

BYLAWS OF

GRAND TETON PLAZA OWNERS ASSOCIATION, INC.

ARTICLE I - INTRODUCTORY PROVISIONS

Section 1. Definitions. Unless clearly repugnant to the context, the following terms, whenever used in these Bylaws, shall be given the following meanings:

- (a) "Declaration" means the declaration of a horizontal property regime dated the 7th day of May, 1981, recorded in the Office of the Teton County Clerk, Teton County, Wyoming, as amended from time to time.
- (b) "Condominium project" or "project" means all of the land, buildings and other property with respect to which a horizontal property regime shall exist from time to time pursuant to the Declaration.
- (c) "Common elements" means and includes the parts of the project designated in the Declaration as common elements.
- (d) "Limited common elements" means and includes the parts of the project designated in the Declaration as limited common elements.
- (e) "Condominium unit" means an apartment in the condominium project, within the meaning of the Horizontal Property Act, as designated and described in the Declaration.
- (f) "Common interest" means the percentage of undivided interest in the common elements appertaining to each condominium unit, as expressed in the Declaration. There shall be appurtenant to each undivided interest in a condominium unit, expressed as a fraction or percentage thereof, an equivalent fraction or percentage of the common interest appurtenant to such condominium unit. Any specified percentage of the common interests means such percentage of all undivided interests in the common elements, in the aggregate. Any reference to

the common interests of an Owner or Owners means the percentage of the common interests, appertaining to the condominium units and undivided interests in condominium units of such Owner or Owners.

(g) "Common expenses" means and includes the expenses defined in Section 1 of Article VI.

(h) "Condominium unit expenses" means and includes the expenses defined in Section 2 of Article VI.

(i) "Association" or "Association of Owners" means all owners of the condominium units acting as a group in accordance with these Bylaws and the Declaration.

(j) "Owner" means a person owning all or any interest in a condominium unit and the common interest appertaining thereto, to the extent of such interest so owned; provided that to such intent and for such purposes, including the exercise of voting rights, as shall be provided by lease filed with the Board of Directors, a lessee of a condominium unit or interest therein shall be deemed to be the owner of such condominium unit or interest therein.

(k) "Operation of the condominium project" means and includes the administration, management and operation of the condominium project and the maintenance, repair and replacement of, and the making of any additions and improvements to, the common elements.

(l) All pronouns used herein shall include the male, female and neuter genders and shall include the singular or plural numbers, as the case may be.

## ARTICLE II - ASSOCIATION OF OWNERS

Section 1. Composition and Powers. The Association shall be composed of all of the owners. The Association shall have all of the powers with respect to the operation and regulation of the condominium project conferred upon the Association by, or which may be conferred upon the Association of Apartment Owners of a condominium project pursuant to the provisions of the Horizontal Property Act. Except as

otherwise provided herein or in the Declaration or the Horizontal Property Act, the acts, decisions and resolutions of the Association shall be effective upon adoption by vote of a majority of the owners.

Section 2. Meetings. All meetings of the Association shall be held at Grand Teton Plaza, Jackson, WY, or such other place as shall be stated in the notice of the meeting. The first annual meeting of the Association shall be held at 125 E. Pearl St. the first Monday after the date of the Declaration, without further notice. Thereafter, the annual meeting of the Association shall be held on the first Monday of June, or on such date as the President may designate, or if the President shall fail to designate such date by the 1st day of June, then on the third Monday in June. Special meetings of the Association may be called at any time by the President or any two directors and shall be called upon the request of thirty percent of the owners. At any special meeting only such business shall be transacted as shall have been indicated by a specific or general description in the notice of such meeting.

Section 3. Notice of Meetings. The Secretary shall, at least ten days before the date set for each annual and special meeting, give written or printed notice thereof to every owner according to the Association's record of ownership, stating whether it is an annual or special meeting,

the authority for the call thereof, the place, day and hour of such meeting and the purpose thereof. The Secretary shall give a like notice to each holder of a duly recorded mortgage affecting any condominium unit whose name and address shall have been furnished to the Board in a written request to the Board for such notices. Any such notice may be given in any of the following ways:

(a) By leaving the same with the owner or mortgagee personally, or if the owner or mortgagee shall be a corporation with any officer thereof; or

(b) By leaving the same at the residence or usual place of business of the owner or mortgagee; or

(c) By mailing the same, postage prepaid, addressed to the owner at the address of such owner as it appears on the record of ownership of the Association, or, in the case of a mortgage, at the address of such mortgagee as stated in the request of such mortgagee for such notices.

If notice is given pursuant to the provisions of this section, the failure of any owner or mortgagee to receive actual notice of such meeting shall in no way invalidate the meeting or any proceedings thereat. The presence of all owners and mortgagees entitled to notice in person or by proxy at any meeting shall render it a valid meeting, notwithstanding that notice thereof was not given or was improper, unless any owner or mortgagee shall at the opening thereof object to the holding of such meeting for noncompliance with the provisions of this section.

