

RECORDED DECEMBER 1, 1981 BK 261 PG 568 NO.830938 MARGARET LEWIS, COUNTY CLERK

DECLARATION OF CONDOMINIUM  
FOR SUGARLAND ESTATES  
A CONDOMINIUM

THIS DECLARATION is made on the date appearing below by SUGARLAND ESTATES, a Partnership, hereinafter called "The Developer", for itself, its successors, grantees and assigns.

ARTICLE I

Submission to Condominium Ownership

The purpose of this Declaration is to submit the land herein described, and the improvements presently existing and to be constructed thereon, to the condominium form of ownership and use in the manner provided by Chapter 20, Title 34, Wyoming Statutes (1977 R.E.) herein called the Condominium Ownership Act.

(a) The name by which the condominium is to be identified is SUGARLAND ESTATES, a Condominium, herein called the Condominium, and its address is P. O. Box 6499, Sheridan, Wyoming 82801.

(b) The lands owned by the Developer which are hereby submitted to the condominium form of ownership are described in Exhibit "A", which lands are hereinafter called the real property.

ARTICLE II

Definitions

The terms used herein and in the By-Laws of the Condominium which are attached hereto as Exhibit "B" shall have the meanings ascribed to them in the Condominium Ownership Act and as follows:

(a) "Apartment" means unit as defined by the Condominium Ownership Act, and Article IV of this Declaration.

(b) "Apartment Owner" means the owner of the unit.

(c) "Association" means the entity charged with the decision-making and management functions of the SUGARLAND ESTATES CONDOMINIUM, and all successors of such entity.

(d) "Common Elements" shall have the meaning ascribed to that phrase by the Condominium Ownership Act, and shall include all parts of the Condominium property not included within the apartment or garage boundaries as described in Article IV hereof.

(e) "Common Expenses" include:

(1) Expenses of administration; expenses of maintenance, operation, repair or replacement of the common elements, and the portions of apartments to be maintained by the Association;

(2) Charges and expenses declared common expenses by provisions of this Declaration or by the By-Laws; the following are hereby declared "common expenses": Street, service area and walkway cleaning and snow removal, and cleaning and maintenance of storm drains, gutters and drainage ways for the removal of surface water.

(3) Any valid charge against the Condominium as a whole, such as ad valorem taxes and insurance.

(f) "Utility Services" as used herein and in the By-Laws of the Condominium shall include, but not by limitation, electric power, gas, hot and cold water, heating, refrigeration, air conditioning, and garbage and sewage disposal.

### ARTICLE III

#### Development Plans

The Condominium is being developed according to the following plans:

(a) A map of the development is attached hereto as Exhibit "C".

(b) Certain improvements to be included in the Condominium exist by reason of their prior status as apartment complexes.

The Condominium now consists of 62 individual apartments, each with garage, together with the following appurtenances and common elements: access road, automobile parking space, storage space, laundry facilities, swimming pool, locker room, two hot tubs, central heating system and landscaping, and together also with such facilities as are shown on Exhibit "C". Use of the parking areas will be permitted according to regulations of the Association.

(c) Developer may build and accordingly reserves the right to construct up to a total of 32 additional condominium units on Block 4 and a total of 8 additional condominium units on Block 2 of Sugarland Estates and to commit these lands and units to the condominium form of ownership hereunder.

(d) If the Developer constructs the additional units referred to in the preceding paragraph, this declaration may be amended by filing such additional plans as may be required to describe adequately the completion of the improvements and additional lands committed to condominium ownership hereunder. Such completion may be shown by a certificate of an architect, engineer, or surveyor certifying that the improvements have been constructed. Such plans or certificates when signed and acknowledged by the Developer shall in themselves constitute an amendment to this Declaration, notwithstanding the procedures for amendment described elsewhere in this Declaration.

(e) Easements are reserved through the Condominium property as may be required for utility services, and for access to improvements.

#### ARTICLE IV

##### Apartment and Garage Boundaries

Each apartment shall include that part of the buildings containing the apartment and garage which lie within the boundaries of the apartment and garage, which boundary shall be determined in the following manner, consistent with the requirements of the Condominium Ownership Act:

(a) The upper boundary shall be the plane of the lower surfaces of the ceiling.

(b) The lower boundary shall be the plane of the lower surfaces of the floor slab.

(c) The vertical boundaries of the apartment and garage shall be:

(1) The exterior of the outside walls of the apartment or garage building bounding an apartment or garage;

(2) The interior line of the interior walls bounding an apartment or garage.

#### ARTICLE V

##### Description of Apartments

The apartments of the Condominium consist primarily of one floor plan which includes a living room-dining combination, bathroom, kitchenette, two bedrooms and a garage. The Developer reserves the right to change the interior design and arrangement of all apartments, and to alter the boundaries between apartments for as long as the Developer owns the apartments so altered. However, no such change by the Developer, or by any apartment owner, shall increase or diminish the number of apartments nor alter the boundaries of the common elements without amendment of this Declaration in the manner described herein.

ARTICLE VIShares of Common Elements and Expenses

Each apartment owner shall own a share in the common elements and any surplus possessed by the Association, and be liable for common expenses on a proportionate ownership basis. For example, if the Condominium consists of twenty (20) apartments, each owner shall be liable for five (5%) percent of all common expenses for each apartment he owns.

ARTICLE VIIMaintenance and Alteration of Apartments

The Association shall be responsible for the maintenance, repair and improvements of the structural elements of the Condominium and all common elements appurtenant to the Condominium.

Maintenance, repairs and improvements to the interior features of individual apartment units shall be the responsibility of the owner. Further reference to the responsibility for repair and maintenance on the part of the Association and unit owners is contained in Section 10 of Article IV of the By-Laws for the Condominium.

ARTICLE VIIIMaintenance and Alteration of Common Elements

(a) The maintenance and operation of common elements shall be the responsibility and the expense of the Association, in accordance with the By-Laws of the Condominium.

(b) There shall be no major alteration or further significant structural improvement of the real property constituting the common elements without prior approval, in writing, by the owners of not less than seventy-five (75%) percent of the common elements except as provided by the

By-Laws; and no alteration or improvement shall interfere with the rights of any apartment owner.

#### ARTICLE IX

##### Assessments

(a) Assessments against apartment owners for common expenses shall be made pursuant to the By-Laws and shall be allocated as set forth in Article VI of this Declaration.

(b) Assessments and installments thereon paid on or before ten (10) days after the date when due shall not bear interest, but all sums not paid on or before ten (10) days after the date when due shall bear interest at the rate of one and one-half (1½%) percent per month from the date when due until paid. All payments upon account shall be first applied to interest and then to the assessment payment first due.

(c) The Association shall have a lien against any owner whose assessments are not currently paid, which lien shall also secure reasonable attorney's fees incurred by the Association incident to the collection of such assessment or enforcement of such lien.

