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BY-LAWS

OF

THE VILLAS AT CHRISTMAS MOUNTAIN ASSOCIATION

ARTICLE I. IDENTITY

The following By-Laws shall govern the operation of the condominium created by the Declaration of Condominium to which these By-Laws are attached.

The Association whose name appears at the end of this instrument is organized for the purpose of administering (but not exclusively unless so provided in the Association's Articles) the condominium created by the Declaration of Condominium to which these By-Laws are attached.

The office of the Association shall be at the condominium property, or at such other place as may be subsequently designated by the Board of Directors of the Association.

ARTICLE II. MEMBERSHIP AND VOTING PROVISIONS

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Section 1. Membership in the Association shall be limited to owners of the condominium units in The Villas at Christmas Mountain which this Association operates and administers by virtue of the Restated Declaration of Condominium for The Villas at Christmas Mountain. Transfer of unit ownership, either voluntary or by operation of law, shall terminate membership of the transferor in the Association, and said membership shall then become vested in the transferee. If ownership in a unit week is vested in more than one person, then all of the persons so owning said unit week shall be members eligible to hold office, attend meetings, etc., but, as hereafter indicated, the vote of a unit week shall be cast by the "voting member." If ownership in a unit week is vested in a corporation, said corporation may designate an individual officer or employee of the corporation as its "voting member."

Section 2. Voting:

(a) The owner(s) of each condominium unit week shall be entitled to one (1) vote. If the owner of a condominium unit week owns more than one (1) unit week, he shall be entitled to one vote for each unit week owned. The vote of a condominium unit week shall not be divisible. The Association shall not have a vote for any unit weeks or portions of unit weeks conveyed to it.

(b) A vote of a majority of the unit weeks represented at a meeting at which a quorum is present shall decide any question except amendment of the By-Laws and the Articles and except termination of the management agreement.

Section 3. Quorum: Unless otherwise provided in these By-Laws, the presence in person or by proxy of twenty-five percent (25%) of the unit owners' total votes shall constitute a quorum.

Section 4. Proxies: Votes may be cast in person or by proxy.

All proxies shall be in writing and signed by the person entitled to vote (as set forth below in Section 5). Where a unit is owned jointly by a husband and wife, and if they have not designated one of them as a voting member, a proxy must be signed by both husband and wife where a third person is designated.

Section 5. Designation of Voting Member: If a unit week is owned by one person, his right to vote shall be established by the recorded title to the unit. If a unit week is owned by more than one (1) person, the person entitled to cast the vote for the unit shall be designated in a certificate signed by all of the recorded owners of the unit week and filed with the secretary of the Association. If a unit week is owned by a corporation, the officer or employee thereof entitled to cast the vote of the unit week for the corporation shall be designated in a certificate for this purpose, signed by the president or vice president, attested to by the secretary or assistant secretary of the corporation, and filed with the secretary of the Association. The person designated in such certificate who is entitled to cast the vote for a unit week shall be known as the "voting member." If such a certificate is not on file with the secretary of the Association for a unit week owned by more than one person or by a corporation, the vote of the unit week concerned shall not be considered in determining the requirement for a quorum, or for any purpose requiring the approval of a person entitled to cast the vote for the unit week, except if said unit week is owned by a husband and wife. Such certificate shall be valid until revoked, or until superseded by a subsequent certificate, or until a change in the ownership of the unit week concerned. If a unit week is owned jointly by a husband and wife, the following three provisions are applicable thereto:

(a) They may, but they shall not be required to, designate a voting member.

(b) If they do not designate a voting member and if both are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at the meeting. (As previously provided, the vote of a unit week is not divisible.)

(c) Where they do not designate a voting member, and only one is present at a meeting, the person present may cast the unit week vote, just as though he or she owned the unit week individually, and without establishing the concurrence of the absent person.

ARTICLE III. MEETING OF THE MEMBERSHIP

Section 1. Place: All meetings of the Association membership shall be held at the condominium(s) property, or at such other place and at such time as shall be designated by the Board of Directors of the Association and stated in the notice of the meeting, and shall be open to all unit owners.

Section 2. Notices: It shall be the duty of the secretary to mail or deliver a notice of each annual or special meeting, stating the time and place thereof, to each unit owner of record at least fourteen (14) but not more than thirty (30) days prior to such meeting. Notice of any special meeting shall state the purpose thereof. All notices shall be mailed to or served at the address of the unit owner as it appears on the books of the Association.