Section 4. Quorum and Adjournment. The presence at any meeting, in person or by proxy, of a majority of the owners shall constitute a quorum. Any meeting of the Association, whether annual or special, may be adjourned from time to time, whether a quorum be present or not, without notice other than the announcement at the meeting, and such adjournment may be to such time and to such place as may be determined by a majority of the votes cast at such meeting. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting as originally called and notified.

Section 5. Voting. (a) The percentage of undivided interests in the common elements appertaining to each condominium unit and its owners for all purposes, including voting, shall be the percentage specified in the Declaration. The total number of votes of all owners shall be one hundred. The owner of all of a condominium unit shall have a percentage of the total number of votes equal to the percentage of undivided interests in the common elements appertaining to such unit. The owner of an undivided interest in a condominium unit shall have a percentage of the total number of votes equal to the percentage of undivided interests in the common elements appertaining to such unit, multiplied

by the percentage of undivided interests in such unit held by such owner; provided, that if several units shall be owned or leased in common, and in uniform undivided interests, by more than one owner, each such owner shall be entitled to cast the vote attributable to one or more of the units included in the common ownership or leasehold, selected as follows: (i) the unit or units so selected shall have appurtenant thereto percentages of undivided interest in the common elements aggregating not in excess of the sum of the percentages of undivided interest in the common elements appurtenant to all of the units included in the common ownership or leasehold, multiplied by the percentage of undivided interest in such units held by such owner; (ii) the unit or units so selected shall be designated in a written notice filed with the Secretary of the Association by such owner; and (iii) if there shall be a conflict between the owners of the units included in the common ownership or leasehold in the selection of units for the foregoing purposes, such selection shall be made by the owners in the order of their respective percentages of undivided interest in the units included in the common ownership or leasehold, commencing with the smallest percentage. Except as otherwise expressly provided herein or by law, the vote at any meeting of a majority of the owners shall be necessary, and shall be sufficient, to adopt decisions and take action

binding upon all of the owners. As used in these Bylaws, "majority of the owners" means owners having a majority of the total number of votes, and any specified percentage of the owners means owners having the specified percentage of the total number of votes.

(b) Any owner may empower any person to vote as the proxy of such owner at any meeting of the Association by written proxy or authorization filed with the Secretary. Such written proxy or authorization, unless specially limited by its terms, shall remain effective until there shall be filed with the Secretary a written revocation of the same or a written proxy or authorization of later date.

(c) If, not less than 24 hours prior to the time fixed for any annual meeting or for any special meeting to be held for the election of directors, an owner or owners having not less than thirteen percent of the total number of votes shall deliver to the President or Secretary a request that the election of directors to be elected at the meeting be by cumulative voting, then the directors to be elected at the meeting shall be chosen as follows: Each owner present in person or represented by proxy at the meeting shall have a number of votes equal to the number of votes which such owner would have at such meeting pursuant to the foregoing subparagraph (a) of this section, multiplied by the number of directors to be elected at the meet-

ing; each owner shall be entitled to cumulate his votes and give all thereof to one nominee or to distribute his votes in such manner as he shall determine among any or all of the nominees; and the nominees receiving the highest number of votes on the foregoing basis, up to the total number of directors to be elected at the meeting, shall be the successful nominee.

### ARTICLE III - BOARD OF DIRECTORS

Section 1. Membership. There shall be a Board of Directors of the Association consisting of five directors, who shall be elected at the annual meeting of the Association, or, in case of failure to act at said meeting, at a special meeting called for such purpose. At the time of election of each director, the Association shall also elect, in the same manner, an alternate for such director. Whenever any director shall be absent from a meeting and the alternate of such director shall be present at such meeting, the office of such director shall be temporarily vacant during such meeting and the alternate of such director shall, during such absence of the director, fill such office and have all of the powers of the director at such meeting. Subject to the provisions of these Bylaws, directors and alternates shall hold office until the next annual meeting and thereafter until their successors are duly elected.



Section 2. Removal. The entire Board of Directors, or any individual director or alternate director, may be removed from office by a vote of a majority of the owners at any meeting called for such purpose; provided, that an individual director or alternate director shall not be removed if twenty-five percent of the owners, whose votes shall not have been previously cast at such meeting against the removal of another director, shall vote against his removal. If any or all directors shall be so removed, new directors may be elected at the same meeting; provided, that if the director or directors so removed were elected by cumulative voting, such new directors shall be elected in the manner provided in Section 5(c) of Article II.

Section 3. Meetings. The Board of Directors shall hold a meeting at the place of the annual meeting of the Association and as soon as practicable thereafter, and no notice thereof shall be necessary. Other meetings may be held at such times and at such places as the business of the Association shall require according to resolution of the Board of Directors or upon call of the President or any two directors. The Board of Directors may establish regular meetings which may be held at such places and at such times as they may from time to time by vote determine, and when any such meeting or meetings shall be so determined no further notice shall be required. Notice of all meetings and

other notices to the directors shall be given to each director by the Secretary or by the person or persons calling the meeting by advising him by telephone, by word of mouth, or by delivering written notice of such meeting to him not less than one day prior to the meeting or by leaving written notice of such meeting at his residence or usual place of business not later than five days before the meeting. Any director may waive notice of any meeting of directors in writing signed by himself or his duly authorized attorney-in-fact either before or at or after the meeting. The presence of any director or the alternate of such director at any meeting shall be the equivalent of a waiver of the requirement of the giving of notice of said meeting to such director.