(d) In any foreclosure of a lien for assessments the owner of the apartment subject to the lien shall be required to pay a reasonable rental for the apartment, and the Association shall be entitled to the appointment of a receiver to collect such rental.

#### ARTICLE X

##### Association

The operation of the Condominium shall be by the Association, which shall be organized and shall fulfill its functions pursuant to the following provisions and those contained in the By-Laws of the Condominium, which By-Laws shall serve as the By-Laws of the Association:

(a) The members of the Association shall be the apartment owners.

(b) The Association shall be empowered to employ an independent contractor to serve as the managing agent for the Condominium.

(c) Notwithstanding the duty of the Association to maintain and repair parts of the Condominium property, neither the Developer, the Association, nor any managing agent employed by the Association shall be liable for injury or damage, other than the costs of maintenance and repair, caused by any latent condition of the property maintained and repaired by the Association, nor for injury or damage caused by the elements or other owners or persons.

(e) The share of a member in any fund or property and assets of the Association cannot be assigned, hypothecated, or transferred in any manner except as an appurtenance in the sale or transfer of his apartment.

#### ARTICLE XI

##### Insurance

(a) Insurance policies upon the Condominium property covering the items described in subparagraph (b) of this paragraph shall be purchased by the Association for the benefit of the Association and the apartment owners and their mortgagees, as their interest may appear. Provisions shall be made for the issuance of certificates of mortgage endorsements to the mortgagees of apartment owners.

(b) Insurance shall cover the following:

(1) All buildings and improvements upon the real property and all personal property included in the common elements in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Association. Such coverage shall afford protection against

loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and such other risks as are customarily covered with respect to buildings similar to the buildings on the land, such as vandalism and malicious mischief;

(2) Public liability in such amount and with such coverage as shall be required by the Association, including, but not limited to, hired automobile and nonowned automobile coverages, and with cross liability endorsement to cover liabilities of the apartment owners as a group to an apartment owner;

(3) Workman's Compensation as required by law;

(4) Such other insurance as the Association shall determine from time to time to be desirable.

(c) Premiums upon insurance policies purchased by the Association shall be paid by the Association as a common expense.

(d) The Association is hereby irrevocably appointed agent for each apartment owner to adjust all claims arising under insurance policies purchased by the Association, and to execute and deliver releases upon the payments of claims.

(e) The owners shall be individually responsible for insuring the contents of their apartment units.

#### ARTICLE XII

##### Repair and Replacement of

##### Property Damaged by Fire or Other Casualty

The proceeds paid by any insurance carrier from policies purchased by the Association shall be deposited in trust with such depository bank as the Association may designate; and all repair or reconstruction operations



necessitated as a result of casualty damage shall be financed in accordance with Section 3 of Article IV of the Condominium By-Laws.

#### ARTICLE XIII

##### Use Restrictions

Each of the apartments shall be occupied only by a single family and its bona fide guests, as a residence, and for no other purpose. A guest is defined as a person occupying an apartment on a temporary basis and who maintains a permanent place of abode elsewhere. Except as reserved to the Developer, no apartment may be divided or subdivided into a smaller unit, nor any portion thereof sold or otherwise transferred without first amending this Declaration to show the changes in the apartments to be affected thereby. Further restrictions on the use of the apartments and common elements of the Condominium are set forth in Article IV, Section 11 of the Condominium By-Laws attached as Exhibit "B".

#### ARTICLE XIV

##### Mortgages

Any owner who mortgages his apartment shall give notice to the Association in accordance with Article V of the Condominium By-Laws.

#### ARTICLE XV

##### Notice of Lien or Suit

An apartment owner shall give notice to the Association of every lien upon his apartment, within five (5) days after the attaching of the lien. Notice shall also be given to the Association of every lawsuit or other proceeding which may affect the title to the apartment within five (5) days after the apartment owner receives knowledge thereof.

## ARTICLE XVI

### Sales of Apartment Units

No unit owner may sell his apartment except by complying with the provisions of Article VI of the Condominium By-Laws which, among other things, reserves to the Developer, the Association, and to individual owners the first right to purchase the apartment at the same price and upon the same terms and conditions as may be received by the apartment owner as a bona fide offer from any third-person purchaser. Further, all sales of apartments shall comply with the Fair Housing Laws and Regulations of the Federal Government.

## ARTICLE XVII

### Compliance and Default

(a) Each apartment owner shall be governed by and shall comply with the terms of this Declaration and By-Laws of the Condominium, and all regulations adopted pursuant thereto, and by such documents and regulations as they may be amended from time to time. A default in any covenant or condition therein contained shall entitle the Association or other apartment owners to the relief described in subparagraph (b) of this paragraph and to the remedies contained in Article IV, Sections 6 and 7 of the By-Laws, together with all legal remedies provided by law.

(b) An apartment owner shall be liable for the expense of any maintenance, repair, or replacement rendered necessary by his act, negligence, or carelessness, or by that of any member of his family or his or their guests, employees, agents, or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in insurance rates occasioned by the use, misuse,

occupancy, or abandonment of an apartment or its appurtenances. In any proceeding arising because of the alleged default by an apartment owner of a promise, condition or covenant of this Declaration or implementing Condominium By-Laws, the prevailing party shall be entitled to recover the costs of the legal proceeding and such reasonable attorney's fees as may be awarded by the Court.

(c) The failure of the Association or any apartment owner to enforce any covenant, restriction, or other provision of the Condominium Ownership Act, this Declaration, or Condominium By-Laws, or the regulations adopted pursuant thereto, shall not constitute a waiver of the right to do so thereafter.

#### ARTICLE XVIII

##### Amendments

This Declaration may be amended in the following manner:

(a) Notice of the subject matter of a proposed amendment shall be included in a notice of any meeting at which a proposed amendment is considered.

(b) A resolution adopting a proposed amendment may be proposed by any Association member. Members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing such approval is delivered to the Secretary of the Association at or prior to the meeting. Except as elsewhere provided, such approvals must be by unanimous decision of the Developers and owners until the first meeting of the Association, and thereafter by not less than seventy-five (75%) percent of the entire membership of the Association. The owners of each apartment unit shall be entitled to one vote for each such apartment unit owned.

(c) No amendment shall change any apartment nor the share in any common elements appurtenant to it, nor increase the owner's share of the common expenses, unless the record owner of the apartment and all record owners of liens thereon shall join in the execution of the amendment, except as provided in Article III, paragraphs (c) and (d).

(d) A copy of each amendment shall be certified by the presiding officer and Secretary of the Association as having been duly adopted, except amendments pursuant to Article III, paragraphs (c) and (d), and shall be affective when recorded in the office of the County Clerk for Sheridan County, Wyoming.