Section 3. Annual Meeting: The annual meeting shall be held at the time and place to be determined by the Board for the purpose of electing directors and transacting any other business authorized to be transacted by the members; provided, however, that if that day is a legal holiday, the meeting shall be held at the same hour on the next secular day following. At the annual meeting, the members shall elect by plurality vote (cumulative voting prohibited) a Board of Directors, and shall transact such other business as may properly be brought before the meeting.

Section 4. Special Meeting: Special meetings of the members for any purpose or purposes, unless otherwise prescribed by statute, may be called by the president, and shall be called by the president or secretary at the request, in writing, of a majority of the Board of Directors, or at the request, in writing, of voting members representing twenty-five percent (25%) of the members' total votes, which request shall state the purpose or purposes of the proposed meeting. Business transacted at all special meetings shall be confined to the objects stated in the notice thereof.

Section 5. Waiver and Consent: Whenever the vote of members at a meeting is required or permitted by any provision of these By-Laws to be taken in connection with any action of the Association, the meeting and vote of members may be dispensed with if not less than a majority of the members who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken; however, notice of such action shall be given to all members, unless all members approve such action.

Section 6. Adjourned Meeting: If any meeting of members cannot be organized because a quorum of voting members is not present, either in person or by proxy, the meeting may be adjourned from time to time until a quorum is present.

3) Section 7. Approval or Disapproval: Approval or disapproval of a unit owner upon any matter, whether or not the subject of an Association meeting, shall be by the voting members; provided, however, that where a unit week is owned jointly by a husband and wife, and they have not designated one of them as a voting member, their joint approval or disapproval shall be required where they are both present, or in the event only one is present, the person present may cast the vote without establishing the concurrence of the absent person.

Section 8. The Management Firm: The management firm, as long as any management agreement remains in effect, shall be entitled to notice of all Association meetings, and shall be entitled to attend the Association's meetings, and it may designate such person(s) as it desires to attend such meetings on its behalf.

ARTICLE IV. DIRECTORS

Section 1. Number, Term and Qualifications: The affairs of the Association shall be governed by a Board of Directors composed of not less than three (3) nor more than seven (7) persons, as may be determined from time to time by the Board. All directors, except those designated by the developer, shall be members of the Association. All officers of a corporate unit owner shall be deemed to be members of the Association so as to qualify as a director herein. The term of each director's service shall extend until the next annual meeting of the members, and thereafter until his successor is duly elected and qualified, or until he is removed in the manner provided in Section 3 below.

Section 2. First Board of Directors:

(a) The first Board of Directors of the Association who shall hold office and serve until their successors have been elected and qualified, shall consist of the following:

Kenn R. Keim
LuAnne Keim
Donna Sage

(b) Declarant Control. Except as provided in subparagraph (c), declarant may authorize declarant or persons designated by it to appoint and remove the officers of the Association or to exercise the powers and responsibilities otherwise assigned by the Declaration or these By-Laws to the Association or its officers.

(c) Meeting to Elect Directors. Unit week owners other than the declarant may elect one-third of the members of the Board of Directors of the Association at such time as unit owners other than declarant own fifteen percent (15%) or more of the time share property. Unit owners other than the declarant may elect a majority of the members of the Board of Directors upon the earliest of the following:

- (1) Three years after fifty percent (50%) of the unit weeks have been conveyed to purchasers.
- (2) Three months after ninety percent (90%) of the unit weeks in the condominium have been conveyed to purchasers.
- (3) The declarant is not offering unit weeks for sale in the ordinary course of business.

(d) Calculation of Percentage. The calculation of the percentage of common element interest conveyed to purchasers under paragraphs (b) and (c) shall be based on the percentage of undivided interest appertaining to each unit which has been conveyed assuming that all the units to be completed are included in the condominium.

(e) Elections After Expiration of Declarant Control. Not later than 45 days after the expiration of any period of declarant control, the Association shall hold a meeting and the unit owners shall elect an executive board of at least three directors and officers of the Association. The directors and officers shall take office upon election. 38

Section 3. Removal of Directors: One or more of the directors may be removed, with or without cause, by the affirmative vote or agreement in writing by a majority of all unit owners, and a successor then and there shall be elected to fill the vacancy thus created. Should the membership fail to elect said successor, the Board of Directors may fill the vacancy in the manner provided in Section 4 below. Said special meeting to recall a member or members of the Board of Directors may be called by ten percent (10%) of the unit owners giving notice of the meeting as required for a meeting of unit owners, and the notice shall state the purpose of the meeting.