Section 4. Quorum. A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of such Board, but no vote of the directors shall be valid unless concurred in by a majority of the entire number.

Section 5. Powers. The Board of Directors, for the benefit of the owners, shall have the following powers and duties:

(a) To exercise all of the powers of the Association with respect to the operation and regulation of the condominium project which are conferred upon the Board by the Horizontal Property Act or which may be conferred upon the Board by these Bylaws pursuant to the Horizontal Property Act; provided, that no addition to

or alteration of the common elements shall be made which is not consistent with the description thereof contained in the Declaration.

(b) To make contracts and incur liabilities in connection with the exercise of any of the powers and duties of the Board.

(c) To provide or cause to be provided all goods and services required by the Bylaws or by law, or which the Board, in its discretion, deems necessary for the proper operation of the condominium project, or which are used in common or jointly by the common elements and condominium units, in each case to the extent such goods and services shall not be otherwise provided.

(d) To render or cause to be rendered statements, when required by law, of any assessments which remain unpaid by any owner.

(e) To bring action on behalf of two or more of the owners, as their respective interests may appear, with respect to any cause of action relating to the common elements or more than one condominium unit, as the Board deems advisable.

(f) To elect the officers of the Association and otherwise exercise the powers regarding officers of the Association as set forth in these Bylaws.

(g) To determine who shall be authorized to make and sign all instruments on behalf of the Association and the Board.

(h) To engage the services of a managing agent to perform such duties and services as it shall authorize, to fix the compensation of such managing agent, and to delegate to such managing agent any or all of its powers and duties, as the Board deems advisable.

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

(j) To procure such fidelity bonds as the Board deems advisable covering officers and employees of the Association handling and responsible for the Association's funds and personal property, and to procure directors' and officers' liability insurance if the Board deems it advisable. The premiums of such bonds and insurance shall be paid by the Association as common expenses.

(k) To determine policies and to adopt administrative rules and regulations governing the details of the operation and use of the condominium project, including the common elements, and to amend such administrative rules and regulations from time to time as the Board deems advisable.

(l) To perform any and all duties imposed on the Board by applicable law.

Section 6. Compensation. There shall be no compensation paid to members of the Board for acting as such, except for a reasonable director's fee for attendance at the meetings of the Board, as established by the Association of owners.

Section 7. Indemnity. The Association of owners shall indemnify each present and future officer or director of the Association against all costs, expenses and liabilities, including the amounts of judgments, amounts paid in compromise settlements and amounts paid for services of counsel and other related expenses, which may be incurred by or imposed on him in connection with any claim, action, suit, proceeding, investigation or inquiry hereafter made, instituted or threatened in which he may be involved as a party or otherwise by reason of his being or having been such officer or director, or by reason of any past or future action taken or authorized or approved by him or any omission to act as such officer or director, whether or not he continues to be such officer or director at the time of the incurring or imposition of such costs, expenses or liabilities, except such

costs, expenses or liabilities as shall relate to matters as to which he shall in such action, suit or proceeding be finally adjudged to be, or shall be, liable by reason of his negligence or willful misconduct toward the Association in the performance of his duties as such officer or director. As to whether or not an officer or director was liable by reason of negligence or willful misconduct toward the Association in the performance of his duties as such officer or director, in the absence of such final adjudication of the existence of such liability, the Board of Directors and each officer and director may conclusively rely upon an opinion of legal counsel selected by or in the manner designated by the Board of Directors. The foregoing right of indemnification shall not be exclusive of other rights to which any such officer or director may be entitled as a matter of law or otherwise, and shall inure to the benefit of the heirs, executors, administrators and assigns of each such officer or director.

#### ARTICLE IV - OFFICERS

Section 1. Election of Officers. The officers of the Association shall be the President, Vice-President, Secretary and Treasurer, and, in addition thereto, in the discretion of the Board, such other officers with such duties as the Board shall from time to time determine. The President and Vice-President shall be elected annually by the Board

from among the members of the Board, and all other officers shall be elected by the Board from among or outside the membership of the Board as the Board may determine, and all officers shall serve until their successors shall have been elected. The Treasurer may be a corporation. All officers shall be subject to removal at any time by the affirmative vote of the majority of the Board. The Board may, in its discretion, elect acting or temporary officers and elect officers to fill vacancies occurring for any reason whatsoever, and may in its discretion, limit or enlarge the duties and powers of any officer elected by it.

Section 2. The President. The President shall preside at all meetings of the Association and of the Board and shall perform all other duties assigned by the Board.

Section 3. The Vice-President. The Vice-President shall perform all of the duties and exercise all of the powers and rights of the President provided by these Bylaws or otherwise during the absence or disability of the President, or whenever the office is vacant, and shall perform all other duties assigned by the Board.

