

BY-LAWS OF THE BAVARIAN CONDOMINIUM ASSOCIATION

ARTICLE I

NAME

1. The name of the organization shall be the Bavarian Condominium Association.

ARTICLE II

PURPOSES

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 Colorado Common Interest 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 III

MEMBERSHIP, QUORUM, VOTING

1. **Membership.** Each owner of a condominium unit shall automatically be a regular member of the Association. If fee simple title to a condominium unit is held by more than one person or entity, the membership appurtenant to that unit shall be shared by all such persons or entities in same proportionate interest as fee title to the unit is held. 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 Executive Board 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.** Except as provided otherwise in the Condominium Declaration, voting shall be based upon one vote per unit, without regard for the percentage of the undivided interest owned by each unit owner in the general common elements or allocation of common expenses and liability. An owner of an undivided interest in and to a condominium unit shall be entitled to a vote equal to his ownership interest in such unit, subject to the voting provisions set forth in Paragraph 5.5 of the Condominium Declaration. Cumulative voting is prohibited.

3. Proxies. Votes may be cast in person or by proxy. Proxies must be in writing and must be filed with the Secretary before or at the appointed time of each meeting. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy.
4. Quorum. One-third (1/3) of the votes entitled to vote on any matter present (in person or by proxy) at the meeting to consider a matter, or actually voting on the matter, shall constitute a quorum for consideration of a matter (except as a greater percentage of votes may be required under a specific provision of the Condominium Declaration).
5. Majority. A majority of votes cast on the matter or, in the case of elections in which there are more than two candidates, a plurality of votes cast, shall decide the matter.

ARTICLE IV

OWNERS' MEETINGS: ORDER OF BUSINESS

1. Association Responsibilities. The owners of the units will constitute the Association of unit owners, hereinafter referred to as "Association," who will have the responsibility of administering the project through an Executive Board.
2. Place of Meeting. Meetings of the Association shall be held at such place within the State of Colorado as the Executive Board may determine.
3. Annual Meetings. The first meeting of the Association shall be held within forty-five (45) days following the incorporation of this Association. Thereafter, the annual meetings of the Association shall be held at a time designated by the Executive Board during the month of June of each succeeding year, or on a more convenient date as determined by the Executive Board. At such meeting there shall be elected by ballot of the owners an Executive Board in accordance with the requirements of Article V of these By-Laws. The owners may also transact such other business of the Association as may properly come before them.
4. Special Meetings. The President may call a special meeting of the owners upon his or her own initiative or as directed by resolution of the Executive Board or upon receipt of a petition signed by owners of at least one-third (a) of the total votes of the Association. 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 owners present, either in person or by proxy. Any such meeting 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. Notices. Each owner shall be entitled to notice of any meeting at which such owner has the right to vote. Notices of meetings shall be in writing and shall state the date, time and place of the meeting and shall indicate each matter to be voted on at the meeting which is known to the Association at the time notice of the meeting is given. Such notices shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting. Any notice shall be deemed given and any budget or other information or material shall be deemed furnished or delivered to a party at the time a copy thereof is placed in the United States mail, postage prepaid, addressed to the party, and in any event, when such party actually receives such notice, information or material. Any notice, information or material shall be deemed properly addressed if it is addressed to the name and address shown on the most recent written notice of name and address, if any, furnished to the Association by such Owner (as provided in

Paragraph 2 of Article IX thereof), or if a name and address is not so furnished, if it is addressed "To the Owner" at the address of the Condominium Unit of such Owner. For purposes of determining members entitled to notice, the Executive Board may set a record date pursuant to the provisions of the Declaration and Colorado law.

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 meeting 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