#### ARTICLE XIX

##### Termination

The Condominium may be terminated in the following manner or as prescribed by statute:

(a) In the event it is determined in accordance with the By-Laws that casualty damage has resulted to the extent that the improvements of the Condominium shall not be reconstructed, the Condominium plan of ownership will be thereby terminated without agreement.

(b) The Condominium may be terminated at any time by the approval, in writing, of all of the owners of the Condominium, and by all record owners of liens thereon. If the proposed termination is submitted to a meeting of the members of the Association, the notice of which meeting gives notice of the proposed termination, and if the approval of the owners of not less than seventy-five (75%) percent of the common elements, and the record owners of liens upon the same seventy-five (75%) percent of the common elements, are obtained not later than thirty (30) days from the date of such meeting, then the approving owners shall have an option

to buy all of the apartments of the other owners during the period ending on the sixtieth (60th) day from the date of such meeting.

(c) The option described in subparagraph (b) of this paragraph shall be exercised by delivery or mailing by registered mail to each of the record owners of the apartments to be purchased of an offer to purchase signed by the record owners of apartments who will participate in the purchase. Such offer shall indicate which apartments will be purchased by each participating owner and shall offer to purchase all of the apartments owned by owners not approving the termination, but the offer shall effect a separate contract between each seller and his purchaser.

(d) The sale price of each apartment shall be the fair market value determined by agreement between the seller and purchaser within thirty (30) days from the delivery or mailing of such offer, and in the absence of agreement, then by a determination of value made by an appraiser agreed upon by the parties. The expense of any appraisal shall be paid by the purchaser. The purchase price shall be paid in cash, and the sale shall be closed within thirty (30) days following the determination of the sale price.

(e) The termination of the Condominium shall be evidenced by a certificate of the Association executed by the presiding officer and Secretary certifying as to facts effecting the termination, which certificate shall become effective upon being recorded in the public records of Sheridan County, Wyoming.

(f) After termination of the Condominium, the apartment owners shall own the Condominium property and all assets of the Association as tenants in common in undivided shares, and their respective mortgagees and lienors shall have mortgages and liens upon the respective undivided

shares of the apartment owners. Such undivided shares of the apartment owners shall be the same as the undivided shares in the common elements appurtenant to the owner's apartments prior to the termination.

ARTICLE XX

Application

The provisions of this Declaration and Condominium By-Laws shall apply equally to each owner of an apartment, and to heirs, successors and assigns of owner. The invalidity in whole or in part of any covenant or restriction, or any section, subsection, sentence, clause, phrase, or word, or other provision of this Declaration or Condominium By-Laws and regulations of the Association shall not affect the validity of the remaining portions thereof.

IN WITNESS WHEREOF, the Developer has executed this Declaration in Sheridan, Wyoming on the 30th day of November, 1981.

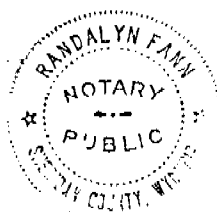
SUGARLAND ESTATES

By: Homer A. Scott, Jr.  
General Partner

STATE OF WYOMING     )  
                              ) ss.  
County of Sheridan    )

The foregoing instrument was acknowledged before me this 30th day of November, 1981 by Homer A. Scott, Jr.

WITNESS my hand and official seal.



Randalyn Fann  
Notary Public

My Commission expires: August 21, 1985.

EXHIBIT A  
SUGARLAND ESTATES  
DESCRIPTION

Blocks 1, 3 and 6, Sugarland Estates, an addition to the City of Sheridan, a subdivision in Sheridan County, Wyoming, as recorded in Book 1 of Plats at Page 320

Reserving, however, to Sugarland Estates, its assigns, licensees, invitees, guests and successors in interest, an easement for egress and ingress to Blocks 2 and 4, Sugarland Estates, upon and across Block 6 of Sugarland Estates. Provided, however, such users shall pay their proportionate part of the maintenance costs of the road constructed upon Block 6.

EXHIBIT B

BY-LAWS OF THE

SUGARLAND ESTATES, A CONDOMINIUM



BY-LAWS OF THE  
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ARTICLE I

General

Section 1. Purpose

The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the SUGARLAND ESTATES, a Condominium (the "Condominium"). As used herein the Condominium covers the real property described in Exhibit "A", attached to the "Declaration of Condominium", in the City of Sheridan, County of Sheridan, State of Wyoming, and the buildings and improvements now or hereafter to be constructed thereon, including, without limitation, the units and common elements (as such terms are defined in the Declaration of Condominium, and the Wyoming Condominium Ownership Act), all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith. Unless otherwise provided herein, all terms used in these By-Laws shall have the same meaning as ascribed thereto in the Declaration of Condominium and any Offering Plan which might subsequently be issued in regard to the Condominium.

Section 2. Applicability of By-Laws.

These By-Laws are applicable to the Condominium property and the use and occupancy thereof. All present and future unit owners, mortgagees, lessees and occupants of the units and employees and guests of unit owners, as well as all other persons who may use the facilities of the Condominium, are subject to the Declaration, these By-Laws and any rules and regulations which may hereafter be promulgated by the Association, and to any amendments

thereof. The acceptance of a deed or conveyance, or their succeeding to title to, or the execution of a lease, or the act of occupancy of a unit shall constitute an agreement by such persons that these By-Laws, and the rules and regulations of the Association, and the provisions of the Declaration of Condominium, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 3. Principal Office.

The principal office of the Condominium and the Association shall be located within the property or at such other place, reasonably convenient thereto, as may be designated by the Association.

ARTICLE II

Association

Section 1. Number, Term and Qualifications.

The affairs of the Condominium shall be governed by the Association. Until apartment units representing fifty (50%) percent in common interest shall have been sold by SUGARLAND ESTATES, hereinafter called the Developer, the Association shall consist of such persons, and their appointees, as shall have been designated by the Developer. Thereafter, the Association shall be composed of all of the apartment owners (whether owned individually, in partnership, or in corporate form) or mortgagees of apartment units. Except for Association members appointed by the Developer, no member shall continue to serve on the Association after he ceases to be a unit owner or an interested party in an apartment unit.

Section 2. Powers and Duties.

The Association shall have the powers and duties necessary for the administration of the affairs of

the Condominium and may do all such acts incidental thereto, except such acts which by law, the Declaration, or these By-Laws may not be delegated to the Association by the unit owners. Such powers and duties that the Association does have shall include, without limitation, the following:

- (a) Operation, care, upkeep and maintenance of the common elements and any appurtenant property other than the apartment unit.
- (b) Determination of the common expenses, charges and assessments required for the affairs of the Condominium, including the operation and maintenance of the common element.
- (c) Collection of the common charges and assessments from the unit owners.
- (d) Employment and dismissal of personnel necessary for the maintenance and operation of the common elements and appurtenances.
- (e) Adoption and amendment of the rules and regulations covering the details of the operation and use of the Condominium.
- (f) Designating bank depositories and maintaining bank accounts on behalf of the Condominium, and designating the signatories required therefor.
- (g) Purchasing, selling, mortgaging, leasing or otherwise acquiring in the name of the Association or its managing agent, or other designee, corporate or otherwise, on behalf of all unit owners, such units as may be offered for sale or lease or surrendered by their owners to the Association.
- (h) Purchasing units at foreclosure or judicial sale, in the name of the Association, its managing agent or designee, corporate or otherwise, on behalf of the unit owners.