Section 4. The Secretary. The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Association in a minute book wherein all resolutions shall be recorded. The Secretary shall give

notice, in conformity with these Bylaws, of any and all meetings and shall also perform all other duties assigned him by the Board.

Section 5. The Treasurer. The Treasurer shall keep the financial records and books of account of the Association; keep thorough and proper accounts of the financial transactions of the Association and render statements of the same in such form and at such times as the Board shall require; maintain a system of budgeting control; prepare and render, to such governmental officials as shall have the right to so require, tax returns and all exhibits, reports and other instruments required by law; have custody of all monies of the Association or in its charge or that of the Board and properly care for and disburse the same under the direction of the Board; except as some other officer or employee shall from time to time be expressly authorized so to do, receive and receipt for, either personally or by an employee authorized by him, all monies payable to the Association or the Board; and perform all other duties assigned to him by the Board.

#### ARTICLE V - USE AND MAINTENANCE OF PREMISES

Section 1. Use of Premises. The buildings and each of the units are intended and restricted as to use, and shall be used only for purposes which are consistent with and appropriate to the design of the buildings and for which

adequate elevator, stair, ventilation, plumbing and similar facilities exist. In addition to and without limitation of the foregoing:

(a) Units designed for the parking of motor vehicles shall be used solely for such purpose, in accordance with such reasonable regulations as shall be established by the Board from time to time.

(b) No unit shall be used for the purpose of operating therein a public restaurant, bar or cabaret, or otherwise for the sale to the public for consumption on the premises of food or drink, except as the Board shall approve.

(c) No owner of a unit shall do, or suffer or permit to be done, anything in any unit which would impair the soundness or safety of the property, or which would increase the rate or result in the cancellation of insurance applicable to the property, or which would be noxious or offensive or an interference with the peaceful possession and proper use of other units, or which would require any alteration of or addition to any of the common elements to be in compliance with any applicable law or regulation, or which would otherwise be in violation of law.

(d) No owner of a unit shall, without the written approval and consent of the Board, place or suffer to be placed or maintained (i) on any exterior door, wall or window of the unit, or upon any door, wall or window of the common elements, any sign, awning or canopy, or advertising matter or other thing of any kind, or (ii) any decoration, lettering or advertising matter on the glass of any window or door of the unit or (iii) any advertising matter within the unit which shall be visible from the exterior thereof; provided, that the Board shall establish reasonable and uniform regulations permitting the placement and maintenance by each owner of identifying signs and insignia of such sizes and material and in such locations as shall be architecturally suitable and appropriate to the design and function of the property.

Section 2. Work and Maintenance by Owners. The owner of a condominium unit shall keep the interior of such



condominium unit from the boundary line thereof, and all plumbing, electrical and other such fixtures and other appurtenances in the same in good order and repair and shall be responsible for any damage or loss caused by failure to do so. The owner shall also be responsible for any damage caused to the common elements by the negligent use thereof. Each owner shall have the right, at the sole cost and expense of such owner, to install and remove partitions, to paint, paper, panel, plaster, tile, finish and do other such work on the interior surfaces of the ceilings, floors and walls of the condominium unit, to substitute new finished surfaces for the finished surfaces then existing on said ceilings, floors and walls, and to finish, alter or substitute any plumbing, electrical or other such fixtures attached to said ceilings, floors or walls; provided, however, that this section shall not be construed as permitting interference with or damage to the structural integrity of any building or interference with the use and enjoyment of the common elements by other owners, nor shall it be construed to limit the intent expressed in Section 1 of this Article V.

Section 3. Entry for Repairs. The Board shall have the irrevocable right, on behalf of all owners, to have access from time to time during reasonable hours to any condominium unit as may be necessary for the operation of the

condominium project or for making emergency repairs in such condominium unit necessary to prevent damage to the common elements or to another condominium unit or units. Such entry shall be made with as little inconvenience to the owner of the condominium unit as is practicable.

## ARTICLE VI

### COMMON EXPENSES AND CONDOMINIUM UNIT EXPENSES

Section 1. Common Expenses. Each owner of a condominium unit or of an undivided interest in a condominium unit shall be liable for and pay a share, on the basis of the allocation made as provided in Section 3(b) of this Article VI, of the common expenses. Common expenses shall include all charges for taxes (except real property taxes and other such taxes assessed separately on each condominium unit and the common interest in the common elements appertaining thereto or on the personal property or any other interest of the owner), assessments, insurance, including fire and other casualty and liability insurance, yard, janitorial and other similar services, wages, accounting and legal fees, management fees, and other expenses of upkeep, maintenance and management actually incurred by the Board on or for the common elements (including limited common elements), the costs of operation of the common elements other than limited common elements, and the costs of and a reserve for maintenance

and repair, reinstatement, rebuilding and replacement of the common elements (including limited common elements). Without limitation of the generality of the foregoing, common expenses shall include all expenses of alterations in or additions to the common elements (including limited common elements) which may be required, from time to time, to cause such common elements as built and existing to be in conformity with the description of the common elements contained in the Declaration, as amended from time to time. Payments of common expenses shall be made to the Board, as agent of the owners, and the Board shall transmit said payments on behalf of each owner to the third person entitled to said payments from such owner.

