

**AMENDED and RESTATED
DECLARATION
of
THE LODGE CONDOMINIUM HOMEOWNERS ASSOCIATION, INC
Stowe, Vermont**

APPENDIX "C"

BY - LAWS

ARTICLE I. PLAN OF UNIT OWNERSHIP

Section 1.01. Applicability. These By-Laws provide for the governance of the Condominium. The property, located in Stowe, Vermont and more particularly described in the Declaration, has been submitted to the provisions of the Act by recordation simultaneously herewith of the Declaration in Volume ____, Page _____ of the Land Records of the Town of Stowe.

All present and future Owners, Mortgagees, Lessees and Occupants of Units and their employees, and any other persons who may use the facilities of the property in any manner are subject to the Declaration and its amendments, these By-Laws and Rules and Regulations made pursuant hereto, and any amendment to these By-Laws upon the same being passed and duly set forth in an amended Declaration, duly recorded.

Section 1.02. Compliance. The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that these By-Laws (and any Rules and Regulations made pursuant hereto) and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 1.03. Office. The office of the Condominium, the Association and the Board of Directors shall be located at the Property or at such other place as may be designated from time to time by the Board of Directors.

Section 1.04. Definitions. Each capitalized term used herein without definition shall have the meanings specified in the Declaration of The Lodge Condominiums to which the By-Laws are attached, as it may be mended from time to time (the "Declaration") or as provided in the Vermont Condominium Ownership Act (the "Act").

ARTICLE II THE LODGE CONDOMINIUM HOMEOWNERS ASSOCIATION

Section 2.01. Composition. The Association shall consist of all of the Unit Owners acting as a group. For all purposes the Association shall act merely as an agent for the Unit Owners as a group. The Association shall have the responsibility for administering the Condominium, establishing the means and methods of collecting assessments and charges, arranging for the management of the Condominium and performing all of the other acts that may be required or permitted to be performed by the

Association by the Act and the Declaration. Except as to those matters, which the Act specifically requires to be performed by the vote of the Association, the foregoing responsibilities shall be performed by the Board of Directors or their designee.

Section 2.02. Annual Meetings. The annual meeting of the Association shall be held on such day as the Board of Directors may decide. At such annual meeting, the Board of Directors shall be elected by vote of the Unit Owners.

Section 2.03. Place of Meeting. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Directors.

Section 2.04. Special Meetings. Special Meetings of the Unit Owners be called by the President, the Board of Directors, or upon a Petition signed and presented to the Secretary by Unit Owners with not less than twenty-five percent (25%) of the aggregate votes in the Association. The notice of any special meeting shall state the time, place and purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 2.05. Notice of Meetings. The Secretary shall mail to each Unit Owner a notice of the place, date, hour and purpose or purposes of each annual or regularly scheduled meeting of the Unit Owners. The notice shall be given not less than ten (10) days nor more than forty (40) days before the date of each meeting.

Section 2.06. Adjournment of Meetings. If at any meeting of the Association a quorum is not present, Unit Owners having a majority of the votes are present at such meeting in person or by proxy may adjourn the meeting to a time not less than forty-eight (48) hours after the time the original meeting was called.

Section 2.07. Voting. The vote to which each Unit Owner is entitled shall be the Common Areas and Facilities interest assigned to his Unit in the Declaration. At any duly convened meeting of the Association at which a quorum is present, a majority of the votes present in person or by proxy shall be required to adopt decisions of the Association, except where a greater number may be required by the Declaration, By-Laws or Condominium Act. Any specified percentage of the Unit Owners means the Unit Owners with such votes in the aggregate.

Section 2.08. Quorum. Except as otherwise provided in the By-Laws, the presence in person or by proxy of Unit Owners of twenty percent (20%) or more of the votes shall constitute a quorum at all meetings of the Association.

Section 2.09. Regular and Special Meetings. Special Meetings of the Board of Directors may be called by the President or Secretary upon the request of at least two Directors. Notice of said meeting to be given by mail, telegraph, telephone, e-mail, fax or other electronic means to each Director. These meetings may held either in person within or without the State of Vermont or by telephone conference.

