

DECLARATION EXHIBIT B

BYLAWS OF

CHATEAU HOME OWNERS ASSOCIATION

ARTICLE I
PREMISE

Section 1. Submission to Condominium Property Act and Adoption of Bylaws. These Bylaws are adopted by Chateau Associates, this _____ day of _____, 1984, as the Bylaws of THE CHATEAU HOME OWNERS ASSOCIATION referred to in the Declaration ("the Declaration") to which a true copy of these Bylaws is attached as Declaration Exhibit B. The Property (as such term is defined in the Declaration) is located in Prairie Village, Johnson County, Kansas, and is legally described, prior to the recording of the Plat of the Chateau Condominiums, in the manner set forth on Declaration Exhibit A-1, which exhibit is incorporated herein by reference.

The name of the Association to which these Bylaws apply is "CHATEAU HOME OWNER'S ASSOCIATION," hereinafter referred to as the "Association," a Kansas nonprofit corporation whose members shall be the Unit Owners (as that term is defined and referred to in the Declaration). The percentage of interest ("Unit Interest") in the Association of the respective Unit Owners shall be designated on Declaration Exhibit C attached to the Declaration. The Property, which includes the "common areas and facilities" and the "Units" as such terms are defined in the Declaration, shall be administered and governed by these Bylaws and in accordance with the Declaration, the duly adopted Rules and Regulations of the Association, the laws of the State of Kansas, in particular the Kansas Apartment Ownership Act ("the Act"), and applicable local laws and ordinances. All definitions as contained in Section 1 of the Declaration are adopted and incorporated herein by reference.

Section 2. Application. All present and future Unit Owners, mortgagees, lessees and occupants of the Units, their employees, agents, guests and invitees and all other persons who may use the facilities of the Property in any manner, are subject to these Bylaws, the Declaration and the Rules and Regulations of the Association. The acceptance of a deed of conveyance or the entering into a lease or the occupancy or use of a Unit shall constitute an agreement that the Declaration, these Bylaws and

the Rules and Regulations, as they may be amended from time to time, are accepted, ratified and will be complied with.

Section 3. Office. The office of the Association shall be at 8363 Somerset Drive, Prairie Village, Johnson County, Kansas 66207, or at such other location within Prairie Village, Kansas, as hereafter designated by the Board of Managers of the Association.

ARTICLE II BOARD OF MANAGERS

Section 1. Number and Qualification. The business of the Association shall be conducted by its Board of Managers. Until their successors have been elected by the Unit Owners, the Board of Managers shall consist of the three persons named in the Articles of Incorporation of Chateau Home Owners Association, and the Board of Managers shall have all of the powers and duties for the administration of the affairs of the Association as set forth in Section 2 of this Article, including, but not limited to, the preparation of the budget and levying assessments for common expenses and the like, as described in Section 1 of Article V hereof. Thereafter, the Board of Managers shall be composed of five (5) persons, each of whom shall be either (a) an owner of a Unit as a sole owner, tenant in common or joint tenant, or (b) in the case of partnership owners, a member of such partnership or (c) in the case of a corporation owner, an officer or member of the board of directors of such corporation, or (d) in the case of a fiduciary owner, the fiduciary or an officer of such fiduciary. Owner shall be deemed a Unit Owner of each Unit to which Owner holds title.

Section 2. Powers and Duties. The Board of Managers shall have all of the powers and duties necessary for the administration of the affairs of the Association and as stated herein, and may do all such acts to exercise and carry out such powers and duties subject to the provisions of the Declaration and these Bylaws, except such powers as by law, the Declaration or these Bylaws may not be delegated to the Board of Managers by the Unit Owners. The powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

(a) operation, care, upkeep and maintenance of the common areas and facilities and limited common areas and facilities;

(b) determination and payment of the common expenses required for the affairs of the Association, including, without limitation, the

operation, care, upkeep and maintenance of the common areas and facilities;

(c) assessment and collection from the Unit Owners of common charges to meet the common expenses;

(d) entering into contracts and agreements on behalf of the Association, including, but not limited to, employment (including the right of dismissal) or a manager or management company, personnel, contractors and subcontractors necessary for the maintenance and operation of the common areas and facilities and conduct of the affairs of the Association;

(e) adoption and amendment of rules and regulations, including the Rules and Regulations attached hereto, applicable to the operation and use of the Property;

(f) opening of and maintaining bank accounts, writing checks on such accounts and making deposits and withdrawals on behalf of the Association, designating the signatories required therefor and borrowing money from banks to meet requirements from time to time for working capital, common expenses and emergencies; however, loans at any time outstanding shall not exceed \$100,000.00 in the aggregate and no loan shall be entered into having a maturity date in excess of five (5) years. Any loan or loans in excess of such limit or for a longer maturity shall be made only with the affirmative vote in person or by proxy of at least 80% in Unit Interest of all the Unit Owners, at an annual or special meeting of Unit Owners. Loans on Units acquired by the Association, as referred to in these Bylaws, shall not be deemed to be included in the limitations of this subparagraph (f);