(i) Subleasing units leased by the Association, or its managing agent or designee, corporate or otherwise, on behalf of the unit owners.

(j) Organizing corporations to act as designees of the Association in acquiring title to or leasing units by the Association on behalf of all unit owners or to perform any other function prescribed by these By-Laws.

(k) Obtaining and reviewing insurance for the Condominium, including individual units, pursuant to the provisions of these By-Laws and the Declaration of Condominium.

(l) Making repairs, additions and improvements to, or alterations of, the common elements of the Condominium property in accordance with these By-Laws and other provisions contained in the Declaration of Condominium.

(m) Enforcing obligations of individual unit owners, allocating profits and expenses, and doing anything and everything else necessary and proper for the sound management of the Condominium.

(n) Levying fines against unit owners for violations of the Declaration of Condominium, these By-Laws, and any rules and regulations which may be established pursuant thereto.

(o) Purchasing or leasing a unit for the use by any resident Condominium superintendent, if any, on behalf of all unit owners.

(p) Maintenance of laundry rooms, if any, and granting of licenses for vending machines.

(q) Borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep, and maintenance of the common elements; provided, however, that:

(1) The consent of at least sixty-six and two-thirds (66-2/3%) percent in number and in common interest of all unit owners, obtained in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum in excess of Five Thousand Dollars (\$5,000.00);

(2) No lien to secure repayment of any sum borrowed may be created on any individual unit or its appurtenant interest in the common elements without the consent of the owner of such unit;

(3) If any sum borrowed by the Association on behalf of the Condominium pursuant to the authority contained in this paragraph is not repaid by the Association, a unit owner who pays to the creditor such portion thereof as his interest in the common elements bears to the interest of all unit owners in the common elements shall be entitled to obtain from the creditor a release of any judgment or other lien which such creditor shall have filed, or be entitled to file, against the Condominium.

(r) Adjusting and settling claims under insurance policies obtained pursuant to the provision of these By-Laws and executing and delivering releases on settlement of such claims in behalf of all unit owners and other interested persons.

(s) Establishing reasonable fees for the use of recreational facilities or other common elements operated by the Condominium which are utilized by guests of individual unit owners.

The Association shall be responsible for carrying out the duties imposed upon it under these By-Laws and the Declaration regardless of whether a unit is vacant or occupied by an owner thereof or a permitted leasee or other permitted occupant.

Notwithstanding anything to the contrary contained in these By-Laws, so long as the Developer and its designee shall continue to collectively own apartment units representing fifty (50%) percent or more in number or in interest in the common elements attributable to all units, the Association may not, without the Developer's prior written consent,

(1) Make any addition, alteration or improvement to the common elements or any apartment unit (unless required by law), or

(2) Levy any common charge or assessment for the creation of, addition to, or replacement of any reserve, contingency or surplus fund in excess of four (4%) percent of the estimated expenses for any year of operation, or

(3) Terminate or amend the effective agreement for the independent managing agent, or hire any employee in addition to those approved by the minutes of the organizational meeting of the Association, or

(4) Borrow money on behalf of the Condominium.

Section 3. Managing Agent and Manager.

The Association may employ for the Condominium a managing agent, at a compensation established by the Association, to perform such duties and services as the Association shall authorize, including, but not limited to, duties listed in Paragraphs (a), (c), (d), (i), (l) and (p) of Section 2 of this Article II. The Association may delegate to the managing agent other powers granted to the Association by these By-Laws except the powers set forth in Paragraphs (b), (e), (f), (g), (h), (j), (k), (m), (n), (o), (q), (r) and (s) of Section 2 of this Article II.

Section 4. Initial Board.

The Association shall first consist of three persons designated by the Developer, and they shall hold office and exercise all powers of the Association. Within thirty (30) days after (1) the conveyance of title to fifty (50%) percent of the apartment units, or (2) the expiration of twenty-four (24) months from the date of filing of the Declaration of Condominium, whichever shall first occur, all members of the Association shall resign from the Association. Thereafter the Association shall consist of all unit owners.

Section 5. Organizational Meetings.

The first meeting of the members of the Association following the annual meeting of the unit owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by the unit owners at the annual meeting. No notice shall be necessary to the members of the Association in order legally to constitute such meeting, provided a majority of the whole Association shall be present at such first meeting.

Section 6. Regular Meetings.

Regular meetings of the Association may be held at such time and place as shall be determined from time to time by a majority of the members of the Association, but at least one such meeting shall be held during each fiscal year. Notice of the regular meetings of the Association shall be given to each member in writing, by mail or personal delivery, at least three (3) business days prior to the day named for such meeting.

Section 7. Special Meetings.

Special meetings of the Association may be called by the President on three (3) days' written notice to each member delivered by mail or in person, which

notice shall state the time, place and purpose of the meeting. Special meetings of the Association shall be called by the President or Secretary in the same manner and upon the same notice at the written request of at least three (3) members of the Association.

Section 8. Waiver of Notice.

Any member of the Association may, at any time, waive notice of any meeting of the Association in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Association at any meeting shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Association are present at any meeting of the Association, no notice shall be required and any business may be transacted at such meeting.

Section 9. Quorum of Association Members.

At all meetings of the Association, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Association present at a meeting at which a quorum is present shall constitute the decision of the Association. If at any meeting of the Association, there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 10. Adjournment of Meeting.

If any meeting of unit owners cannot be held because a quorum has not attended, a majority in common interest of the unit owners who are present at such meeting, either in person or by proxy, may adjourn the



meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 11. Order of Business.

The order of business at all meetings of the unit owners shall be as follows:

- (a) Roll call;
- (b) Proof of notice of meeting;
- (c) Reading of minutes of preceding meeting;
- (d) Reports of officers;
- (e) Report of Association;
- (f) Reports of committees;
- (g) Election of inspectors of election (when so required);
- (h) Election of members of the Association (when so required);
- (i) Unfinished business; and
- (j) New business.

Section 12. Compensation.

No member of the Association shall receive any compensation from the Condominium for acting as such.

Section 13. Liability of the Association Members.