ARTICLE V

EXECUTIVE BOARD

1. Number and Qualification. The initial Executive Board shall be as set forth in the Articles of Incorporation, and these Board members shall hold office until the first annual meeting of the Association. At the first annual meeting of the Association, there shall be elected not less than three (3) members of the Association to the Executive Board who shall thereafter govern the affairs of this Association until their successors have been duly elected and qualified.
2. Power and Duties. The Executive 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. The Executive Board 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 Executive Board.
3. Other Powers and Duties. Such powers and duties of the Executive 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 Colorado Common Interest Ownership Act of the State of Colorado, the By-Laws of the Association and supplements and amendments thereto.
 - b. To establish, make, amend and enforce compliance with such rules and regulations as may be necessary for the use and occupancy of all of the condominium units and the operation and use of the common elements, with the right to amend same from time to time. A copy of such rules and regulations may 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 procure that insurance required by the Condominium Declaration and the By-Laws and any and all other coverage thought desirable by the Executive Board for the Association.
- e. To prepare a budget for the condominium association, at least annually, in order to determine the amount of the common assessments payable by the unit owner to meet the common expenses of the condominium project. At the first meeting of the Executive Board after the beginning of the Association's fiscal year, the Board shall adopt a proposed budget for that year. The proposed budget shall include but shall not be limited to an estimate of the costs of maintenance and repair of the common elements, the costs of utilities and other services to be provided by the Association, the costs of insurance required by the Declaration, and the proposed capital expenditures for the Association, including sinking funds or capital reserves as required by the Declaration. The Association's first fiscal year, estimates of the costs for repair and maintenance of the common elements shall be based on a good faith estimate of those costs and may be based on the costs incurred by similar Associations in the general locale of the premises. Thereafter, the costs of maintenance and repair shall be estimated on the basis of the previous year's costs with such adjustments as the Executive Board considers appropriate. The budget shall also include an estimate, based upon such estimates, of the annual assessment for each unit.

Within thirty (30) days after the adoption of any proposed budget, the Executive Board shall mail, by ordinary first class mail, or otherwise deliver, a summary of the budget to all members and shall set a date for a meeting of the members to consider ratification of the budget, which date shall be not less than ten (10) nor more than fifty (50) days after mailing or other delivery of the summary. Unless at that meeting their members reject the proposed budget by a majority vote, the proposed budget shall be ratified, whether or not a quorum is present. In the event that the proposed budget is rejected, the periodic budget last ratified by the members must be continued until such time as the members ratify a subsequent budget proposed by the Executive Board.

- f. To fix, determine, levy and collect periodic and special assessments to be paid by each of the owners to meet the general common expenses and limited common expenses, and to create a contingency reserve therefor. All periodic or special assessments shall be in itemized statement form, and shall set forth in detail the various expenses for which the assessments are being made.
- g. 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.
- h. 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.
- i. 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 Executive Board may deem necessary and give security therefore.
- j. To enter into contracts to carry out their duties and powers.
- k. To establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable.

- l. To make repairs, additions, alterations, and improvements to the general common elements consistent with managing the condominium projects in a first class manner and consistent with the best interests of the unit owners.
- m. To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements, and to be able to provide complete audit of the books and accounts by a certified or public accountant upon request of at least one-third (1/3) of the unit owners, but in any case no more than once in any calendar year.
- n. To prepare and deliver annually to each owner a statement showing receipts, expenses, or disbursements of the Association since the last such statement.
- o. To meet at least twice each calendar year.
- p. To designate the personnel necessary for the maintenance and operation of the general and limited common elements.
- q. 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.
- r. To control and manage the use of all traffic areas.
- s. To appoint or employ a managing agent to exercise any and all powers of the Executive Board. The Executive Board may employ a manager or managing agent for the Association at a compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed above. Any such delegation, however, shall not relieve the Executive Board of its responsibilities under the Declaration. If and to the extent that the Executive Board delegates its powers relating to the collection, deposit, transfer or disbursement of Association funds through a manager or managing agent, such manager or managing agent shall:
 - a. maintain fidelity insurance coverage or a bond in an amount not less than \$50,000 or such higher amount as the Executive Board may require; and
 - b. maintain all funds and accounts of the Association separate from the funds and accounts of any other associations managed by the manager or managing agent, and maintain all reserve accounts of each association so managed separate from operational accounts of the Association; and
 - c. have prepared and present to the Association an annual accounting for Association funds and financial statement, which accounting and financial statement shall be prepared by the managing agent, a public accountant, or a certified public accountant.

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, the 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 Executive Board or its management 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 Executive Board Member shall be fixed for three (3) years; the term of office of two (2) Executive Board Members shall be fixed for two (2) years; and the term of office of two (2) Executive Board Members shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Executive Board Member, his successor shall be elected to serve a term of three (3) years. The Executive Board Members shall hold office until their successors have been elected and hold their first meeting, except as is otherwise provided.
6. Vacancies. Vacancies in the Executive Board caused by any reason other than the removal of an Executive Board Member by a vote of the Association shall be filled by vote of the majority of the remaining Executive Board Members, even though they may constitute less than a quorum; and each person so elected shall be an Executive Board Member until a successor is elected at the next annual meeting of the Association.
7. Removal of Executive Board Members. At any regular or special meeting duly called, any one or more of the Executive Board Members may be removed with or without cause by a sixty-seven percent (67%) 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 Executive Board Member 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 Executive Board following the annual meeting of the unit owners shall be immediately following the annual meeting at such place as shall be fixed by the Executive Board Members at the meeting at which such Executive Board Members were elected. No notice shall be necessary to the newly elected Executive Board Members in order legally to constitute such meeting, providing a majority of the whole Board shall be present.
9. Regular Meetings. Regular meetings of the Executive Board may be held at such time and place as shall be determined, from time to time, by a majority of the Executive Board Members, but at least two such meetings shall be held during each calendar year. Notice of regular meetings of the Executive Board shall be given to each Executive Board Member, 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 Executive Board may be called by the President on three (3) days' notice to each Executive Board Member, 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 Executive Board shall be called by the President or Secretary in like manner and on like notice on the written request of two or more Executive Board Members.
11. Waiver of Notice. Before or at any meeting of the Executive Board, any Executive Board Member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by an Executive Board Member at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Executive Board Members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