(g) purchasing, leasing or otherwise acquiring in the name of the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease, or surrendered by their owners to the Board of Managers;

(h) selling, leasing, mortgaging or otherwise dealing with Units acquired by, and subleasing Units leased by, the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners;

(i) organizing corporations to act as designees of the Board of Managers in acquiring title to Units on behalf of all Unit Owners;

(j) assigning the use of storage areas, parking areas, rooms for operating or service personnel of the Association and Unit Owners, laundry rooms, storage lockers and facilities, and other common areas and facilities, and including the granting of licenses for vending or service machines;

(k) obtaining insurance covering and applicable to the Property, including the Units, pursuant to the provisions of Article V, Section 2 hereof; and

(l) paying real estate and personal property taxes, assessments and the like levied, assessed or charged against the common areas and facilities.

Section 3. Managing Agent and Manager. The Board of Managers may employ for the Association a management company or a manager at a compensation established by the Board of Managers, to perform such duties and services as the Board of Managers shall authorize, including, but not limited to, the duties listed in subparagraphs (a), (b), (c), (d), (j), (k) and (l) of Section 2 of this Article II. It is provided, however, that no management contract or agreement shall be for a period longer than three (3) years from the date of execution, and all such management contracts or agreements shall contain a provision allowing termination thereof by the Board of Managers at any time, with or without cause and without payment of a termination fee, on ninety (90) days' prior written notice to the manager or management company. The Board of Managers may not delegate to the manager or management company any of the duties set forth in subparagraphs (e), (f), (g), (h) and (i) of Section 2 of this Article II.

Section 4. Election and Term of Office. At the first annual meeting of the Unit Owners, five (5) members of a new Board of Managers shall be elected, who, unless a member's term

is earlier vacated, shall hold office for a term of one (1) year or until their respective successors have been elected by the Unit Owners.

Section 5. Removal of Members of the Board of Managers. At any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers may be removed with or without cause by a majority of the Unit Owners present in person or by proxy, and a successor may then or thereafter be elected by the Unit Owners to fill the vacancy thus created. Any member of the Board of Managers whose removal has been proposed by any Unit Owner shall be given an opportunity to be heard at the meeting.

Section 6. Vacancies. Vacancies in the Board of Managers caused by any reason other than the removal of a member thereof by a vote of the Unit Owners, shall be filled by a vote of a majority of the members of the Board of Managers at a regular or special meeting of the Board of Managers held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Managers until his successor is elected and qualified.

Section 7. Organization Meeting. The first meeting of the members of the Board of Managers following the first annual meeting of the Unit Owners shall be held within ten (10) days after said first annual meeting, at such time and place as shall be fixed by the Unit Owners at the meeting at which such Board of Managers was elected, and no notice shall be necessary to the newly elected members of the Board of Managers in order legally to constitute such meeting.

Section 8. Regular Meetings. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Managers, but at least two such meetings shall be held during each calendar year. Notice of regular meetings of the Board of Managers shall be given by the President or Secretary to each member of the Board of Managers, in person or by mail, telephone or telegraph, at least five (5) business days prior to the day named for such meeting.

Section 9. Special Meetings. Special meetings of the Board of Managers may be called by the President on three (3) business days' notice to each member of the Board of Managers, given in person or by mail, telephone or telegraph, which notice shall inform as to the time, place and purpose of the meeting.

Special meetings of the Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of a majority of the members of the Board of Managers given to the President or Secretary.

Section 10. Waiver of Notice. Any member of the Board of Managers may, at any time, waive notice of any meeting of the Board of Managers in writing, and such waiver shall be deemed equivalent to the giving of proper notice. Attendance by a member of the Board of Managers at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Managers are present at any meeting of the Board, no notice shall be deemed to have been required and any business may be transacted at such meeting.

Section 11. Quorum of Board of Managers. Each member of the Board of Managers shall be entitled to one vote, regardless of his Unit Interest, in decisions or resolutions of the Board of Managers. At all meetings of the Board of Managers, a majority of the full Board of Managers shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Managers present at a meeting at which a quorum is present shall constitute the decision of the Board of Managers. If at any meeting of the Board of Managers there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 12. Fidelity Bonds. The Board of Managers shall maintain adequate fidelity coverage to protect against dishonest acts on the part of officers, directors, trustees and employees of the Association and all others who handle, or are responsible for handling, funds of the Association. Such fidelity bonds shall meet the following requirements:

(i) all such fidelity bonds shall name the Association as an obligee;

(ii) such fidelity bonds shall be written in an amount equal to at least one hundred fifty percent (150%) of the estimated annual operating expenses of the Association, including reserve contributions for the current year;

(iii) such fidelity bonds shall contain waivers of any defense based upon the exclusion of any persons who serve without compensation; and

(iv) such bonds shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days' prior notice to the Association.

The premiums on such bonds shall constitute a common expense of the Association.

Section 13. Compensation. No member of the Board of Managers shall receive any compensation from the Association for acting as such unless such compensation is approved by a majority of Unit Owners as described in Section 7 of Article III.