Section 4. Vacancies on Directorate: If the office of any director of directors becomes vacant by reason of death, resignation retirement, disqualification, removal from office or otherwise, a majority of the remaining directors, though less than a quorum, shall choose a successor or successors, to fill said vacancy. The election held for the purpose of filling said vacancy may be held at any regular or special meeting of the Board of Directors.

Section 5. Disqualification and Resignation of Directors: Any director may resign at any time by sending a written notice of such resignation to the office of the Association delivered to the secretary. Unless otherwise specified herein, such resignation shall take effect upon receipt thereof by the secretary. Commencing with the directors elected at such first annual meeting of the membership, the transfer of title to his unit by a director shall automatically constitute a resignation, effective when such resignation is accepted by the Board of Directors. No member shall continue to serve on the Board should he be more

than thirty (30) days delinquent in the payment of an assessment, and said delinquency shall automatically constitute a resignation, effective when such resignation is accepted by the Board of Directors.

Section 6. Regular Meetings: The Board of Directors may establish a schedule of regular meetings to be held at such time and place as the Board of Directors may designate. Notice of such regular meetings shall, nevertheless, be given to each director personally or by mail, telephone or telegraph at least five (5) days prior to the day named for such meeting. All meetings of the Board of Directors, including special meetings in accordance with Section 7 below, shall be open to all unit owners.

Section 7. Special Meetings: Special meetings of the Board of Directors may be called by the president, and in his absence, by the vice president, or by a majority of the members of the Board of Directors, by giving five (5) days' notice, in writing, to all of the members of the Board of Directors of the time and place of said meeting. All notices of special meetings shall state the purpose of the meeting.

Section 8. Directors' Waiver of Notice: Before or at any meeting of the Board of Directors, any director may waive notice of such meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

29 Section 9. 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 acts of the majority of the directors present at such meetings at which a quorum is present shall be deemed the acts of the Board of Directors. If, at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting, and any business which might have been transacted at the meeting, as originally called, may be transacted without further notice. A director may join in any action of a meeting by written concurrence therein placed in the minutes of that meeting, excluding the purpose of creating a quorum.

Section 10. Compensation: The directors' fees, if any, shall be determined by the voting members.

Section 11. Developer's Selection of Directors: The developer shall have the right to designate the directors who need not be owners of units in the condominium, and said directors may not be removed by members of the Association, as elsewhere provided herein; and where a vacancy in such office occurs for any reason whatsoever, the vacancy shall be filled by the person designated by the developer.

Section 12. The Management Firm: The management firm, as long as any management agreement remains in effect, shall be entitled to notice of all directors' meetings and shall be entitled to attend the directors' meetings and it may designate such person(s) as it desires to attend such meetings on its behalf.

Section 13. Powers and Duties: The Board of Directors of the Association shall have the powers and the duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by the Declaration of Condominium, this Association's Articles, or these By-Laws, directed to be exercised and done by unit owners. These

powers shall specifically include, but shall not be limited to, the following:

(a) To exercise all powers specifically set forth in the Declaration of Condominium, this Association's Articles, in these By-Laws, and all powers necessary and incidental thereto.

(b) To make assessments, collect said assessments, and use and expend the assessments to carry out the purposes and powers of the Association.

(c) To employ, dismiss and control the personnel necessary for the maintenance and operation of the project, and of the common areas and facilities, including the right and power to employ attorneys, accountants, contractors, and other professionals as the need arises.

(d) To make and amend rules and regulations respecting the operation and use of the common elements and condominium property, and the reservation, use and maintenance of the condominium units therein.

(e) To contract for the management of the condominium, and for the management or operation of portions of the common elements susceptible to the separate management or operation thereof, and to lease or concession such portions.

(f) To further improve the condominium property, both real and personal, purchase realty and items of furniture, furnishings, fixtures and equipment for the foregoing, acquire and enter into agreements subject to the provisions of the applicable Declaration of Condominium, this Association's Articles and these By-Laws.

(g) To designate one or more committees which, to the extent provided in the resolution designating said committee, shall have the powers of the Board of Directors in the management and affairs and business of the Association. Such committee shall consist of at least three (3) members of the Association. The committee or committees shall have such name or names as may be determined from time to time by the Board of Directors, and said committee(s) shall keep regular minutes of their proceedings and report the same to the Board of Directors, as required. The foregoing powers shall be exercised by the Board of Directors or its contractor or employees, subject only to approval by unit owners when such is specifically required.