Notice of each meeting shall be given no less than ten (10) days and no more than fifty (50) days prior to each warned meeting.

Section 2.10. Conduct of Meetings. The President shall preside over a meeting of the Association and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting as well as a record of all transactions occurring thereat. The then current edition of Robert's Rules of Order shall govern.

Section 2.11. Officers of the Association. The officers of the Association of Owners shall be a President, Vice-President, Secretary and Treasurer the offices of Secretary and Treasurer may, by vote of the Association of Owners at any annual meeting, be combined as one office. After the initial sale of the units the President and Vice-President shall be Owners of Units and the President must be a member of the Board of Directors. Officers shall be annually elected by, and may be removed and replaced by, the Board of Directors. The Board of Directors may in its discretion require that officers be subject to fidelity bond coverage in favor of the Association of Owners, cost of said bond to be borne by the Association of Owners.

(A) President. The President shall preside at all meetings of the Association of Owners and of the Board of Directors, and may exercise the powers ordinarily allocable to the presiding officer of an Association, including the appointment of committees

(B) Vice-President. The Vice-President shall perform the functions of the President in the absence or inability of the President.

(C) Secretary. The Secretary or his designee from the Manager's office employed by the Association shall keep the minutes of all proceedings of the Board of Directors and of the meetings of the Association of Owners and shall keep such books and records as may be necessary and appropriate for the records of the Association and its Board of Directors.

(D) Treasurer. The Treasurer shall be responsible for the fiscal affairs of the Association, but may delegate the daily handling of income and expense payments to the authorized Manager employed by the Association.

ARTICLE III. BOARD OF DIRECTORS.

Section 3.01. Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of at least five (5) persons, but not more than seven (7) all of whom shall be Unit Owners or spouses of Unit Owners.

Section 3.02. Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not prohibited by the Act, including the following:

(A) Prepare an annual budget, in which there shall be established the assessments of each Unit Owner for the Common Expenses of the Condominium (the "Common Expenses").

(B) Make assessments against Unit Owners to defray the costs and expenses of the Condominium, establish the means and methods of collecting such assessments from the Unit Owners and establish the period of the installment payment of the annual assessment for Common Expenses. Unless otherwise determined by the Board of Directors, the annual assessment against each Unit Owner for his proportionate share of the Common Expenses shall be payable in advance in equal quarterly installments, each such quarterly installment to be due and payable in advance on the first day of January, April, July and October in each year.

(C) Provide for the operation, care, upkeep and maintenance of all of the Property and services of the Condominium.

(D) Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and replacement of the Common Areas and Facilities and provide services for the Property and, where appropriate provide for the compensation for such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed part of the Property.

(E) Collect the assessments against the Unit Owners, deposit the proceeds thereof in bank depositories designated by the Board of Directors and use the proceeds to carry out the administration of the Project, and create and amend the Rules and Regulations of the Condominium.

(G) Open bank accounts on behalf of the Association and designate the signatories thereon.

(H) Make, or contract for the making of, repairs, additions and improvements to or alterations of the Property, and repairs to and restoration of the Property, in accordance with these By-Laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

(I) Enforce by legal means the provisions of the Declaration, these By-Laws and the Rules and Regulations and act on behalf of the Unit Owners with respect to all matters arising out of an eminent domain proceeding.

(J) Obtain and carry insurance against casualties and liabilities, as provided in these By-Laws, pay the premiums thereof or and adjust and settle any claim thereunder.

(K) Pay the cost of all authorized services rendered to the Association and not billed to Unit Owners of individual Units or otherwise provided for in Article IV of these By-Laws.

(L) Keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Property, and the administration of the Condominium specifying the expenses

of maintenance and repair of the Common Areas and Facilities and any other expenses incurred. Such books and vouchers accrediting the entries thereupon shall be available for examination by the Unit Owners, their duly authorized agents or attorneys, during general business hours on working days at the times and in the manner set and announced by the Board of Directors for the general knowledge of the Unit Owners. All books and records shall be kept in accordance with good accounting practices, and the same shall be audited at least once each year by an independent accountant retained by the Board of Directors who shall not be a resident of the Condominium or a Unit Owner. The cost of such audit shall be a Common Expense.

