise all of those powers granted to the Board of Managers from time to time by the Declaration and By-Laws which may be delegated to such Managing Agent by the Board of Managers; provided, however, that no such delegation shall relieve the Board of Managers of its responsibility under the Declaration.

4. 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, by By-Laws or the house rules and regulations adopted pursuant thereto, shall not constitute or be deemed a waiver, modification or release thereof, and the Board of Managers or the Managing Agent shall have the right to enforce the same thereafter.

5. Election and Term of Office: At the first meeting of the Association the term of office of one Manager shall be fixed for three (3) years; the term of office of one Manager shall be fixed for two (2) years; and the term of office of the remaining one Manager shall be fixed at one (1) year; provided, always that the term of office for not less than 1/3 of the members of the board (regardless of its size) shall expire annually. At the expiration of the initial term of office of each respective Manager, he shall serve until his successor shall have been elected and the Board of Managers shall hold their first meeting thereafter, except as is otherwise provided.

6. Vacancies: Vacancies in the Board of Managers 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 a successor is elected at the next annual meeting of the Association.

7. Removal of Managers: At any regular or special meeting duly called, any one or more of the Managers may be removed with or without cause by a two-thirds (2/3) majority of the owners present in person or by proxy. Thereupon a successor may then and there be elected to fill the vacancy thus created. Any Manager whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting.

8. Organization Meeting: The first meeting of a newly elected Board of Managers following the annual meeting of the unit owners shall be held immediately following the annual meeting at such place as shall be fixed by the Managers at the meeting at which such Managers were elected. No notice shall be necessary to the newly elected Managers in order legally to constitute such meeting, providing a majority of the whole Board be present.

9. Regular Meetings: Regular meetings of the Board of Managers may be held at such time and place as shall be determined, from time to time, by a majority of the Managers. Any of such meetings may be held by telephone. Notice of regular meetings of the Board of Managers shall be

given to each Manager, personally or by mail, telephone or telegraph, at least seven (7) days prior to the day named for such meeting.

10. Special Meetings: Special meetings of the Board of Managers may be called by the President on three (3) 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 of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of two or more Managers. Special meetings may be held by telephone.

11. Waiver of Notice: Before or at any meeting of the Board of Managers, 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.

12. Board of Managers' Quorum: At all meetings of the Board of Managers, 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 of Managers. If, at any meeting of the Board of Managers, 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.

13. Fidelity Bonds: The Board of Managers may require that all officers and employees of the Association and the Managing Agent handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a common expense.

14. Compensation: No member of the Board of Managers shall receive any compensation for acting as such, but shall be entitled to reimbursement for any actual out-of-pocket expenses incurred in the performance of his duties.

ARTICLE V

OFFICERS

1. Designation: The officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Managers, and such assistant officers as the Board of Managers shall, from time to time, elect. Except for the President who shall be, 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(s) or their representative(s). The office of President and/or Vice President shall not be combined with the offices of Treasurer and/or Secretary or held by the same person, but the offices of Treasurer and Secretary may be combined and held by the same person.

2. Election of Officers: The officers of the Association shall be elected annually by the Board of Managers 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 of Managers or a two-thirds (2/3) majority vote of the members, any officer may be removed, either with or without cause. His successor may be elected at any regular meeting of the Board of Managers, 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 of Managers. 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 of Managers and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Managers may direct; and he shall, in general, perform all the duties incident to the office of Secretary and as is provided in the Declaration and the By-Laws. 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 and the undivided interest in the general common elements. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

7. Treasurer: The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for 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 Managers. In the event a Managing Agent has the responsibility of collecting and disbursing funds, the Treasurer shall review the accounts of the Managing Agent not less often than once each calendar quarter.

ARTICLE VI

INDEMNIFICATION OF OFFICERS, MANAGERS 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 arising out of his or their conduct on behalf of the Association, except that the indemnification shall not apply if the Court determines such person was guilty of gross negligence or willful misconduct. In the event the Court determines such gross negligence or malfeasance to have occurred, the person shall reimburse the Association for all sums advanced to defend the suit or proceeding. 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 Manager, 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 owner 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 as a member or owner under and by virtue of the Condominium Declaration.

2. Other: Contracts or other commitments made by the Board of Managers, officers or the Managing Agent shall be made as agent for the unit owners, and they shall have no personal responsibility on any such contract or commitment (except as unit owners), and the liability of any unit owner on any such contract or commitment shall be limited to such proportionate share of the total liability thereof as the common interest of each unit owner bears to the aggregate common interest of all of the unit owners, except that any losses incurred because of an inability to collect such proportionate amount of the total liability owed by an owner shall be shared proportionately by the other owners in the same ratio as their respective interests in the common elements bear to one another.

ARTICLE VII

AMENDMENTS TO BY-LAWS AND ARTICLES

1. Amendments to By-Laws: These By-Laws may be amended by the Association at an annual meeting or at a duly constituted special meeting for such purpose. The vote of a two-thirds (2/3) majority of the owners shall be required for amendment.

2. Amendments to Articles of Incorporation: The Board of Managers shall adopt a resolution setting forth the proposed amendment to the Articles of Incorporation and directing that it be submitted to a vote at either the annual, or a special, meeting of the members. Written notice setting forth the proposed amendment or amendments

shall be given to each member entitled to vote at such meeting in person or by proxy. No amendment prohibited by applicable laws; including but not limited to, federal tax laws, the Colorado Nonprofit Corporation Act, or the Colorado Condominium Act, may be adopted. The proposed amendment shall be adopted upon receiving at least two-thirds of the votes which members present at such meeting or represented by proxy are entitled to cast.