(h) To enter into and terminate agreements with organizations that assist owners of unit weeks to trade their time share periods with owners of time share periods at other resorts or condominiums.

ARTICLE V. ASSOCIATION OFFICERS

Section 1. Elective Officers: The principal officers of the Association shall be a president, a vice president, a secretary and a treasurer, all of whom shall be elected by the Board of Directors.

One person may not hold more than one of the aforementioned offices, except one person may be both secretary and treasurer. The president and vice president shall be members of the Board of Directors. Notwithstanding the foregoing, the restriction as to one person holding only one of the aforementioned offices, or the president and vice president being members of the Board of Directors, shall not apply while the Association is under control of the developer, the control being the right of the developer to select a majority of the Board of Directors.

Section 2. Election: The officers of the Association designated in Section 1 above shall be elected annually by the Board of Directors at the organizational meeting of each new Board following the annual meeting of the members.

Section 3. Appointive Officers: The Board may appoint assistant secretaries and assistant treasurers, and such other officers as the Board of Directors deems necessary.

Section 4. Term: The officers of the Association shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Directors may be removed at any time with or without cause by the Board of Directors, provided, however, that no officer shall be removed except by the affirmative vote for removal by a majority of the whole Board of Directors (e.g., if the Board of Directors is composed of five persons, then three of said directors must vote for removal). If the office of any other officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

Section 5. The President: He shall be the chief executive officer of the Association; he shall preside at all meetings of the unit owners and of the Board of Directors. He shall have executive powers and general supervision over the affairs of the Association and other officers. He shall sign all written contracts and perform all of the duties incident to his office which may be delegated to him from time to time by the Board of Directors.

Section 6. The Vice President: He shall perform all of the duties of the president in his absence, and such other duties as may be required of him from time to time by the Board of Directors of the Association.

Section 7. The Secretary: He shall issue notices of all Board of Directors' meetings and all meetings of the unit owners; he shall attend and keep the minutes of same; he shall have charge of all of the Association's books, records and papers, except those kept by the treasurer. The secretary shall count the votes at all meetings of property owners and directors. The assistant secretary shall perform the duties of the secretary when the secretary is absent.

Section 8. The Treasurer:

(a) He shall have custody of the Association's funds and securities, except the funds payable to any management firm, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all monies and other valuable effects in the name of and to the credit of the Association, in such depositories as may be designated from time to time by the Board of Directors. The books shall reflect an account for each unit.

(b) He shall disburse the funds of the Association as may be ordered by the Board of Directors in accordance with these By-Laws, making proper vouchers for such disbursements, and shall render to the president and Board of Directors at the regular meetings of the Board of Directors, or whenever they may require it, an account of all of his transactions as the treasurer and of the financial condition of the Association.

(c) He shall collect the assessments and maintenance fees and shall promptly report the status of collections and of all delinquencies to the Board of Directors.

(d) He shall give status reports to potential transferees on which reports the transferees may rely.

(e) The assistant treasurer shall perform the duties of the treasurer when the treasurer is absent.

(f) The duties of the treasurer may be fulfilled by a management firm employed by the Association, and said management firm shall fulfill the duties of the treasurer, and shall have custody of such books of the Association as it determines in its sole discretion and the foregoing shall include any books required to be kept by the secretary of the Association.

ARTICLE VI. FINANCES, ASSESSMENTS AND MAINTENANCE FEES

Section 1. Depositories: The funds of the Association shall be deposited in such banks and depositories as may be determined by the Board of Directors from time to time upon resolutions approved by the Board of Directors, and shall be withdrawn only upon checks and demands for money signed by such officer or officers of the Association as may be designated by the Board of Directors. Obligations of the Association shall be signed by at least two (2) officers of the Association; provided, however, that the provisions of any management agreement between the Association and a management firm relative to the subject matter in this section shall supersede the provisions hereof.