(M) Notify a Mortgagee of any default hereunder by the Unit Owner of the Unit subject to such Mortgage, in the event such default continues for a period exceeding ninety (90) days.

(N) Borrow money on behalf of the Condominium when required in connection with any one instance relating to the operation, care, upkeep and maintenance of the Common Areas and Facilities, *provided, however*, that the consent of at least two-thirds in number and in Common Areas and Facilities interest of all Unit Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required to borrow any sum in excess of Twenty Thousand Dollars (\$20,000).

(O) Acquire, hold and dispose of Units and mortgage the same if such expenditures and hypothecation's are included in the budget adopted by the Association.

(P) In its sole discretion, designate from time to time certain Common Areas and Facilities as Reserved Common Areas and Facilities and impose such restrictions and conditions on the use thereof, as the Board of Directors deems appropriate.

(Q) Do such other things and acts not inconsistent with the Act, the Declaration or these By-Laws, which the Board of Directors may be authorized to do by a resolution of the Association.

(R) Convey, lease, mortgage or otherwise transfer or assign all or any portion of the Common Areas and Facilities, to terminate the undivided percentage interest of Unit Owners in Common Areas and Facilities so transferred and any Mortgages encumbering those undivided percentage interest, and to grant Mortgages of the Common Areas and Facilities having priority over Mortgages encumbering the undivided percentage interest of the Unit Owners, subject, however, to the agreement of persons entitled to cast at least 80 percent of the votes in the Association, and the consent of holders of first Mortgages on at least 80 percent of the Units that are subject to Mortgages on the date the foregoing agreement is recorded, in accordance with the procedure established in Section 3-112 of the Vermont Uniform Common Interest Ownership Act (27A V.S.A. 3-112) or any successor thereto, and to authorize officers of the Association or other individuals by duly adopted resolution to execute contracts, deeds, mortgages, tax returns and other agreements and transfer and security document on behalf of the Association in connection with such transfer or assignment.

Section 3.03. Managing Agent. Declarant reserves the right to appoint its Managing Agent for the Condominiums at a compensation to be established by the Board of Directors, to act as Manager of

the project for a period of three (3) years from the date hereof. Subsequent to the date three years from the late hereof, the Board of Directors shall then have the right to employ for the Condominium a "Managing Agent" at a compensation to be established by the Board of Directors, to act as Manager of the project, provided that any such delegation shall be revocable upon notice by the Board of Directors. The members of the Board of Directors shall not be liable for any omission or improper exercise by the Manager of any such duty, power or function so delegated by written instrument executed by a majority of the Board of Directors. In the absence of any appointment, the President of the Association of Unit Owners shall act as Manager.

Section 3.04. Election and Term of Office. Each Director shall be elected to serve a three-year term. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the Association.

Section 3.05. Removal or Resignation of Members of the Board of Directors. At any regular or special meeting duly called, any one or more of the members of the Board of Directors may be removed with or without cause by a majority of the Unit Owners and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Unit Owners shall be given at least seven days notice of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting. A member of the Board of Directors may resign at any time and shall be deemed to have resigned upon disposition of his Unit.

Section 3.06. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by a vote of a majority of the remaining Directors at a special meeting of the Board of Directors held for such purpose promptly after the occurrence of any such vacancy, even though the Directors present at such meeting may constitute less than a quorum. Each person so elected shall be a member of the Board of Directors for the remainder of the term of the member being replaced and until a successor shall be elected at the next annual meeting of the Association.

Section 3.07. Initial Directors, Corporate. The Directors who served prior to incorporation of the company shall serve out their prior terms.

Section 3.08. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, but such meetings shall be held at least twice during each fiscal year. Notice of each meeting shall be given no less than ten (10) days and no more than fifty (50) days prior to each warned meeting.