The members of the Association shall not be liable to the unit owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The unit owner shall indemnify and hold harmless each member of the Association, and the managing agent selected by the Association, against all contractual liability to others arising out of contracts made by or on behalf of the Association for the benefit of the Condominium, unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the members of the Association and its

managing agent shall have no personal liability with respect to any contract made by them on behalf of the Condominium. It is also intended that the liability of any unit owner arising out of any contract made by the Association or on behalf of it or out of the indemnity in favor of the members of the Association shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interest of all unit owners in the common elements. Every agreement made by the Association, or by the managing agent, or by the superintendent of the Condominium shall provide that the members of the Association, or the managing agent, or the superintendent, as the case may be, are acting only as agents for the unit owners and shall have no personal liability thereunder (except as unit owners), and that each unit owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interest of all unit owners in the common elements.

Section 14. Fidelity Bonds.

The Association may obtain adequate fidelity bonds for all officers and employees of the Condominium and the managing agent handling or responsible for Condominium funds, in which event the premiums on such bonds shall constitute a common expense.

Section 15. Executive Committee.

The Association may, by resolution duly adopted, appoint an Executive Committee to consist of three (3) or more members of the Association. Such Executive Committee shall have and may exercise all of the powers of the Association in the management of the business and affairs of the Condominium during the intervals between the meetings of the Association insofar as may be permitted

by law, except that the Executive Committee shall not have power (a) to determine the common expenses required for the affairs of the Condominium; (b) to determine the common charges or assessments payable by the unit owners to meet the common expenses of the Condominium; (c) to adopt or amend the rules and regulations covering the operations of the Condominium or use of its property; or (d) to exercise any of the powers relevant to the acquisition or lease of individual units, common elements, or otherwise, or with respect to borrowing money on behalf of the Condominium.

Section 16. Place of Meetings.

Meetings of the unit owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the owners as may be designated by the Association.

Section 17. Title to Apartment Units.

Title to apartment units may be taken in the name of an individual or in the names of two or more persons, as tenants in common or as joint tenants, or as tenants by the entirety, or in the name of a corporation or partnership, or in the name of a fiduciary.

Section 18. Voting.

The owner or owners of each apartment unit, or some person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner, shall be entitled to cast the votes appurtenant to such apartment unit at all meetings of the Association. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the owner or owners so designating. Each owner shall be entitled to one vote for each apartment unit owned by such owner.

Section 19. Majority of Unit Owners.

As used in these By-Laws the term "majority of unit owners" shall mean those unit owners having more than fifty (50%) percent of the total authorized votes of all unit owners present in person or by proxy and voting at any meeting of the Association determined in accordance with the provisions of Section 18 of this Article II.

Section 20. Quorum.

Except as otherwise provided in these By-Laws, the presence in person or by proxy of unit owners having fifty (50%) percent of the total authorized votes of all unit owners shall constitute a quorum at all meetings of the Association.

Section 21. Majority Vote.

The vote of a majority of unit owners at a meeting at which a quorum shall be present shall be binding upon all unit owners for all purposes except where a higher percentage vote is required by law, by the Declaration, or by these By-Laws.

ARTICLE III

Officers

Section 1. Designation.

The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Association. The Association may appoint an Assistant Treasurer, an Assistant Secretary, and such other officers as in its judgment may be necessary. The President and Vice President must be members of the Association.

Section 2. Election of Officers.

Officers shall be elected annually by the Association at the organizational meeting of each new Association and shall hold office at the pleasure of the Association.

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Section 3. Removal of Officers.

Upon the affirmative vote of a majority of the members of the Association, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Association, or at any special meeting of the Association called for such purpose.

Section 4. President.

The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the unit owners and of the Association. He shall have all of the general powers and duties which are incident to the office of president, including, but not limited to, the power to appoint from among the unit owners any committee which he decides is appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. Vice President.

The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Association shall appoint some other member of the Association to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Association or by the President.

Section 6. Secretary.

The Secretary shall keep the minutes of all meetings of the unit owners and of the Association; he shall have charge of such books and papers as the Association may direct; and he shall, in general, perform all the duties incident to the office of secretary.

Section 7. Treasurer.

The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial statements. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Association, or the managing agent, in such depositories as may from time to time be designated by the Association, and he shall, in general, perform all the duties incident to the office of treasurer.

Section 8. Agreements, Contracts, Deeds, Checks, Etc.

All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two officers of the Condominium or by such other person or persons as may be designated by the Association.

Section 9. Compensation of Officers.

No officer shall receive any compensation from the Condominium for acting as such.

ARTICLE IV

Operation of the Property

Section 1. Determination of Common Expenses and Common Charges.

The Association shall from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of the common charges required to meet the common expenses of the Condominium, and allocate and assess such common charges against the unit owners according to their respective common interests. The common expenses shall include, among other things, the

cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Association pursuant to the provisions of Section 2 of this Article IV and the fees and disbursements of the insurance trustee. The following are hereby declared "common expenses": Street, service area and walkway cleaning and snow removal, and cleaning and maintenance of storm drains, gutters and drainage ways for the removal of surface water. The common expenses may also include such amounts as the Association may deem proper for the operation and maintenance of the Condominium property, including, without limitation, an amount for working capital of the Condominium, for general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. The common expenses shall further include such costs as the Association may declare in accordance with these By-Laws and Article II(e) of the Declaration of Condominium. The Association shall advise each unit owner in writing of the amount of common charges payable by him, and shall furnish copies of each budget on which such common charges are based to all unit owners and to their mortgagees.

Section 2. Insurance.

The Association shall be required to obtain and maintain, to the extent obtainable, the following insurance:

(a) Fire insurance with extended coverage, vandalism, and malicious mischief endorsements, insuring the entire apartment building (including all of the apartment units and the bathroom and kitchen fixtures initially installed therein by the Developer) but not including furniture, air conditioners, fixtures, floor and window coverings, or other personal property supplied or installed by unit owners or Developer, together with service machinery contained therein; such insurance shall cover the Condominium, the Association, and all unit

owners and their mortgagees, as their interests may appear, in an amount equal to the full replacement value of the building, without deduction for depreciation. Each policy shall contain a Wyoming standard mortgagee clause in favor of each mortgagee of an apartment unit which shall provide that proceeds shall be payable to such mortgagee as its interest may appear, subject, however, to payment provisions in favor of the Association and the insurance trustee hereinafter set forth.

- (b) Workman's compensation insurance.
- (c) Boiler and machinery insurance.
- (d) Plate glass insurance.
- (e) Water damage insurance.
- (f) Such other insurance as the Association

may determine.

All such policies shall provide that adjustment of loss shall be made by the Association with the approval of the insurance trustee, and that the net proceeds thereof, if Fifty Thousand Dollars (\$50,000.00) or less, shall be payable to the Association, and if more than Fifty Thousand Dollars (\$50,000.00), shall be payable to the insurance trustee.