Section 2. Fidelity Bonds: The treasurer and all officers who are authorized to sign checks, and all officers and employees of the Association, and any contractor handling or responsible for Association funds shall be bonded in such amount as may be determined by the Board of Directors. The premiums on such bonds shall be paid by the Association. The bond shall be in an amount sufficient to equal the monies an individual handles or has control of via a signatory or a bank account or other depository account; however, notwithstanding the foregoing, the management firm, under the terms of the management agreement, attached to the Declaration of Condominium to which these By-Laws are attached, as to funds in its possession and/or control, shall determine, in its sole discretion, the amount of and who is to be bonded, if any, among its employees. 42

Section 3. Fiscal Year: The fiscal year for the Association shall begin on the first day of June of each year; provided, however, that the Board of Directors is expressly authorized to change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed by the Internal Revenue Code of the United States of America, at such time as the Board of Directors deems it advisable.

Section 4. Determination of Assessments:

(a) The Board of Directors of the Association shall fix and determine from time to time, the sum or sums necessary and adequate for the common expenses of the condominium. Common expenses shall include expenses for the operation, maintenance, repair or replacement of the common elements and the limited common elements, costs of carrying out the powers and duties of the Association, all insurance premiums and expenses relating thereto, including fire insurance and extended coverage, and any other expenses designated as common expenses from time to time by the Board of Directors of the Association, or under the provisions of the Declaration of Condominium to which these By-Laws are attached. The Board of Directors is specifically empowered, on behalf of the Association, to make and collect assessments, and to lease, maintain, repair and replace the common elements and limited common elements of the condominium. Funds for the payment of common expenses shall be assessed against the unit owners in the proportions or percentages of sharing common expenses as provided in the Declaration. Maintenance fees shall be payable and due on the first day of June. in advance, unless

otherwise ordered by the Board of Directors. Special assessments, should such be required by the Board of Directors, shall be levied in the same manner as hereinbefore provided for regular assessments, and shall be payable in the manner determined by the Board of Directors. All funds due under these By-Laws which are attached to the Declaration, and dues under said Declaration of Condominium, are common expenses of this condominium.

(b) A copy of the proposed annual budget of common expenses shall be mailed to the unit owners not less than thirty (30) days prior to the meeting at which the budget will be considered, together with a notice of that meeting. The unit owners shall be given written notice of the time and place at which the meeting of the Board of Directors shall be held to consider the proposed annual budget of common expenses, and such meeting shall be open to the unit owners. If a budget is adopted by the Board of Directors which requires assessment against the unit owners in any fiscal or calendar year exceeding 115 percent of such assessments for the preceding year, upon written application of the ten percent of the unit owners, a special meeting of the unit owners shall be held upon no less than ten (10) days' written notice to each unit owner, but within thirty (30) days of the delivery of such application to the Board of Directors or any member thereof, at which special meeting unit owners may consider and enact a revision of the budget, or recall any and all members of the Board of Directors and elect their successors. In either case, unless these By-Laws shall require a larger vote, the revision of the budget or the recall of any and all members of the Board of Directors shall require a vote of not less than a majority of the whole number of votes of all unit owners. The Board of Directors may in any event propose a budget to the unit owners at a meeting of members or by writing, and if such budget or proposed budget be approved by the unit owners at the meeting, or by a majority of their whole number by a writing, such budget shall not thereafter be reexamined by the unit owners in the manner hereinabove set forth nor shall the Board of Directors be recalled under the terms of this section. In determining whether assessments exceed 115 percent of similar assessments in prior years, there shall be excluded in the computation, any provision for reasonable reserves made by the Board of Directors in respect of anticipated expenses by the condominium Association which are not anticipated to be incurred on a regular or annual basis and the condominium property if these By-Laws so provide or allow the Board of Directors, provided, however, that so long as the developer is in control of the Board of Directors, the Board shall not impose an assessment for a year greater than 115 percent of the prior fiscal or calendar year's assessment without approval of a majority of the unit owners. When the Board of Directors has determined the amount of any assessment, the treasurer of the Association shall mail or present to each unit owner a statement of said unit owner's assessment. All assessments shall be payable to the treasurer of the Association and, upon request, said treasurer shall give a receipt for each payment made to him.

Section 5. Determination of Maintenance Fee:

(a) The Board of Directors of the Association shall fix and determine from time to time, the sums necessary and adequate for the maintenance fee on condominium units committed to the time sharing plan. The maintenance fee on such units shall include the items specified in the Declaration of Condominium to which these By-Laws are attached.

(b) When the Board of Directors has determined the amount of any maintenance fee, the treasurer of the Association shall mail or present to each owner of unit weeks within all units committed to the time sharing plan a statement of said maintenance fee. All maintenance fees shall be payable to the treasurer of the Association and upon receipt, said treasurer shall give a receipt for each payment made to him, if requested by the unit owners.