Section 3.09. Regular and Special Meetings. Regular and Special meetings of the Board of Directors may be called by the President, or Secretary upon request of at least two Directors, notice of said meeting to be given to each Director. These meetings are to be held either in person within or without the State of Vermont or by telephone conference call.

Section 3.10. Waiver of Notice. Any Director may at any time, in writing waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such

notice. Attendance by a Director at any meeting of the Board of Directors shall constitute a **waiver of** notice by him of the time, place and purpose of such meeting. If all Directors are present at **any meeting** of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 3.11. Quorum. At all meetings of the Board of Directors a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present, shall constitute the decision of the Board of Directors.

Section 3.12. Compensation. No Director shall receive any compensation from the Condominium for acting as a Director.

Section 3.13. Action Without Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Board of Directors.

Section 3.14. Liability of the Board of Directors. Officers. Unit Owners and Association.

(A) The officers and members of the Board of Directors shall not be liable to the Association for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Association shall indemnify and hold harmless each of the officers and Directors from and against all contractual liability to others arising out of contracts made by the officers or the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Act, the Declaration or these By-Laws. Officers and members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. Every agreement made by the officers, the Board of Directors or the Managing Agent on behalf of the Association shall, if obtainable, provided that the officer, the members of the Board of Directors or the Managing Agent, as the case may be, are acting only as agents for the Association and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owners liability thereunder shall be limited to the total liability thereunder multiplied by his Common Areas and Facilities interest.

(B) The Association shall not be liable for any failure of water supply or other services to be obtained by the Association or paid for as a Common Expense, or for injury or damage to persons or property caused by the elements or by the Unit Owner of any Unit, or any other person, or resulting from electricity, water, snow or ice which may leak or flow from any portion of the common Areas and Facilities or from any pipe, drain, conduit, appliance or equipment. The Association shall not be liable to any Unit Owner for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Common Areas and Facilities. No diminution or abatement of any assessments as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the common

Areas and Facilities or from any action taken by the Association to **comply with any law, ordinance or with the order or directive of any municipal or other governmental authority.**

Section 3.15. Maintenance. Repair and Replacement of Common Areas and Facilities It shall be the responsibility of the Board of Directors to determine questions relating to the maintenance, repair and replacement of all Common Areas and Facilities. There shall be no structural alterations, capital additions to, or capital improvements of the Common Areas and Facilities requiring an expenditure of Fifty Thousand Dollars (\$50,000) or more without the consent of at least two-thirds (2/3rds) in number and in Common Areas and Facilities interest of all Unit Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws.

ARTICLE IV. OPERATION OF THE CONDOMINIUM

Section 4.01. Determination of Common Expenses and Assessments Against Unit Owners.

(A) **Fiscal Year.** The fiscal year of the Association shall be the calendar year unless otherwise determined by the Board of Directors.

(B) **Preparation and Approval of Budget.**

(i) On or before the fifteenth day of November, for each following year, the Board of Directors shall propose a budget for the Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Areas and Facilities and those parts of the Units as to which it is the responsibility of the Board of Directors to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Common Expenses by the Act, this Declaration or a resolution of the Association and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the Unit Owners of all related services. Such budget shall also include such reasonable amounts, as the Board of Directors considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements. The quarterly assessment shall be billed in accordance with the estimated budget until the homeowner approval of the budget.

(ii). On or before the first day of December, the Board of Directors shall send to each Unit Owner a copy of the estimated budget for the following year in a reasonably itemized form. The estimated budget shall set forth the amount of the Common Expenses and any special assessment then known payable by each Unit Owner. Such budget shall be presented at the next homeowners meeting for approval and shall constitute the basis for determining each Unit Owners assessment for the Common Expenses of the Association.

Section 4.02. Assessment and Payment of Common Expenses.