The amount of fire insurance to be maintained until the first meeting of the Association following the first annual meeting of the unit owners shall be in at least the sum of Two Million Five Hundred Thousand Dollars (\$2,500,000.00).

All policies of physical damage insurance shall contain waivers of subrogation and waivers of any defense based on coinsurance or of invalidity arising from any acts of the insured, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days' prior written notice to all of the



insured, including all mortgagees of apartment units. Duplicate originals of all policies of physical damage insurance and all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of apartment units at least ten (10) days prior to expiration of the then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Association shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the building, including all of the apartment units and all of the common elements therein, without deduction for depreciation, for the purpose of determining the amount of fire insurance to be effected pursuant to this Section.

The Association shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Association may from time to time determine, covering each member of the Association, the managing agent, the manager, and each unit owner. Such public liability coverage shall also cover cross liability claims of one insured against another. The Association shall review such limits once each year. Until the first meeting of the Association following the first annual meeting of the unit owners, such public liability insurance shall be in a single limit of One Million Dollars (\$1,000,000.00), covering all claims for bodily injury or property damage arising out of one occurrence.

Unit owners shall not be prohibited from carrying other insurance for their own benefit provided that all policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Association shall not

be affected or diminished by reason of any such additional insurance carried by any unit owner or by the Developer.

Section 3. Repair or Reconstruction After Damage.

In the event of damage to or destruction of the building as a result of fire or other casualty (unless seventy-five (75%) percent or more of the building is destroyed or substantially damaged and seventy-five (75%) percent or more of the unit owners do not duly and promptly resolve to proceed with repair or restoration), the Association shall arrange for the prompt repair and restoration of the building (including any damaged apartment units, and any kitchen or bathroom fixtures initially installed therein by the Developer, but not including any wall, ceiling, or floor decorations or coverings or other furniture, furnishings, fixtures or equipment installed by unit owners of the Developer in the apartment units), and the Association or the insurance trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense and the Association may assess all the unit owners for such deficit as part of the common charges.

If seventy-five (75%) percent or more of the building is destroyed and substantially damaged and seventy-five (75%) percent or more of the unit owners do not duly and promptly resolve to proceed with repair or restoration, the Condominium property shall be subject to an action for partition at the suit of any unit owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair

or restoration pursuant to the first paragraph of this Section 3 and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration), then the excess of such insurance proceeds shall be divided by the Association or the insurance trustee, as the case may be, among all the unit owners in proportion to their respective common interests, after first paying out of the share of each unit owner the amount of any unpaid liens on his apartment unit, in the order of the priority of such liens.

Section 4. Payment of Common Charges.

All unit owners shall be obligated to pay the common charges assessed by the Association pursuant to the provisions of Section 1 of this Article IV at such time or times as the Association shall determine.

No unit owner shall be liable for the payment of any part of the common charges assessed against his apartment unit subsequent to a sale, transfer, or other conveyance by him thereof (made in accordance with the provisions of Section 1 of Article VI of these By-Laws). A unit owner may, subject to the conditions specified in these By-Laws, and provided that his apartment unit is free and clear of liens and encumbrances other than a mortgage and the statutory lien for unpaid common charges, convey his apartment unit to the Association, or its designee, corporate or otherwise, on behalf of all other unit owners, and in such event be exempt from common charges thereafter assessed. A purchaser of an apartment unit shall be liable for the payment of common charges assessed against such apartment unit prior to the acquisition by him of such apartment unit.

Section 5. Collection of Assessments.

The Association shall assess common charges against the unit owners from time to time and at least annually and shall take prompt action to collect from a unit owner any common charge due which remains unpaid by him for more than thirty (30) days from the due date for its payment.

Section 6. Default in Payment of Common Charges.

In the event of default by any unit owner in paying to the Association the assessed common charges, such unit owner shall be obligated to pay interest at one and one-half (1½%) percent per month on such common charges from the due date thereof, together with all expenses, including attorney's fees, incurred by the Association in any proceeding brought to collect such unpaid common charges. The Association shall have the right and duty to attempt to recover such common charges, together with interest thereon, and the expenses of the proceeding, including attorney's fees, in an action brought against such unit owner, or by foreclosure of the lien on such apartment unit granted by the property laws of the State of Wyoming, in any manner provided.

Section 7. Foreclosure of Liens for Unpaid Common Charges.

In any action brought by the Association to foreclose a lien of an apartment unit because of unpaid common charges, the unit owner shall be required to pay a reasonable rental for the use of his apartment unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect such rental. The Association, acting on behalf of all unit owners, shall have power to purchase such apartment unit at the foreclosure sale and to acquire, hold, lease, mortgage,

vote the votes appurtenant to, convey, or otherwise deal with the same. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same.

Section 8. Statement of Common Charges.

The Association shall promptly provide any unit owner, who makes a request in writing, with a written statement of his unpaid common charges.

Section 9. Abatement and Enjoining of Violations.

The violation of any rule or regulation adopted by the Association, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Association the right, in addition to any other rights set forth in these By-Laws (a) to enter the apartment unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting unit owner, any structure, thing, or condition that may exist therein contrary to the intent and meaning of the provision hereof, and the Association shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate, or remedy such thing or condition by appropriate legal proceedings.

Section 10. Maintenance and Repair.

(a) The Association shall be responsible for the maintenance, repair and improvements of the structural elements of the Condominium and all common elements appurtenant to the Condominium. Maintenance, repairs and improvements to the interior features of individual apartment units shall be the responsibility of the owner.

(b) All maintenance, repairs, and replacements to the common elements, whether located inside or outside of the apartment units (unless necessitated by the negligence, misuse, or neglect of a unit owner, in which case

such expense shall be charged to such unit owner), shall be made by the Association and be charged to all the unit owners as a common expense.

(c) All maintenance of and repairs to any apartment unit, ordinary or extraordinary (other than maintenance of and repairs to any common element contained therein not necessitated by the negligence, misuse, or neglect of the owner of such apartment unit), shall be made by the owner of such apartment unit. Each unit owner shall be responsible for all damages to any other apartment unit and to the common elements resulting from his failure to effect such maintenance and repairs. Specifically, the responsibility of the apartment owner shall be:

(1) To maintain, repair, and replace, at his expense, all portions of his apartment, including air conditioning units, and all furnishings therein contained;

(2) Not to paint or otherwise decorate or change the appearance of any portion of the exterior of the apartment;

(3) To promptly report to the Association any defect or need for repairs, the responsibility for which is that of the Association.

#### Section 11. Use of Apartment Units.

In order to provide for congenial occupancy of the Condominium property and for the protection of the values of the apartment units, the use of the Condominium property shall be subject to the following limitations:

(a) The apartment units shall be used for residences only.

(b) The common elements shall be used only for the furnishing of the services and facilities for which

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they are reasonably suited and which are incidental to the use and occupancy of apartment units.