(c) There shall be a per diem charge of one-seventh of the regular maintenance fee to flexible use period owners for each day of use (as defined in Article V of the Declaration of Condominium) or portion thereof. There shall be no minimum stay required for such use and there shall be a per diem charge associated with such use, which fee shall be one-seventh (1/7) of the regular weekly maintenance fee. For purposes of this per diem charge, a day shall be considered to commence at the "check-in time" of 3:00 p.m. and terminate at the "check-out time" of 10:00 a.m. on the next calendar day.

Section 6. Application of Payments and Co-Mingling of Funds: All sums collected by the Association from assessments and maintenance fees may be co-mingled in a single fund or divided into more than one fund, as determined by the Board of Directors of the Association. All assessment payments and maintenance fees by a unit owner shall be applied to interest, delinquencies, costs and attorney's fees, other charges, expenses and advances, as provided herein and in the Declaration of Condominium, and to general or special assessments, in such manner and amounts as the Board of Directors determines in its sole discretion.

Section 7. Acceleration of Assessment Installments Upon Default: If a unit owner shall be in default in the payment of an installment upon any assessment, the Board of Directors may accelerate the remaining monthly installments for the fiscal year upon notice thereof to the unit owner and, thereupon, the unpaid balance of the assessment shall become due upon the date stated in the notice, but not less than fifteen (15) days after delivery of or the mailing of such notice to the unit owner.

Section 8. Audits: An audit of the accounts of the Association shall be made at such time or times as the Board of Directors determines. Said audit shall be prepared by such accountant as the Board of Directors determines and a copy of said report shall be available to the members of the Association in the office of the Association during normal business hours. 44

Section 9. Application of Surplus: Any payments or receipts to the Association, whether from unit owners or otherwise, paid during the year in excess of the operating expenses and other common expenses of the Association shall be kept by the Association and applied against the Association's expenses for the following year.

ARTICLE VII. ADDITIONS OR ALTERATIONS

There shall be no additions or alterations to the common elements or limited common elements of the condominium(s) which this Association operates and maintains except as specifically provided for in said condominium's Declaration of Condominium.

ARTICLE VIII. COMPLIANCE AND DEFAULT

Section 1. Violations: In the event of a violation (other than the nonpayment of an assessment) by the unit owner of any of the provisions of the Declaration of Condominium, or these By-Laws, the Association, by direction of its Board of Directors, may notify the unit owner by written notice of said breach, transmitted by mail, and if such violation shall continue for a period of seven (7) days from date of Notice, the Association, through its Board of Directors, shall have the right to treat such violation as an intentional and inexcusable and material breach of the Declaration, of the By-Laws, and the Association may then, at its option, have the following elections:

(a) An action at law to recover for its damages, on behalf of the Association or on behalf of the other unit owners; or

(b) An action in equity to enforce performance on the part of the unit owner; or

(c) An action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief.

Any violations which are deemed by the Board of Directors to be a hazard to public health may be corrected immediately as an emergency matter by the Association and the cost thereof shall be charged to the unit owner as a specific item, which shall be a lien against said unit with the same force and effect as if the charge were a part of the common expenses.

Section 2. Negligence or Carelessness of Unit Owner, etc.:

All unit owners shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family, or his or their guests, employees, agents, contractors, or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of any unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by any insurance company of its rights of subrogation. The expense for any maintenance, repair or replacement required, as provided in this Section, shall be charged to said unit owner as a specific item which shall be a lien against said unit with the same force and effect as if the charge were a part of common expenses.

Section 3. Costs and Attorneys' Fees: In any proceeding arising because of an alleged default by a unit owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be determined by the court.

Section 4. No Waiver of Rights: The failure of the Association or of a unit owner to enforce any right, provision, covenant or condition which may be granted by the law or condominium documents shall not constitute a waiver of the right of the Association or unit owner to enforce such right, provision, covenant or condition in the future.

Section 5. Election of Remedies: All rights, remedies and privileges granted to the Association or unit owner, by law or pursuant to any terms, provisions, covenants or conditions of the condominium documents, shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other additional rights, remedies, or privileges as may be granted to such party by the condominium documents, or at law or in equity.

Section 6. Units Committed to the Time Sharing Plan: Any liens or sanctions against an owner of unit weeks in a unit committed to the time sharing plan for an alleged default as set forth in this Article VIII shall be limited to the unit weeks owned by such owner and shall be of no force and effect as to any other unit weeks or owner thereof.