(A) The total amount of the estimated funds required from assessments for the operation of the Condominium set forth in the budget proposed by the Board of Directors and approved by the homeowners shall be assessed against each Unit Owner in proportion to his respective Common Areas and Facilities interest as follows:

(B) The Board of Directors may at any time levy a further assessment, which shall be assessed to the Owners in like proportion unless otherwise provided herein.

(C) Each Owner shall be obligated to pay assessments due in equal quarterly installments on or before the first day of January, April, July and October in each year, or in such other reasonable manner as the Board of Directors shall designate;

(D) The common Expense Fund may also include such amounts as the Board of Directors may deem proper general working capital, for a general operating reserve, for a reserve fund for replacements and major maintenance and to make up for any deficit in the Common Expenses for any prior year;

(E) All funds collected hereunder shall be expended for the purposes designated herein;

(F) The omission by the Board of Directors before the expiration of any year to fix the assessments hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of the Declaration and By-Laws or a release of the Owners from the obligation to pay the assessments, or any installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed. Amendments to this paragraph shall be effective only upon unanimous written consent of the Owners and their mortgagees. No Owner may exempt himself from liability for his contribution towards the Common Expense. By waiver of the use or enjoyment of any of the common Areas and Facilities or by abandonment of his Unit; and

(G) The Manager or Board of Directors shall keep detailed, accurate records in chronological order, of the receipts and expenditures affecting the Common Areas and Facilities, specifying and itemizing the maintenance and repair expenses incurred. Records and vouchers authorizing the payments involved shall be available for examination by Owners or their duly authorized representative at convenient hours of weekdays.

Section 4.03. Default in Payment of Assessments.

(A) Each common expense assessment and each special assessment shall be separate, distinct and personal debts and obligations of the Owner against whom the same are assessed at the time the assessment is made and shall be collectible as such. The Board of Directors shall have the right to impose a reasonable late charge for any payment of common expenses and/or

special assessment payments. The following procedure will apply to invoicing and payment of any common expense assessment:

(1) Common area fees will be billed quarterly with invoices being mailed to each homeowner thirty (30) days prior to the first day of each quarter.

(2) Invoices for special assessments will be mailed to each homeowner within seven (7) days after the Board of Directors have approved any such special assessment.

(3) Any common area payment not received on or before the first day of the quarter will incur an interest penalty, calculated on a daily basis, based on a 1-1/2 % per month rate until paid. Any special assessment not received within thirty (30) calendar days from the date of the invoice, will incur an interest penalty of 1-1/2% per month until paid.

(4) Thirty (30) days after the first day of the quarter and thirty (30) days from due date of special assessment invoices, the President of the Board of Directors will send any non-paying homeowner a certified letter, return receipt requested, informing the homeowner of the delinquency.

(5) If payment is not received within sixty (60) day from the date of the certified letter, the President will instruct the Association's attorney to commence the lien process, as provided in the By-Laws.

(6) If payment of the quarterly common area fee is not received sixty (60) days after the first day of the quarter, a twenty percent (20%) penalty, based on the amount of the common area fee due will be added to the assessment amount due. The interest penalty, calculated on a daily basis, based on a rate of 1-1/2 % per month, will still be applied from the first day of the quarter on the delinquent quarterly payment and on the twenty percent (20%) penalty payment starting sixty (60) days after the first day of the quarter and will be assessed until all payments are received by the Manager.

(7) The Board of Directors are authorized to defer up to six (6) months the payment of the quarterly common area fee, any special assessment and penalty payment(s) upon a Homeowners request for special consideration due to unusual or specific circumstances beyond the Homeowners control which prohibit timely payment(s). The Homeowner has to request this deferral in writing to the Association's President fifteen (15) days prior to the due date.

Suit to recover a money judgment for unpaid assessments may be maintained without foreclosing or waiving the lien securing same. The amount of any assessment plus any late charge imposed by the Board of Directors, interest and costs of collection, including reasonable attorney's fees, shall become a lien upon such condominium unit upon recordation in the Stowe Land Records of a notice of Lien authorized by the Board of Directors and signed by one or more members of the Board of Directors, the Association

Manager, or the Association's attorney. Said lien shall have priority over all other liens and encumbrances, recorded or unrecorded, except only:

(i) Tax and special assessment liens on the unit in favor of any governmental assessing unit and special district;

(ii) All sums unpaid on a first mortgage of record on the unit; and

(iii) Mechanic's lien.