(c) No nuisances shall be allowed on the Condominium property nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the Condominium property by its owners or tenants.

(d) No immoral, improper, offensive, or unlawful use shall be made of the Condominium property or any part thereof, and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be complied with. Such compliance shall be accomplished at the sole expense of the unit owners or the Association, whichever shall have the obligation to maintain or repair such portion of the Condominium property.

(e) No portion of an apartment unit (other than the entire apartment unit) may be rented, and no transient tenants may be accommodated therein.

Section 12. Additions, Alterations, or Improvements by the Association.

Whenever in the judgment of the Association the common elements shall require additions, alterations, or improvements costing in excess of One Thousand Dollars (\$1,000.00), and the making of such additions, alterations, or improvements shall have been approved by a majority of the unit owners, the Association shall proceed with such additions, alterations, or improvements and shall assess all unit owners for the cost thereof as a common charge. Any additions, alterations, or improvements costing One Thousand Dollars (\$1,000.00) or less may be made by the Executive Committee or managing agent of the Association

without approval of the unit owners and the cost thereof shall constitute a common charge.

Section 13. Additions, Alterations, or Improvements by Unit Owners.

No unit owner shall make any structural addition or alteration or improvement which will result in a violation of the existing fire or building codes. No unit owner shall make any structural addition, alteration, or improvement in or to his apartment unit, without the prior written consent thereto of the Association. The Association shall have the obligation to answer any written request by a unit owner for approval of a proposed structural addition, alteration, or improvement in such unit owner's apartment unit, within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Association to the proposed addition, alteration, or improvement. Any application to any governmental authority for a permit to make an addition, alteration, or improvement in or to any apartment unit shall be executed by the Association and the unit owner, and paid for by the unit owner. The Association shall not be liable to any contractor, subcontractor, or materialman or to any person sustaining personal injury or property damage, for any claim arising in connection with such addition, alteration, or improvement. The provisions of this Section 13 shall not apply to apartment units owned by the Developer until such apartment units shall have been initially sold by the Developer and paid for.

Section 14. Use of Common Elements and Facilities.

A unit owner shall not place any furniture, packages, or objects in the common areas or common facilities, except in an area designated as a storage area.

Section 15. Right of Access.

A unit owner shall grant a right of access to his apartment unit to the manager, the managing agent,



and any other person authorized by the Association, the manager, or the managing agent, to make inspections; to correct any condition originating in his apartment unit and threatening another apartment unit or a common element; to install, alter, or repair mechanical or electrical services or other common elements in his apartment unit or elsewhere in the building; and to correct any condition which violates the provisions of any mortgage covering another apartment unit. Requests for such entry shall be made in advance and such entry shall be scheduled for a time reasonably convenient to the unit owner. However, in case of an emergency, such right of entry shall be immediate, whether the unit owner is present at the time or not.

Section 16. Rules of Conduct.

Rules and regulations concerning the use of the apartment units and the common elements may be promulgated and amended by the Association with the approval of a majority of the unit owners. Copies of such rules and regulations shall be furnished by the Association to each unit owner prior to their effective date. The rules and regulations may be amended by the Association in accordance with these By-Laws.

Section 17. Water Charges, Sewer Rents, and Garbage Fees.

Water shall be supplied to all of the apartment units and the common elements through one or more building meters and the Association shall pay, as a common expense, all charges for water consumed on the Condominium property, together with all related sewer rents arising therefrom, and garbage collection fees, promptly after the bills

therefor are rendered. In the event of a proposed sale of an apartment unit by the owner thereof, the Association, on request of the selling unit owner, shall execute and deliver to the purchaser of such apartment unit or to the purchaser's title insurance company, a letter agreeing to pay all charges for water and sewer rents affecting the property as of the date of closing of title to such apartment unit promptly after such charges shall have been billed by the City Collector.

Section 18. Electricity.

Each unit has a meter for electricity and all charges therefor shall be paid by the unit occupant. Electricity shall be supplied to the common areas of each apartment building through a single meter, and charges for electricity shall be prorated and shall be paid for by the Association as a common expense.

ARTICLE V

Mortgages

Section 1. Notice to Association.

A unit owner who mortgages his apartment unit shall notify the Association of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Association. The Association shall maintain such information in a file entitled, "Mortgages of Apartment Units."

Section 2. Notice of Unpaid Common Charges.

The Association, whenever so requested in writing by a mortgagee of an apartment unit, shall promptly report any then unpaid common charges or other default by the owner of the mortgaged apartment unit.

Section 3. Notice of Default.

The Association, when giving notice to a unit owner of a default in paying common charges or other default, shall send a copy of such notice to each holder of a mortgage covering such apartment unit whose name and address has theretofore been furnished to the Association.

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Section 4. Examination of Books.

Each unit owner and each mortgagee of an apartment 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 a month.

ARTICLE VI

Sale of Units

Section 1. Sales.

No unit owner may sell his apartment unit or any interest therein except by complying with the provisions of this Section. A unit owner's sale of his apartment unit shall include the sale of (a) the undivided interest in the common elements appurtenant thereto; (b) the interest of such unit owner in any apartment units theretofore acquired by the Association, or its designee, on behalf of all unit owners, or the proceeds of the sale or lease thereof, if any; and (c) the interest of such unit owner in any other assets of the Condominium, hereinafter collectively called the appurtenant interests.

Any unit owner who receives a bona fide offer for the sale of his apartment unit, hereinafter called an outside offer, which he intends to accept, shall give notice to the Association of such offer and of such intention, the name and address of the proposed purchaser, the terms of the proposed transaction and such other information as the Association may reasonably require, and shall offer to sell such apartment unit to the Developer, the Association, or any individual owner, corporate or otherwise, on the same terms and conditions as contained in such outside offer. The giving of such notice shall constitute a warranty and representation by the unit owner who has received such offer, to the Association on behalf of the other unit owners, that such unit

owner believes the outside offer to be bona fide in all respects. Within thirty (30) days after receipt of such notice, the Developer, Association or the owner may elect, by notice to such unit owner, to purchase such apartment unit, as the case may be (or to cause the same to be purchased by its designee, corporate or otherwise), on behalf of all other unit owners, on the same terms and conditions as contained in the outside offer and as stated in the notice from the unit owner. In the event the Developer, Association or individual owner shall elect to purchase such apartment unit, or to cause the same to be purchased by its designee, corporate or otherwise, title shall close no later than forty-five (45) days after the giving of notice by the Association of the election to accept such offer. At the closing, the unit owner, if such apartment unit is to be sold, shall convey the same to the Developer, Association, or individual owner, or to its designee, on behalf of all other unit owners, by deed in the form required by the laws of the State of Wyoming and shall pay all real property taxes arising out of such sale. In the event the Developer, the Association or an individual owner shall fail to accept such offer within thirty (30) days, the unit owner shall be free to contract to sell such apartment unit, as the case may be, to the outside offeror within sixty (60) days after the expiration of the period in which the Developer, Association or other owner might have accepted such offer, on the terms and conditions set forth in the notice from the unit owner to the Association of such outside offer. Any deed to an outside offeror shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the rules and regulations, as the

same may be amended from time to time. In the event the offering unit owner shall not, within such sixty-day (60) period, contract to sell such apartment unit to the outside offeror on the terms and conditions contained in the outside offer, or if such a contract is entered into but not fulfilled, then the unit owner shall be required to again comply with all of the terms and provisions of this Section in order to sell the apartment unit.