ARTICLE VIII

MORTGAGES

1. Notice to Association: An owner who mortgages his unit shall notify the Association through the Managing Agent, if any, or the Secretary of the Board of Managers, giving the name and address of his mortgagee.

2. Notice of Unpaid Common Assessments: The Board of Managers, upon ten days written notice of request and payment of the required fee (in a reasonable amount as established by the Board of Managers) by a unit owner or his mortgagee shall promptly prepare a statement of account setting forth the amount of any unpaid assessments or other charges due and owing from such units owner.

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

4. Examination of Books: Each unit owner 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, but not more often than once each month.

ARTICLE IX

EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS

AND DESIGNATION OF VOTING REPRESENTATIVE

1. Proof of Ownership: Except for those owners 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 of Managers 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. Such registered address shall be the only mailing address of a person or persons, firm, corporation, partnership, association or other legal entity or any combination thereof to be used by the Association. Such registered address of a condominium unit owner or owners shall be furnished by such owners to the Managing Agent or Board of Managers within fifteen (15) days after transfer of title, or after a change of address,

entry is at a time convenient to the owner. In case of emergency, such right of entry shall be immediate.

9. Rules and Regulations:

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

(b) The Board of Managers reserves the power to establish, make and enforce compliance with such additional reasonable house rules as may be necessary for the operation, use and occupancy of this condominium project with the right to amend same from time to time.

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

ARTICLE XI

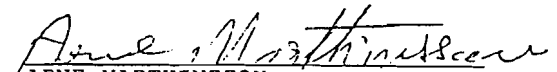
ASSOCIATION - NOT FOR PROFIT

1. Association Not for Profit: This Association is not organized for profit. No members, member of the Board of Managers, officer or person from whom the Association may receive any property or funds or 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 of Managers, 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.

IN WITNESS WHEREOF, the undersigned initial Board of Managers have hereunto set their hands this 19th day of November, 1981.

BOARD OF MANAGERS:


MAGNE NØSTDAHL


ARNE MARTINSSON

The undersigned Secretary of this Association does hereby certify that the above and foregoing By-Laws were duly adopted by the Managers as the By-Laws of said Association on _____, 1981.

(CORPORATE SEAL)

ATTEST:

Carrie Nosthall
Secretary

EXHIBIT A

RULES AND REGULATIONS

1. Any common sidewalks, driveways, entrances, halls, stairways and passageways shall not be obstructed or used by any unit owner for any other purpose than ingress to and egress from the units.
2. Except as to the areas termed limited common elements, no article shall be placed on or in any of the general common elements except for those articles of personal property which are common property of all of the unit owners.
3. Unit owners, members of their families, their guests, residents, tenants or lessees shall not use sidewalks, driveways, entrances, halls, stairways, and passageways as play area(s).
4. No vehicle belonging to or under the control of a unit owner or a member of the family or a guest, tenant, lessee or employee of a unit owner shall be parked in such manner as to impede or prevent ready access to any entrance to or exit from a building. Any traffic flow markings and signs regulating traffic on the premises shall be strictly observed.
5. No work of any kind shall be done upon the exterior building walls or upon the general or limited common elements by any unit owner. Such work is the responsibility of the Association.
6. No owner, resident or lessee shall install wiring for electrical or telephone installations or for any other purpose, nor shall any television or radio antennae, machines or air conditioning units be installed on the exterior of the project, including any part of the balcony, or that protrude through the walls or the roof of the condominium improvements except as may be expressly authorized by the Association.
7. Owners and occupants shall exercise reasonable care to avoid making or permitting to be made loud, disturbing or objectionable noises, and in using or playing or permitting to be used or played musical instruments, radios, phonographs, television sets, amplifiers and any other instruments or devices in such manner as may disturb or tend to disturb owners, tenants or occupants or other units.
8. Disposition of garbage and trash shall be only by the use of garbage disposal units or by use of common trash and garbage facilities.
9. The balconies, if any, and terraces, decks or patios shall be used only for the purposes intended and shall not be used for hanging garments or other articles or for cleaning rugs, household articles or other items. No rugs or other materials shall be dusted from windows, balconies, decks or patios by beating or shaking. Patios and balconies shall be kept free of garbage, debris, trash, bicycles, tires, animal droppings, laundry, or other unsightly storage.
10. The Association assumes no liability for nor shall it be liable for any loss or damage to articles stored in any common or other storage area.

11. Any damage to the general common elements or common personal property caused by the owner or a child or children of a unit owner or their guests or the guests of a unit owner shall be repaired at the expense of that unit owner.

12. With the consent of an owner the Managing Agent, or if there is no Managing Agent, then the Board of Managers, may retain a pass key to each unit. In the event that the owner does not so permit retention of a pass key, the Managing Agent or, if there be none, the Board of Managers, its employees and/or agents may make a forcible entry into such unit when the Managing Agent or Board of Managers believes that an emergency requiring such entry exists. So long as such entry is made upon a bona fide belief of emergency, the owner shall have no recourse for any such forcible entry against the Managing Agent or Board of Managers or the person or persons who actually effect such forcible entry.

The foregoing Rules and Regulations are subject to amendment and to the promulgation of further regulations.