(B) A certificate executed and acknowledged by a majority of the Board of Directors stating the indebtedness secured by the lien upon any condominium created hereunder, shall be conclusive upon the Board of Directors and the Owners as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any Owner or any encumbrance or prospective encumbrance of a Condominium upon request at a reasonable fee. Unless the request for a certificate of indebtedness shall be complied with within ten (10) days, all unpaid Common Expenses which become due prior to the date of the making of such request shall be subordinate to the lien held by the person making the request. Any encumbrance holding a lien on a Condominium may pay any unpaid Common Expenses payable with respect to such Condominium for the amounts paid of the same rank as the lien of his encumbrance.

(C) Upon payment of a delinquent assessment concerning which such a certificate has been so recorded, or other satisfaction thereof, the Board of Directors shall cause to be recorded in the same manner as the certificate of indebtedness a further certificate stating the satisfaction and the release of the lien thereof. Such lien for nonpayment of assessment may be enforced by sale by the Board of Directors or by a bank or trust company or title insurance company authorized by the Board of Directors, such sale to be conducted in accordance with the provisions of law applicable to the exercise of powers of sale or foreclosure in deeds of trust or mortgages of real property or in any manner permitted by law. In any foreclosure or sale, the Owner shall be required to pay the costs and expenses of such proceedings and reasonable attorney's fees.

(D) In case of foreclosure, the Owner shall be required to pay a reasonable rental for the Condominium and the plaintiff in the foreclosure action shall be entitled to the appointment of a receiver to collect the rental without regard to the value of the mortgage security. The Board of Directors or the Manager acting on its behalf shall have the power to buy in the Condominium at foreclosure or other sale and to hold, lease, mortgage and convey the Condominium.

Section 4.04. Abatement and Enjoinment of Violations by Unit Owners. The violation of any rules or regulations adopted by the Board or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board the right, in addition to any other rights set forth in these By-Laws:

(A) To enter the 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 provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass; or

(B) To enjoin, abate or remedy by appropriate legal proceedings, either in law or in equity, the continuance of any such breach.

Section 4.05. Statement of Common Expenses. The Board of Directors shall promptly provide any Unit Owner, contract purchaser or mortgagee so requesting the same in writing with a written statement of all unpaid assessments for Common Expenses due from such Unit Owner. The Board of Directors may impose a reasonable charge for the preparation of such statement to cover the cost of preparation.

Section 4.06. Insurance. The Board of Directors shall obtain and maintain insurance on the Condominium as follows:

(A) A policy or policies of fire insurance with extended coverage endorsements, for the full insurable replacement value of the Units and Common Areas and Facilities and Limited Common Areas and Facilities (such limits and coverage to be reviewed at least annually by the Board of Directors and increased in its discretion) payable as provided in Paragraph VI of the Declaration or such other fire and casualty insurance as the Board of Directors shall determine gives substantially equal or greater protection to the Owners and their mortgagees, as their respective interests may appear, which said policy or policies shall provide for or a separate loss payable endorsement in favor of the mortgagee or mortgagees of each Condominium if any;

(B) A policy or policies insuring the Board of Directors, the Owner and the Manager against any liability to the public or the Owners of Units and of the Common and Limited Common Areas and Facilities, and their invitees, or tenants, incident to the ownership and/or use of the Property, and including the personal liability exposure of the Owners, incident to the ownership and/or use of the Property. Limits of liability under such insurance shall not be less than One Million Dollars (\$1,000,000) for any one person injured, for any one accident, and shall not be less than One Hundred Thousand Dollars (\$100,000) for property damage each occurrence (such limits and coverage to be reviewed at least annually by the Board of Directors and increased at its discretion). Said policy or policies shall be issued on a comprehensive liability basis and shall provide cross liability endorsement wherein the rights of named insured under the policy or policies shall not be prejudiced as respects his, her or their action against another named insured;

(C) Workmen's Compensation Insurance to the extent necessary to comply with any applicable laws.