Section 2. Condominium Unit Expenses. Each owner of a condominium unit or of an undivided interest in a condominium unit shall be liable for and pay a share, on the basis of the allocation made as provided in Section 3(c) of this Article VI, of the condominium unit expenses. "Condominium unit expenses" means and includes the expenses (other than common expenses) incurred by the Board in providing utility and other services to the condominium units, and shall also include the costs of operation of the limited common elements, and all wages, accounting and legal fees, management fees, administrative expense, and other costs incidental

thereto. Payment of condominium unit expenses shall be made to the Board, as agent of the owners, and the Board shall transmit said payments on behalf of each owner to the third person entitled to said payments from such owner.

Section 3. Allocation of Common Expenses and Condominium Unit Expenses. For the purpose of fixing and determining the payments to be made as hereinabove provided in Section 1 and 2 of this Article VI, the Board shall, on behalf of all owners and as soon as practicable, determine for each year the estimated aggregate amount of the common expenses and condominium unit expenses for such year. For the purposes of such determinations, each year shall be the calendar year, except that the first year shall begin on the date upon which the condominium project was constituted a horizontal property regime and end on the 31st day of December of said year. The Board, on behalf of the owners, may from time to time during each year make reasonable adjustments in said estimated aggregate amount of common expenses and condominium unit expenses on the basis of actual costs incurred. As soon as practicable after the end of each year, the actual aggregate amount of common expenses and condominium unit expenses for said year shall be determined by the Board. Said estimated and actual aggregate amounts of common expenses and condominium unit expenses for each year, as determined by the Board, shall be allocated as follows:

(a) The aggregate amount so estimated by the Board, and the actual aggregate amount so determined by the Board, shall be allocated from time to time to the common expenses and the condominium unit expenses, in accordance with the definitions set forth in Sections 1 and 2 of this Article VI, by George L. Thompson, Certified Public Accountant, or such other certified public accountant as shall be selected by the Board.

(b) The amounts so allocated to the common expenses shall then be allocated by the Board among the owners in the proportions among them of the common interests appurtenant to their condominium units and undivided interests in condominium units.

(c) The amounts so allocated to the condominium unit expenses shall be allocated by the Board among the owners of condominium units and of undivided interests in condominium units in the proportions among them of the benefits of the related services provided to their respective condominium units and undivided interests in condominium units, as determined in accordance with the definition set forth in Section 2 of this Article VI, by said George L. Thompson, or such other public accountant as shall be selected by the Board.

(d) The amounts of the estimated common expenses and condominium unit expenses for each year, so determined and allocated to each owner from time to time, shall be payable by the owner in monthly installments in advance on or before the tenth day of each month, each monthly installment to be the product of the division of the aggregate of said amounts then unpaid, divided by the number of months, including the then current month, remaining in such year. Each owner shall pay any unpaid balance of the actual amount of said expenses as so determined and allocated by the Board, and any overpayment shall be refunded to the owner, within ten days after notice of such determination and allocation. Any omission or delay in determining and allocating said expenses for any year shall not relieve the owners therefrom. In such event, the owners, pending the determination and allocation thereof, shall pay monthly installments of common expenses and condominium unit expenses in accordance with the last determination and allocation of such expenses for the preceding year, and shall pay the deficiency, if any, upon the proper determination and allocation of the estimated common

expenses and condominium unit expenses within ten days after notice thereof. Each such payment transmitted to the Board, as agent of all owners, shall then be transmitted by the Board to the third person entitled to payment of same from each owner.

(e) At all times, the most recent determination by George L. Thompson, or other certified public accountant selected by the Board, in relation to the allocation of said expenses, shall be effective and shall govern all allocations of said expenses until another such determination shall be made. Amounts of which payment shall be due from any owner of estimated or actual expenses shall not be subject to reallocation. Amounts allocated to any owner of estimated or actual expenses, of which payment shall not have become due, shall be subject to reallocation in accordance with a later such determination in relation to such allocation.

Section 4. Payment as Agent. The Board shall pay or cause to be paid, on behalf of the owners, all common expenses and condominium unit expenses. The Board, on behalf of all owners, shall maintain or cause to be maintained separate books of account of common expenses and condominium unit expenses in accordance with recognized accounting practices, and shall have such books of account available for inspection by each owner or his authorized representative at reasonable business hours. The Board shall annually render or cause to be rendered a statement to each owner of all receipts and disbursements during the preceding year, which statement shall be certified by an independent certified public accountant (who may be the accountant employed for the purpose of allocation of such expenses). Each owner, as principal, shall be liable for and pay a share, determined as herein provided, of all

common expenses and condominium unit expenses and the Board shall be responsible, as agent for such owner, only to transmit the payments made by such owner to third persons entitled thereto.