12. Executive Board Quorum. At all meetings of the Executive Board, a majority of the Executive Board Members shall constitute a quorum for the transaction of business, and the acts of the majority of the Executive Board Members present at a meeting at which a quorum is present shall be the acts of the Executive Board. If, at any meeting of the Executive 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.
13. Fidelity Bonds. The Executive Board 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 Executive Board 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 VI

DECLARANT CONTROL

1. Declarant Control of the Association. During the period of Declarant control, the Declarant may appoint and remove the officers and members of the Executive Board of the Association notwithstanding anything to the contrary in these By-Laws. The period of Declarant control commences after the initial recording of the map for the Condominium and terminates no later than the earlier of:
 - a. Sixty (60) days after conveyance of seventy-five percent (75%) of all of the units that may be created and sold to owners other than Declarant; or
 - b. Two (2) years after the last conveyance of a unit by the Declarant in the ordinary course of business to owners other than the Declarant; or
 - c. Two (2) years after any right to add new units was last exercised; or
 - d. Five (5) years after the date of initial recording.
2. Elections by Owners :
 - a. Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the units to owners other than Declarant, at least one member and not less than twenty-five percent (25%) of the members of the Executive Board shall be elected by owners other than the Declarant.

- b. Not later than sixty (60) days after conveyance of fifty percent (50%) of the units to owners other than Declarant, not less than thirty-three and one-third percent (33-1/3%) of the members of the Executive Board must be elected by Owners other than the Declarant.
 - c. Not later than the termination of the period of Declarant control, the owners shall elect an Executive Board, a majority of whom shall be owners other than the Declarant.
3. Delivery of Documents by Declarant. Within sixty (60) days after the members of the Association other than the Declarant, elect a majority of the members of the Executive Board, the Declarant shall deliver to the Executive Board, without any change to the Association, all property of the owners and of the Association held by or controlled by the Declarant.

ARTICLE VII

OFFICERS

1. Designation. The officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Executive Board, and such assistant officers as the Executive Board shall, from time to time, elect. Such officers need not be members of the Executive Board, but each shall be an owner of a condominium unit in this condominium project, or the declarant, or their representative(s). The offices of President and Secretary may not be held by the same person.
2. Election of Officers. The officers of the Association shall hold office for a term of one year and be elected annually by the Executive Board at the organizational 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 Executive Board or a sixty-seven percent (67%) 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 Executive 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 Executive 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 Executive Board and the minutes of all meetings of the Association; and he shall have charge of such books and papers as the Executive Board 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 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 members, 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.

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 moneys 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 Executive Board. 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 twice each calendar year.

ARTICLE VIII

INDEMNIFICATION OF OFFICERS, EXECUTIVE BOARD & MANAGING AGENT

1. Indemnification. The Association shall have the following powers regarding indemnification:
 - a. To indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) by reason of the fact that he or she is or was a member of the Executive Board, officer, employee, or agent of the Association or is or was serving at the request of the Association as a member of the Executive Board, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with that action, suit, or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in the best interests of the Association and, regarding any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent will not of itself create a presumption that the person did not act in good faith and in the manner which he or she reasonably believed to be in the best interests of the Association and, regarding any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.
 - b. To indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he or she is or was a member of the Executive Board, officer, employee, or agent of another Association, partnership, joint venture, trust, or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of that action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in the best interests of the Association; but no indemnification shall be made regarding any claim, issue, or matter as to which such person has been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Association unless and only to the extent that the court in which the action or suit was brought determines upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for those expenses which the court deems proper.