Section 4.07. Maintenance, Repair, Replacement, and Other Common Expenses

(A) By the Board of Directors: The Board of Directors shall be responsible for the maintenance, repair and replacement of all the Common Areas and Facilities (unless, if in the opinion of not less than the majority of the Board of Directors such expense was necessitated by the negligence, misuse or neglect of a Unit Owner).

(B) By the Unit Owner: Each Unit Owner shall keep his Unit and its equipment, appliances and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all interior redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of his Unit. In addition, each Unit Owner shall be responsible for all damage to any other Units or to the Common Areas and Facilities resulting from his failure to make any of the repairs required by this Section.

(C) Manner of Repair and Replacement: All repairs and replacements shall be substantially similar to the original construction and installation and shall be of first-class quality. The method of approving payment vouchers for all repairs and replacements shall be determined by the Board of Directors.

Section 4.08. Restrictions on Use of Units: Rules and Regulations.

(A) Each Unit and the Common Areas and Facilities shall be occupied and used as follows:

(i) No Unit shall be used for other than housing and the related common purposes for which the Property was designed. The Board of Directors may permit reasonable, temporary nonresidential uses from time to time. Nothing in these By-Laws shall be construed to prohibit the Declarant from using any Unit owned by Declarant for promotional, marketing or display purposes or from using any appropriate portion of the Common Areas and Facilities for settlement of sales of Units, such use by Declarant subject to the terms and conditions of the Declaration and By-Laws of The Lodge Condominiums and The Lodge Condominium Homeowners Association.

(ii) Nothing shall be done or kept in any Unit or in the Common Areas and Facilities which will increase the rate of insurance for the Condominium or any part thereof applicable for residential use without the prior written consent of the Board of Directors. No Unit Owner shall permit anything to be done on or kept in his Unit or in the Common Areas and Facilities which will result in the cancellation of insurance on the Condominium or any part thereof or which would be in violation of any law, regulation or administrative ruling. There shall be no storage of any flammable, noxious or hazardous material in or around any unit. No waste shall be committed in the Common Areas and Facilities.

(iii) No immoral, improper, offensive or unlawful use shall be made of the Condominium or any part thereof, and all valid laws, zoning ordinances and regulations

of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, resolutions or requirements of any governmental agency having jurisdiction thereof relating to any portion of the Condominium shall be complied with, by and at the sole expense of the Unit Owner or the Board of Directors, whichever shall have the obligation to maintain or repair such portion of the Condominium, and, if the latter, then the cost of such compliance shall be a Common Expense.

(iv) No Unit Owner shall obstruct any of the Common Areas and Facilities nor shall any Unit Owner store anything upon any of the Common Areas and Facilities (except in those areas designated by approval of the Board of Directors) without the approval of the Board of Directors. Except as specified with one particular Unit, vehicular parking upon the Common Areas and Facilities may be regulated or assigned by the Declarant or the Board of Directors. Nothing shall be altered or constructed in or removed from the Common Areas and Facilities except upon the prior written consent of the Board of Directors.

(v) The Common Areas and Facilities shall be used only for the furnishing of the services and facilities for which the same are reasonably suited and which are incident to the use and occupancy of the Units.

(vi) No Unit Owner shall lease a Unit in the Condominiums without requiring the Lessee to comply with the Declaration, the By-Laws and the Associations Regulations, and providing that failure to comply constitutes a default under the lease.

(vii) No trailers, campers, recreations vehicles, snowmobiles, ATV vehicles, or boats may be parked on the Condominium without written approval of the Board of Directors. No junk or derelict vehicles or other vehicles on which current registration plates are not displayed shall be kept upon any of the Common Areas and Facilities.