ARTICLE IX. ACQUISITION OF UNITS ON FORECLOSURE

Section 1. Acquisition of Units on Foreclosure: At any foreclosure sale of a unit, the Board of Directors may, with the authorization and approval by the affirmative vote of voting members casting not less than sixty percent (60%) of the total votes of the members present at any regular or special meeting of the members wherein said matter is voted upon, acquire in the name of

the Association, or its designee, a condominium parcel being foreclosed. The term "foreclosure," as used in this section, shall mean and include any foreclosure of any lien, excluding the Association's lien for assessments. The power of the Board of Directors to acquire a condominium parcel at any foreclosure sale shall never be interpreted as any requirement or obligation on the part of the said Board of Directors or of the Association to do so at any foreclosure sale, the provisions hereof being permissive in nature and for the purpose of setting forth the power in the Board of Directors to do so should the requisite approval of the voting members be obtained. The Board of Directors shall not be required to obtain the approval of unit owners at the foreclosure sale of a unit or unit week, due to the foreclosure of the Association's lien for assessments under the provisions of the Declaration of Condominium to which these By-Laws are attached, notwithstanding the sum the Board of Directors determines to bid at such foreclosure sale.

Section 2. Transfer of Units: All owners of units or unit weeks in a unit committed to the time sharing plan shall notify the Association of any transfer, by sale or otherwise, of said unit or unit week within ten (10) days of the date of same. Said notice shall include such information and be in the form that the Association shall prescribe from time to time. The Association may send all necessary notices to the person shown as owner of said unit or unit weeks in its records, and said notice shall be binding as to any other owner of said unit or unit weeks where the Association has not been notified as provided herein.

ARTICLE X. AMENDMENTS TO THE BY-LAWS

By-Laws may be altered, amended or added at any duly called meeting of the unit owners, provided:

(a) Notice of the meeting shall contain a statement of the proposed amendment;

(b) If the amendment has received the unanimous approval of the full Board of Directors, then it shall be approved upon the affirmative vote of the voting members casting a majority of the total votes of the members of the Association;

(c) If the amendment has not been approved by the unanimous vote of the Board of Directors, then the amendment shall be approved by the affirmative vote of the voting members casting not less than three-fourths (3/4) of the total votes of the members of the Association; and

(d) Said amendment shall be recorded.

(e) Notwithstanding the foregoing, these By-Laws may only be amended with the written approval when required of the parties specified in the Declaration of Condominium to which these By-Laws are attached.

ARTICLE XI. NOTICES

Whatever notices are required to be sent hereunder shall be delivered or sent in accordance with the applicable provisions for notices as set forth in the Declaration of Condominium to which these By-Laws are attached.

ARTICLE XII. INDEMNIFICATIONS

The Association shall indemnify every director and every officer, his heirs, executors, and administrators, against all

loss, cost and expense reasonably incurred by him in connection with any claim, action, suit or proceeding to which he may be made a party by reason of his being or having been a director or officer of the Association, except as to matters wherein he shall be finally adjudged in such claim, action, suit or proceeding, to be liable for or guilty of gross negligence or willful misconduct. The foregoing rights shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE XIII. LIABILITY SURVIVES TERMINATION OF MEMBERSHIP

The termination of membership in the condominium shall not relieve or release any such former owner or member from any liability or obligations incurred under or in any way connected with the condominium during the period of such ownership and membership, or impair any rights or remedies which the Association may have against such former owner and member arising out of or in any way connected with such ownership and membership, and the covenants and obligations incident thereto.

ARTICLE XIV. LIMITATION OF LIABILITY

Notwithstanding the duty of the Association to maintain and repair parts of the condominium property, the Association shall not be liable for injury, death or damage caused or contributed to by a latent condition in the property nor for injury or damage caused by the elements or by other owners or persons.

ARTICLE XV. PARLIAMENTARY RULES

Roberts Rules of Order (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Declaration of Condominium or these By-Laws.

ARTICLE XVI. LIENS

Section 1. Protection of Property: All liens against a condominium unit, other than for mortgages taxes or special assessments, shall be satisfied or otherwise removed within thirty (30) days of the date the lien is attached. All taxes and special assessments upon a condominium unit shall be paid before becoming delinquent, as provided in these condominium documents or by law, whichever is sooner.

Section 2. Notice of Lien: A unit owner shall give notice to the Association of every lien upon his unit other than the mortgages, taxes and special assessments within five (5) days after the attaching of the lien.