- c. To the extent that a member of the Executive Board, officer, employee, or agent of an Association has been successful on the merits in defense of any action, suit, or proceeding referred to in subsections a and b or in defense of any claims, issue, or matter therein, he or she shall be indemnified against expenses (including attorneys fees) actually and reasonably incurred by him or her in connection therewith.
 - d. Any indemnification under subsection a or b (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the member of the Executive Board, officer, employee, or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in subsection a or b. That determination shall be made by the Executive Board by a majority vote of a quorum consisting of board members who were not parties to such action, suit or proceeding or, if a quorum is not obtainable or even if obtainable a quorum of disinterested members of the Executive Board so directs, by independent legal counsel in a written opinion.
 - e. Expenses (including attorneys' fees) incurred in defending a civil or criminal action, suit, or proceeding may be paid by the Association in advance of the final disposition of that action, suit, or proceeding as authorized in subsection d upon receipt of an undertaking by or on behalf of the member of the Executive Board, officer, employee, or agent to repay such amount unless it is ultimately determined that he or she is entitled to be indemnified by the Association as authorized by this Section.
 - f. The indemnification provided by this section shall not be deemed exclusive of any other rights to which those indemnified may be entitled under the Articles of Incorporation, and By-Laws, agreement, vote of members or disinterested members of the Executive Board or otherwise, and any procedures provided for by any of the foregoing, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a member of the Executive Board, officer, employee, or agent, and shall inure to the benefit of heirs, executors, and administrators of that person.
 - g. The Association may purchase and maintain insurance on behalf of any person who is or was a member of the Executive Board, officer, employee, or agent of the Association or who is or was serving at the request of the Association as a member of the Executive Board, officer, employee, or agent of another Association, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against that liability under the provisions of this section.
2. Other. Contracts or other commitments made by the Executive Board, 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 owned by an owner shall be shared proportionately by the other owners.

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 Executive 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 on 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 Executive 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. Delinquency. No owner shall have the right to vote in person or by proxy at an annual or special meeting of the members of the Association who is delinquent in the payment of an assessment made against him.
4. Good Standing to Vote. 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 owners shall be obligated to pay the monthly or quarterly assessments imposed by the Association to meet the common expenses. Unless otherwise set out in the Declaration, the assessments shall be made pro rata according to percentage or fractional interest in and to the general common elements and shall be done in advance.
2. Notice of Lien or Suit. An owner shall give notice to the Association of every lien and 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. Maintenance and Repair:
 - a. Every owner must perform promptly, at his own expense, all maintenance and repair work within his own unit and the limited common elements appurtenant to his unit for which he is responsible pursuant to the provisions of the Declaration which, if omitted, would affect the appearance of or the aesthetic integrity of part or all of the condominium project.
 - b. All the repairs of internal installations of the unit such as water, light, gas, power, sewage,

telephone, sanitary installations, doors, windows, electrical fixtures and all other accessories, equipment and fixtures shall be at the owner's expenses.

- c. An owner 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 damages by his negligence or by the negligence of his tenants or agents or guests.

4. General.

- a. Each member shall comply with all the provisions of the Declaration, the Articles of Incorporation, the By-Laws of the Association, and any rules and regulations issued by the Executive Board. If a member fails to comply, the Association shall have the power, during the period of such delinquency: (a) to revoke the delinquent member's right to use general common elements designed for recreational purposes; (b) to cause utility service to the delinquent member's unit to be suspended; (c) to suspend the delinquent member's voting privileges; and (d) to impose appropriate fines, as determined by the Executive Board against the delinquent member. In the event of the exercise of any such powers, the Association shall notify the delinquent member's first lienor of the delinquency and the action taken.
- b. Each owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which this condominium project was built.

5. Use of General Common Elements and Limited Common Elements. Each owner may use the general common elements, the limited common elements, sidewalks, pathways, road and streets, and other common elements located within the entire condominium project in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other owners, and subject to the rules and regulations contained in these By-Laws and established by the Executive Board as herein provided.

6. Right of Entry:

- a. An owner shall and does grant the right of entry to the managing agent or to any other person authorized by the Executive Board in case of any emergency originating in or threatening his unit, whether the owner is present at any time or not.
- b. An owner shall permit other owners, or their representatives, to enter his unit for the purpose of performing installations, alterations, or repairs to the mechanical, electrical, or utility services which, if not performed, would affect the use of other unit(s); provided that requests for entry are made in advance and that such entry is at a time convenient to the owner. In case of emergency, such right of entry shall be immediate.

7. Rules and Regulations. The Executive Board reserves the power to establish, make and enforce compliance with such 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. Copies of such rules and regulations may, upon request, be furnished to each unit owner prior to the date when the sale shall become effective.