(viii) The maintenance, keeping, boarding and/or raising of animals, livestock, poultry or reptiles of any kind, regardless of number, shall be and is prohibited within any Unit or upon the Common Areas and Facilities, except that the keeping of small, orderly domestic pets (e.g. dogs, cats or caged birds) by Unit Owners only, not to exceed one per Unit without the approval of the Board of Directors, is permitted, subject to the Rules and Regulations adopted by the Board of Directors; provided, however, that such pets are not kept or maintained for commercial purposes or for breeding, and provided, further, that any such pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the Property upon ten days' written notice from the Board of Directors. Such pets shall not be permitted upon the Common Areas and Facilities unless accompanied by an adult and unless carried or leashed. Any Unit Owner who keeps or maintains any pet upon any portion of the Property shall be deemed to have indemnified and agreed to hold the Condominium, each Unit Owner and the Declarant free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Condominium. All pets shall be

registered with the Board of Directors and shall otherwise be registered and inoculated as required by law.

(ix) Except for such signs as may be posted by the Declarant for promotional or marketing purposes, no signs of any character shall be erected, posted or displayed upon, in, from or about any Unit or Common Areas and Facilities without the prior written approval of the Board of Directors.

(B) Each Unit and the Common Areas and Facilities shall be occupied and used in compliance with the Rules and Regulations which may be promulgated and amended by the Board of Directors. Copies of the Rules and Regulations shall be furnished by the Board of Directors to each Unit Owner. Amendments to the Rules and Regulations shall be conspicuously posted prior to the time when the same shall become effective and copies thereof shall be furnished to each Unit Owner upon request.

ARTICLE V. MISCELLANEOUS

Section 5.01. Amendment. Except as otherwise provided herein and except as prohibited by the Condominium Ownership Act, the provisions of the Declaration may be amended by an instrument in writing signed and acknowledged by recorded Owners holding two thirds (2/3) of the total vote hereunder, which amendment shall be effective upon recording. Any amendment altering the percentage of ownership in the common Areas and Facilities or voting rights shall require the approval of one hundred per cent (100%) of the Owners, except as an administrative amendment to adjust the percentage in the event of an approved modification expanding or contracting the size of the unit.

Section 5.02. Special Committees. The Board of Directors by resolution may designate one or more special committees and each committee is to be chaired by a Director, which, to the extent provided in said resolution, shall have and may exercise the powers set forth in said resolution. Such Special Committee or Committees shall have such name or names as may be determined from time to time by the Board of Directors. Such Special Committees shall keep regular minutes of their proceedings and report the same to the Board of Directors when required. The members of such Special Committee or Committees designated shall be appointed by the Board of Directors. The Board of Directors may appoint Owners to fill vacancies on each of the said Special Committees occasioned by death, resignation, removal or inability to act for any extended period of time.

Section 5.03. Rules and Regulations. The Board of Directors shall have the right to adopt and amend rules, regulations, restrictions and requirements governing the details of the operation, use and maintenance of Units, the Common and Limited Common Areas and Facilities as authorized by the Condominium Ownership Act and the Declaration. Copies of the Rules and Regulations shall be furnished to each Owner prior to the time the same shall become effective.

Section 5.04. Interpretation. The provisions of these By-Laws shall be liberally construed to effectuate their purpose of creating a uniform plan for the development and operation of a condominium

property. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provisions or any other provision hereof.

Section 5.05. Severability. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceable of any one provision or portion hereof shall not affect the validity or enforcement ability of any other provision hereof.

Section 5.06. Notices. All notices, demands, bills, statements or other communications shall be in writing and shall be deemed to have been duly given if delivered personally or if sent postage prepaid:

(A) If to a Unit Owner, at the address which the Unit Owner shall designate in writing and file with the Secretary; or

(B) If no such address is designated, at the address of the Unit of such Unit Owner; or

(C) If to the Association or the Board of Directors, at the principal office of the Association or at such other address as shall be designated in writing to the Unit Owners pursuant to this Section.

Section 5.07. 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 5.08. Gender The use of the masculine gender in these By-Laws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

Section 5.09. Effective Date. These By-Laws shall take effect upon recording.