Section 5. Taxes and Assessments. The owner of each condominium unit shall be obligated to cause the real property taxes for such condominium unit and the common interest appertaining thereto to be assessed separately by the proper governmental authority and to pay all such real property taxes so determined directly to the proper governmental authority. The foregoing sentence shall apply to all types of taxes which now are or may hereafter be assessed separately by law on each condominium unit and the common interest in the common elements appertaining thereto or the personal property or any other interest of the owner. Each owner shall execute such documents and take such action as may be reasonably specified by the Board to facilitate dealing with the proper governmental authority regarding such taxes, other taxes and assessments. Each owner shall be obligated to pay, as a common expense, a proportionate share of any assessment by the Board for any portion of taxes or assessments, if any, assessed against the entire condominium project or any part of the common elements as a whole and not separately, such payment to be made as directed by the Board. If, in the opinion of the Board, any taxes or

assessments may be a lien on the entire condominium project or any part of the common elements, the Board may pay such taxes or assessments and shall assess the same to the owners in their proportionate share as determined by the Board. Such assessments by the Board shall be secured by the lien created by Section 6 of this Article VI.

Section 6. Liens. (a) All sums assessed by the Association of owners but unpaid for the share of the common expenses and condominium expenses chargeable to the owner of, or of an undivided interest in, any condominium unit shall constitute a lien, with power of sale, on such condominium unit prior to all other liens, except only (i) liens for taxes and assessments lawfully imposed by governmental authority against such condominium unit, and (ii) all sums unpaid on mortgages of record. Such lien may be foreclosed by suit or by proceeding under the power of sale by the Board, acting on behalf of the condominium unit owners, in like manner as a mortgage of real property. No action shall be brought to foreclose such lien or to proceed under the power of sale unless thirty days' notice of claim of lien is mailed to the owner of, or such owner of an undivided interest in, the condominium unit and any mortgagee of record thereof. The Board, acting on behalf of the owners, shall have power to bid in the condominium unit at foreclo-



sure sale, and to acquire and hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid common expenses or condominium unit expenses shall be maintainable without foreclosing or waiving the lien securing the same. Reasonable attorneys' fees and expenses in connection with collection of the debt secured by such lien or foreclosure thereof shall be paid by the owner against whom such action is brought and secured by the lien.

(b) Where the mortgagee of a mortgage of record or other purchaser of a condominium unit obtains title to the condominium unit as a result of foreclosure of the mortgage, such acquirer of title, his successors and assigns, shall not be liable for the share of the common expenses or condominium unit expenses or assessments by the Association of owners chargeable to such condominium unit which became due prior to the acquisition of title to such condominium unit by such acquirer. Such unpaid share of common expenses or condominium unit expenses or assessments shall be deemed to be common expenses collectible from all of the condominium owners, including such acquirer, his successors and assigns.

Section 7. Liability of Grantor and Grantee for Unpaid Common Expenses and Condominium Unit Expenses. In a voluntary conveyance, the grantee of a condominium unit shall be jointly and severally liable with the grantor for all unpaid

assessments against the latter for his share of the common expenses and condominium unit expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantor or grantee shall be entitled to a statement from the Board setting forth the amount of the unpaid assessments against the grantor, and neither such grantor nor such grantee shall be liable for, nor shall the condominium unit conveyed be subject to a lien for, any unpaid assessments for common expenses and condominium unit expenses against the grantor in excess of the amount therein set forth.

Section 8. Exemption by Conveyance to Board of Directors. With the prior written consent of all other owners, and not otherwise, the owner or owners of a condominium unit may, by conveying the condominium unit and the common interest appurtenant thereto to the Board on behalf of all other owners, exempt himself or themselves from common expenses and condominium unit expenses thereafter accruing.

#### ARTICLE VII - OTHER PROVISIONS

Section 1. Insurance. (a) The Board shall procure and maintain from a company or companies qualified to do business in Wyoming (and, if necessary to procure the required coverage, from other companies) a policy or

policies (herein called "the policy") of fire insurance, with extended coverage endorsement, and shall in time of war procure and maintain governmental insurance against war damage to the extent such governmental insurance is obtainable at reasonable cost, insuring the common elements (other than land) for as nearly as practicable to one hundred percent (100%) of the insurable replacement cost value of the common elements without deductions for depreciation (such value to be determined annually by the Board and to exclude property of every kind and description while underground [meaning thereby, below the level of contiguous ground and covered by earth, or below the level of the lowest basement floor of the buildings and/or structures] except underground conduit or wiring therein when beneath the buildings and/or structures which are covered herein) in the name of the Board as insured as trustee for each of the owners of, or of undivided interests in, the condominium units in proportion to their respective common interests. Such policy:

(i) shall contain no provision limiting or prohibiting other insurance by the owner of any unit, such right being provided by statute, but if obtainable, shall provide that the liability of the insurer shall not be affected by, nor shall the insurer claim any right of set-off, counterclaim, apportionment, proration, or contribution by reason of, any such other insurance;