8. 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

This Association is not organized for profit. No member, member of the Executive 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 Executive Board, officer or member; provided, however, always: 1) that reasonable compensation may be paid to any member, Executive Board Member 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, Executive Board Member or officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

ARTICLE XII

INSPECTION OF RECORDS; STATEMENT OF ACCOUNT

1. Inspection of Records. The Executive Board or managing agent, as the case may be, shall keep detailed accurate records of the receipts and expenditures affecting the general and limited common elements. Such records authorizing the payments shall be available for examination by the unit owner at convenient weekday business hours.
2. Statement of Account. Upon the payment of a reasonable fee as determined from time to time by the Association and upon written request of any owner or any person with any right, title or interest in a condominium unit, the Executive Board or managing agent shall furnish a written statement of account setting forth the amount of any assessments, charges, fines or penalties, if any, due or accrued and then unpaid with respect to a condominium unit and the amount of the assessment for the current fiscal period of the Association payable with respect to the condominium unit, which statement shall, with respect to the party to whom it is issued, be conclusive against the Association and all parties, for all purposes, that no greater or other amounts were then due or accrued and unpaid.

ARTICLE XIII

RESTRICTIONS ON SALE

Each condominium unit shall be subject on sale or leasing thereof to any and all restrictions imposed by the Aspen/Pitkin County Housing Authority and contained in a resale/rental agreement (running to the benefit of the Authority) or any other document of record with the Pitkin County Clerk and Recorder.

ARTICLE XIV

EXPANSION OF PROJECT

In the event that new or additional common and limited common elements are acquired or constructed, they shall become part of the Bavarian Condominiums and all owners shall own the same proportionate undivided interest in such common and limited elements; shall assume the same proportionate share of the costs thereof; and enjoy the same voting rights with respect thereto as established in the Condominium Declaration and By-Laws for existing common and limited common elements.

ARTICLE XV

AMENDMENT OF BY-LAWS

1. Amendment by Members of the Executive Board. Except as limited by law, the Articles of Incorporation, the Declaration or these By-Laws, or committed to action by the members, the Executive Board shall have the power to make, amend and repeal the By-Laws of the Association at any regular meeting of the Executive Board, or any special meeting called for that purpose, at which a quorum is represented. If, however, the members shall make, amend and repeal any by-law, the members of the Executive Board shall not thereafter amend the same in such manner as to defeat or impair the object of the members in taking such action.
2. Amendment by Members. The members may, by the vote of at least sixty-six and two-thirds percent (66.66%) of the members, unless a greater percentage is expressly required by law, the Articles of Incorporation, the Declaration or these By-Laws, make, alter, amend and repeal the By-Laws of the Association at any annual meeting or any special meeting called for that purpose at which a quorum shall be represented.
3. Limitation. Notwithstanding the foregoing, amendment of these By-Laws is specifically subject to the requirements of Section 38-33.3-306 of Colorado Revised Statutes, as amended.

ARTICLE XVI

CONSTRUCTION AND VALIDITY OF BY-LAWS

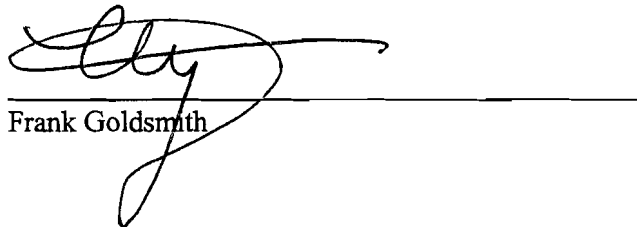
1. All provisions of these By-Laws are severable.
2. The rule against perpetuities does not apply to defect any provision of these By-Laws.

3. In the event of a conflict between the provisions of the Condominium Declaration and these By-Laws, the Declaration prevails, except to the extent the Declaration is inconsistent with the Colorado Common Interest Ownership Act, C.R.S. Section 38-3313-101 et.seq.

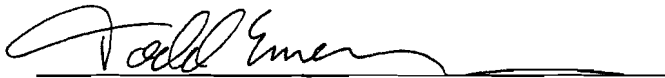
7th IN WITNESS WHEREOF, the undersigned Executive Board have hereunto set their hands this day of JANUARY, 2004.



Scott Writer



Frank Goldsmith



Todd Emerson

The undersigned Secretary of the Bavarian Condominium Association does hereby certify that the above and foregoing By-Laws were duly adopted by the Executive Board of said Association on the 7th day of JANUARY, 2004.

ATTEST:



Todd Emerson