Any purported sale of an apartment unit in violation of this Section shall be voidable at the election of the Association.

Section 2. Consent of Unit Owners to Purchase.

The Association shall not exercise any option hereinabove set forth to purchase any apartment unit without the prior approval of a majority of the unit owners.

Section 3. No Severance of Ownership.

No unit owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his apartment unit without including therein the appurtenant interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the appurtenant interests of any apartment unit may be sold, transferred, or otherwise disposed of, except as part of a sale, transfer, or other disposition of the apartment unit to which such interests are appurtenant, or as part of a sale, transfer, or other disposition of such part of the appurtenant interests of all apartment units.

Section 4. Release by Association of Right of First Refusal.

The right of first refusal contained in Section 1 of this Article VI may be released or waived by the Association, in which event the apartment unit may be sold, or conveyed, free and clear of the provisions of such Section.

Section 5. Certificate of Termination of Right of First Refusal.

A certificate, executed and acknowledged by the Secretary of the Condominium, stating that the provisions of Section 1 of this Article VI have been met by a unit owner, or have been duly waived by the Association, and that the rights of the Association thereunder have terminated, shall be conclusive upon the Association and the unit owners in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any unit owner who has in fact complied with the provisions of Section 1 of this Article VI or in respect to whom the provisions of such Section have been waived, upon request, at a reasonable fee, not to exceed Ten Dollars (\$10.00).

Section 6. Financing of Purchase of Apartment Units by Association.

The Association may borrow money to finance the acquisition of such apartment unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the apartment unit so to be acquired by the Association.

Section 7. Exceptions.

The provisions of Section 1 of this Article VI shall not apply with respect to any sale or conveyance by a unit owner of his apartment unit to his spouse or to any of his children or to his parent or parents or to his

brothers or sisters, or any one or more of them, or to an apartment unit owned by the Developer, or to the acquisition or sale of an apartment unit by a mortgagee herein authorized who shall acquire title to such unit by foreclosure or by deed in lieu of foreclosure. However, the provisions of such Section shall apply with respect to any purchaser of such apartment unit from such mortgagee.

Section 8. Gifts and Devises, Etc.

Any unit owner shall be free to convey or transfer his apartment unit by gift, or to devise his apartment unit by will, or to pass the same by intestacy, without restriction.

Section 9. Waiver of Right of Partition With Respect to Apartment Units Acquired by Association.

In the event that an apartment unit shall be acquired by the Association, or its designee, on behalf of all unit owners as tenants in common, all such unit owners shall be deemed to have waived all rights of partition with respect to such apartment unit.

Section 10. Payment of Assessments.

No unit owner shall be permitted to convey, mortgage, pledge, hypothecate, sell, or lease his apartment unit unless and until he shall have paid in full to the Association all unpaid common charges theretofore assessed by the Association against his apartment unit and until he shall have satisfied all unpaid liens against such apartment unit, except mortgages.

ARTICLE VII

Condemnation

Section 1. Condemnation.

In the event of a taking in condemnation or by eminent domain of part or all of the common elements, the award made for such taking shall be payable to the Associ-

ation if such award amounts to Fifty Thousand Dollars (\$50,000.00) or less, and to the insurance trustee if such award amounts to more than Fifty Thousand Dollars (\$50,000.00). If seventy-five (75%) percent or more of the unit owners duly and promptly approve the repair and restoration of such common elements, the Association shall arrange for the repair and restoration of such common elements, and the Association or the insurance trustee, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that seventy-five (75%) percent or more of unit owners do not duly and promptly approve the repair and restoration of such common elements, the Association or the insurance trustee, as the case may be, shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 3 of Article IV of these By-Laws.

#### ARTICLE VIII

##### Records

##### Section 1. Records

The Association or the managing agent shall keep detailed records of the actions of the Association and the managing agent, minutes of the meetings of the Association, minutes of the meetings of the unit owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each apartment unit which, among other things, shall contain the amount of each assessment of common charges against such apartment unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. A written

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report summarizing all receipts and expenditures of the Condominium shall be rendered by the Association quarterly and annually. An audited financial statement prepared by a certified public accountant shall be rendered upon a majority vote of the Association and paid for as a common expense. Any individual owner may order a certified financial statement at his own expense.

#### ARTICLE IX

##### Miscellaneous

##### Section 1. Notices.

All notices to the Association shall be sent by registered or certified mail, in care of the managing agent, or if there is no managing agent, to the office of the Association or to such other address as the Association may hereafter designate from time to time. All notices to any unit owner shall be sent by registered or certified mail to the building or to such other address as may have been designated by him from time to time, in writing, to the Association. All notices to mortgagees of apartment units shall be sent by registered or certified mail to their respective addresses, as designated by them from time to time, in writing, to the Association. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received.

##### Section 2. Invalidity.

The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these By-Laws.

##### Section 3. Captions.

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these By-Laws, or the intent of any provision thereof.

Section 4. Gender.

The use of the masculine gender in these By-Laws shall be deemed to include the feminine and neuter gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 5. Waiver.

No restriction, condition, obligation, or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 6. Insurance Trustee.

The insurance trustee shall be the Bank of Commerce, Sheridan, Wyoming, unless and until it shall be replaced by a bank or trust company in the City of Sheridan, designated by the Association. In the event that the insurance trustee shall resign, the new insurance trustee shall be designated by the Association. The Association shall pay the fees and disbursements of any insurance trustee and such fees and disbursements shall constitute a common expense.

ARTICLE X

Amendments to By-Laws

Section 1. Amendments to By-Laws.

Except as hereinafter provided otherwise, these By-Laws may be modified or amended by the vote of sixty-six and two-thirds (66-2/3%) percent in number and in common interest of all unit owners at a meeting of unit owners duly held for such purposes, but only with the written approval of other mortgagees holding mortgages constituting first liens upon ten (10) or more apartment units.

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ARTICLE XI

Conflicts

Section 1. Conflicts.

These By-Laws are set forth to comply with the requirements of the laws of the State of Wyoming. In case any of these By-Laws conflict with the provisions of such law or of the Declaration, the provisions of such statute or of the Declaration, as the case may be, shall control.