(ii) shall contain no provision relieving the insurer from liability because of loss occurring while the hazard is increased in the building, whether or not within the control or knowledge of the Board, or if

obtainable, shall contain no provision relieving the insurer from liability by reason of any breach of warranty or condition caused by the Board or the owner or tenant of any unit, or by reason of any act or neglect of the Board or the owner or tenant of any condominium unit;

(iii) shall provide that the policy may not be cancelled (whether or not requested by the Board) except by giving to the Board and to the owner of each condominium unit who shall have requested such notice of the insurer in writing addressed to him at the premises, thirty days' written notice of such cancellation;

(iv) shall contain a provision waiving any right of subrogation by the insurer to any right of the Board against the owner or lessee of any condominium unit;

(v) shall contain a provision waiving any right of the insurer to repair, rebuild and replace, if a decision is made pursuant to Section 2(b) of this Article VII, not to repair, reinstate, rebuild or restore the damage or destruction;

(vi) shall provide that in the case of any loss not exceeding \$100,000, the loss shall be adjusted with the Board, but that in the case of any loss exceeding \$100,000 the loss shall be adjusted with the Board and the holder of any mortgage or mortgages on any unit or units aggregating more than \$1 million;

(vii) shall contain a standard mortgagee clause which

(1) shall name the holder of any mortgage affecting any condominium unit whose name shall have been furnished to the Board;

(2) shall provide that the insurance as to the interest of the mortgagee shall not be invalidated by any act or neglect of the Board or the owner or tenant of any condominium unit;

(3) shall waive any requirement invalidating such mortgagee clause by reason of the failure of the mortgagee to notify the insurer of any hazardous use or vacancy, any requirement that the mortgagee pay any premium (provided, however, in case the Board shall fail to pay the premium due or to become due under the policy, the mortgagee may pay the same prior to the effective date of the

termination of the policy), any contribution clause, and any right to be subrogated to the rights of any mortgagee against the owner or lessee of any condominium unit or the Board or to require an assignment of any mortgage to the insurer, except that the insurer will have the right of subrogation to the extent of insurance proceeds received by and retained by the mortgagee if the insurer shall claim no liability as to the mortgagor or owner, but without impairing mortgagee's right to sue;

(4) shall provide that without affecting the protection afforded to the mortgagee by such mortgage clause, any proceeds payable under such clause shall be payable to the Board or to an Insurance Trustee as provided by the Bylaws; and

(5) shall provide that any reference to a mortgagee in the policy shall include all mortgagees on any unit, in order of preference.

(b) The Board shall procure and maintain from a company or companies qualified to do business in Wyoming (and, if necessary to procure the required coverage from other companies) a policy or policies (herein called "the policy") of Public Liability Insurance to insure the Board, each unit owner as the owner of the common interest, and the managing agent and other employees of the Association of owners against claims for personal injury and property damage arising out of the existence of premises or operations or elevators or contractors of construction work under a Comprehensive General Liability form to include (1) coverage of Automobile Liability for owned-hired or nonowned automobiles, (2) Water Damage Legal Liability, and (3) Fire Damage Liability. The insurance shall exclude coverage for the personal activities of owners of the condominium units and

employees as aforesaid, and for liability arising out of ownership of individual condominium units. Said insurance shall be for such limits as the Board may decide, but not less than those limits customarily carried by properties of comparable character and usage in the Town of Jackson. Such policy:

(i) shall contain no provision relieving the insurer from liability because of loss occurring while the hazard is increased in the building, whether or not within the control or knowledge of the Board, or by any breach of warranty or condition caused by the owner of any condominium unit, or by any act or neglect of the owner or tenant of any condominium unit;

(ii) shall provide that the policy may not be cancelled (whether or not requested by the Board) except by giving to the Board and to the owner of each condominium unit who shall have requested such notice of the insurer in writing addressed to him at the premises, thirty days' written notice of such cancellation.

(c) The Board may also procure insurance which shall insure the common elements against such additional risks as the Board may deem advisable for the protection of the condominium unit owners of a character normally carried with respect to properties of comparable character and use in the Town of Jackson.

(d) The Board shall review not less frequently than annually, and whenever requested by fifty percent or more of the owners, the adequacy of its insurance program and shall report in writing the Board's conclusions and action taken on such review to the owner of each condominium

unit, and to the holder of any mortgage on any condominium unit who shall have requested a copy of such report. At the request of any mortgagee of any condominium unit, the Board shall furnish to such mortgagee a copy of the policy described in subparagraph (a) of this section and of any policy to which a mortgagee endorsement shall have been attached pursuant to subparagraph (c). Copies of every policy of insurance procured by the Board shall be available for inspection by any condominium unit owner (or contract purchaser) at the office of the managing agent.

(e) Any such coverage procured by the Board shall be without prejudice to the right of the owners of condominium units to insure such condominium units and the contents thereof for their own benefit at their own expense. The Board shall not be required or authorized to insure the property constituting the project except as provided by the Bylaws.