Section 3. Notice of Suit: Unit owners shall give notice to the Association of every claim, action, suit or other proceeding which will or may affect title to his unit or any part of the property, such notice to be given within five (5) days after the unit owner receives notice thereof.

Section 4. Failure to Comply: Failure to comply with this article concerning liens will not affect the validity of any judicial sale.

Section 5. Units Committed to Time Sharing Plan: In the case of a unit committed to the time sharing plan, an owner of unit weeks in such unit shall be required to give notices under Section 2 and Section 3 of this Article XVI only as to liens, claims, actions, suits, and proceedings affecting title to the unit weeks which he owns. Any lien against any owner of unit

weeks in a unit committed to the time sharing plan or against the unit weeks owned by him, shall be limited to the unit weeks owned by him and shall not encumber the property, real or personal, of any other owner of unit weeks in said unit.

ARTICLE XVII. RULES AND REGULATIONS

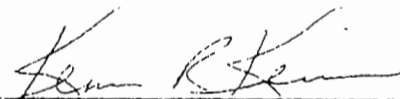
Section 1. The Board of Directors may, from time to time, adopt or amend previously adopted administrative rules and regulations governing the details of the reservation operation, use, maintenance, management and control of the common elements and limited common elements of the condominiums and any unit, unit week, facilities and services made available to the unit owners and their guests. A copy of the Rules and Regulations adopted from time to time as herein provided shall from time to time be posted in a conspicuous place and/or copies of same shall be furnished each unit owner.

Section 2. As to Condominium Units: The Board of Directors, may from time to time adopt and amend previously adopted rules and regulations governing and restricting the use and maintenance of the condominium unit(s) provided, however, that copies of such Rules and Regulations, prior to the time the same become effective, shall be posted in a conspicuous place and/or copies of same shall be furnished to each unit owner.

Section 3. Conflict: If any reconciled conflict should exist or hereafter arise with respect to the interpretation of these By-Laws and the Declaration of Condominium, the provisions of said Declaration shall prevail.

The foregoing was adopted as the By-Laws of The Villas at Christmas Mountain Association at the first meeting of the Board of Directors.

Approved:



Kenn Keim, President



LuAnne Keim, Secretary

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REGISTRAR'S OFFICE
SAUK COUNTY WI
RECEIVED FOR RECORD X

582473

AT 8:30 O'CLOCK A M ✓

ON May 11 1993
Mary Klingensmeyer
REGISTRAR

FIRST AMENDMENT TO THE BYLAWS
THE VILLAS AT CHRISTMAS MOUNTAIN

WHEREAS, a certain BYLAW FOR THE VILLAS AT CHRISTMAS MOUNTAIN, HAS been recorded in the Register's Office in Volume 002, Page 303 through 310, inclusive, Sauk County, Wisconsin, and

WHEREAS, a majority of the Unit/Weeks represented at the April 3, 1993, annual meeting of the Unit Owners voted to amend Article II of the ByLaws:

NOW, THEREFORE, Article II, Membership and Voting Provisions, Section 3, Quorum, is hereby amended to read as follows:

"Unless otherwise provided in these By-Laws, the presence in person or by proxy of fifteen percent (15%) of the Unit Owners' total votes shall constitute a quorum."

IN ALL OTHER RESPECTS, the original Bylaws, as amended, is hereby ratified and confirmed.

IN WITNESS WHEREOF, the President of the Association has executed this First Amendment to the Bylaws of THE VILLAS AT CHRISTMAS MOUNTAIN ASSOCIATION, this 31st day of May, 1993.

Signed, Sealed and Delivered
in the presence of:

THE VILLAS AT CHRISTMAS MOUNTAIN
ASSOCIATION

[Signature]

[Signature]
Kenn R. Keim, President

STATE OF WISCONSIN Florida
COUNTY OF SAUK Lee

BEFORE ME, the undersigned authority, personally appeared Kenn R. Keim to me well known to be the person described in and who executed the foregoing instrument as President of THE VILLAS AT CHRISTMAS MOUNTAIN ASSOCIATION, a Wisconsin association not for profit and he acknowledged before me that he executed such instrument as such Officer for said association, and that it was affixed to said instrument by due and regular authority, and that the said instrument is the free act and deed of said association.

WITNESS my hand and official seal at said County and State aforesaid, this 31st day of May, 1993.

[Signature]
Notary Public Carrie Broullire