Section 2. Damage, Destruction and Replacement. (a)

In the event of substantial damage to or destruction of the common elements, all available insurance proceeds, including proceeds received for damage to common elements on any policy taken out by condominium unit owners, shall be held in trust by the Board or, in any case described in subparagraph (c) of this paragraph, by the Insurance Trustee, to repair, reinstate, rebuild or replace the common elements

(herein called the work) in accordance with the original plans and specifications or if the work according to the original plans and specifications is not permissible under the applicable laws and regulations, then in accordance with such plans and specifications as modified by the Board to the extent necessary to permit the work to proceed, and approved by a majority of the owners. In the event of any deficiency between said insurance proceeds and the cost of the work, each owner shall pay his proportionate share of said deficiency as common expenses. The Board shall have the authority, as agent of all owners, to enter into a contract or contracts to accomplish the work.

(b) Nevertheless in the event that after substantial damage to or destruction of the common elements, the owners of not less than seventy-five percent of the condominium units shall determined that such damage or destruction shall not be rebuilt, repaired or restored, or in the event such damage or destruction shall not have been rebuilt, repaired or restored within a reasonable time after occurrence thereof, the project shall be subject to an action for partition by any owner or lienor as if owned in common, in which event the project shall be sold and the net proceeds of the sale, together with the net insurance proceeds, shall be distributed in proportion to the respective common interests and in accordance with law and the project shall be removed from the horizontal property regime.



(c) Except in the circumstances described in subparagraph (b) of this paragraph, if the cost of work (as estimated by the Board) shall exceed \$100,000 and the holder of any mortgage or mortgages on any condominium unit or units aggregating more than \$500,000 (herein called the mortgagee) shall so require, all proceeds of insurance shall be paid over not to the Board, but to a bank or trust company authorized to engage in a trust business in Wyoming and selected by the Board (herein called "the Insurance Trustee") and shall be paid out from time to time or at the direction of the Board as the work progresses, but subject to the following conditions:

(i) The work shall be in charge of an architect or engineer (who may be an employee of the Board) and before the Board commences any work, other than temporary work to protect property, the mortgagee shall have approved the plans and specifications for the work to be submitted by the Board, which approval shall not be unreasonably withheld or delayed.

(ii) Each request for payment shall be made on ten days' prior notice to the Insurance Trustee and shall be accompanied by a certificate to be made by such architect or engineer stating that (1) all of the work completed has been done in compliance with the approved plans and specifications, and (2) the sum requested is justly required to reimburse the Board for payments by the Board to, or is justly due to, the contractor, subcontractors, materialmen, laborers, engineers, architects or other persons rendering services or materials for the work (giving a brief description of such services and materials), and (3) when added to all sums previously paid out by the Insurance Trustee, the sum requested does not exceed the value of the work done to the date of such certificate.

(iii) Unless performance of the work free of liens shall have been secured to the satisfaction of the

Insurance Trustee, each request shall be accompanied by waivers of liens satisfactory to the Insurance Trustee covering that part of the work for which payment or reimbursement is being requested and by a search prepared by a title company or licensed abstractor or by other evidence satisfactory to the Insurance Trustee, that there has not been filed with respect to the premises any mechanics' or other lien or instrument for the retention of title in respect of any part of the work not discharged of record.

(iv) The fees and expenses of the Insurance Trustee as determined by the Board and the Insurance Trustee shall be paid by the Association as common expenses, and such fees and expenses may be deducted from any proceeds at any time in the hands of the Insurance Trustee.

(v) Such other conditions not inconsistent with the foregoing as the Insurance Trustee may reasonably request.

(d) Upon the completion of the work and payment in full therefor, any proceeds of insurance then or thereafter in the hands of the Board of the Insurance Trustee shall be paid or credited to the owners of the condominium units (or to the holder of any mortgage on a unit if there be a mortgage) in proportion to their respective common interests.

(e) To the extent that any loss, damage or destruction to any building or other property is covered by insurance procured by the Board, the Board shall have no claim or cause of action for such loss, damage or destruction against any condominium unit owner or lessee. To the extent that any loss, damage or destruction to the property of any condominium unit owner or lessee is covered by insurance procured by such owner or lessee, such owner or lessee shall

have no claim or cause of action for such loss, damage or destruction against the Board, the managing agent or the Association. All policies of insurance referred to in this subparagraph (e) shall contain appropriate waivers of subrogation.

Section 3. Covenant to Obey Laws, Etc. (a) Each owner shall be subject to the Horizontal Property Act and the Declaration and shall abide by the Bylaws and Rules and Regulations as the same are or may from time to time be established by the Board.

(b) Each owner shall observe, comply with, and perform all rules, regulations, ordinances and laws made by the Board of Health and any other governmental authority of the municipal, state and federal government applicable to the project.

Section 4. Amendment. These Bylaws may be modified or amended from time to time by a vote of not less than seventy-five percent of the owners at any annual meeting or at any special meeting called for such purpose, provided that all particulars required by law to be set forth in the bylaws shall be embodied in these Bylaws and all modifications or amendments shall be set forth in an amendment to the Declaration and duly recorded as part of the Declaration.