Section 14. Liability of the Board of Managers. No member of the Board of Managers shall be liable to the Unit Owners for any mistake of judgment, negligence or otherwise in connection with this service on the Board of Managers, except for his own willful misconduct or gross neglect. The Unit Owners shall indemnify and hold harmless each member of the Board of Managers against all claims, damages, costs and expenses, including reasonable attorneys' fees, in connection with his service on the Board of Managers (unless due to his willful misconduct or gross neglect) or arising out of contracts made by the Board of Managers on behalf of the Association, unless any such contract shall have been made contrary to or in violation of the provisions of the Declaration or of these Bylaws. As between Unit Owners, the liability of any Unit Owner arising out of the contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to such proportion of the total liability thereunder as his Unit Interest in the common areas and facilities bears to the total aggregate Unit Interest of all Unit Owners in the common areas and facilities. Notwithstanding the two preceding sentences, if any Unit Owner initiates litigation against the Association, the Board of Managers, any officer, or the manager in any of such persons' official capacity, then such Unit Owner shall indemnify the defendant for the defendant's attorneys' fees unless such defendant is found to have engaged in willful misconduct, gross neglect or fraud.

ARTICLE III UNIT OWNERS

Section 1. Association Responsibilities and Annual Meetings. The Unit Owners will be members of the Association, and will have the responsibility, acting through the Board of Managers and the Association officers, subject to the terms and provisions of the Declaration and these Bylaws, of administering

the affairs of the Association and establishing and collecting monthly and other assessments, all as more particularly described in these Bylaws. The first annual meeting of the Unit Owners shall be held within sixty (60) days after sales of Units representing 80% or more in aggregate Unit Interest have been closed by Owner. Within ten (10) days after such number of sales has been closed, Owner shall notify all Unit Owners in person or by mail, telephone or telegram of the date, time and place of the first meeting of the Unit Owners shall be held at least ten (10) but not more than thirty (30) days after such notice. At such meeting the Unit Owners shall elect a Board of Managers, five (5) in number, to serve until their successors have been elected. The voting procedures at this meeting shall be as provided for in Article III, Section 6 hereof, and cumulative voting shall prevail. Accordingly, in all elections for members of the Board of Managers, each Unit Owner shall have the right to cast in the aggregate one vote for each hundredth of a percent (.0001) of Unit Interest of such Unit Owner, multiplied by the number of members of the Board of Managers to be elected at such election, and a Unit Owner may cast the whole number of such votes for one candidate or distribute them among two or more candidates. Thereafter, the annual meetings of the Unit Owners shall be held on the 15th day of September of each succeeding year, unless such date shall occur on a Saturday, Sunday or legal holiday, in which event the meeting shall be held on the next following business day. At such meetings the new members of the Board of Managers shall be elected by ballot of the Unit Owners in accordance with the provisions of these Bylaws and cumulative voting shall prevail as above described. The Unit Owners may also transact any other business at annual meetings.

Section 2. Place of Meetings. Meetings of the Unit Owners shall be held at the principal office of the Association or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners if so directed by resolution of the Board of Managers or upon a petition signed and presented to the Secretary by not less than 25% in Unit Interest of all the Unit Owners. The notice of any special meeting shall state the date, time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to deliver or mail a notice of each annual or special meeting of the Unit Owners, at least ten (10) but not more than thirty (30) days prior to such meeting, stating the

date, time and place where it is to be held, and in the case of a special meeting the purposes of the meeting, to each Unit Owner of record at the time the notices are mailed. The delivery or mailing of a notice of a meeting to an Owner's Unit or to such other address as such Owner has requested in writing that notices be sent, or to such Owner's last known address as carried in the Association's records, shall be considered service of notice.

Section 5. Adjournment of Meetings. If any meeting of members cannot be held because a quorum has not attended in person or by proxy, a majority in Unit Interest of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours nor more than thirty (30) days from the time the meeting was originally called.

Section 6. Voting. The Board of Managers shall maintain a list of Unit Owners which shall be updated on a regular basis. Disputes over the ownership of any Unit shall be resolved by reference to the official records of the Register of Deeds of Johnson County, Kansas. At any meeting of the Unit Owners, each Unit Owner, including Owner, either in person or by proxy shall be entitled to one vote for each hundredth of a percent (.0001) of the Unit Interest. If a Unit is owned of record by more than one person, any or all of such Owners may attend any meeting of the Unit Owners, but it shall be necessary for all such owners present to act unanimously in order to cast the votes pertaining to their Unit. All proxies shall be in writing, and shall be delivered to the Secretary of the Association prior to or at such meeting. The proxy shall be revocable at any time by written notice to the Secretary of the Association, signed by all owners of such Unit.

Section 7. Majority of Unit Owners. As used in these Bylaws, any reference to a majority of Unit Owners shall mean Unit Owners having more than fifty percent (50%) of the votes of the Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners.

Section 8. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of Unit Owners having at least fifty percent (50%) of the total votes of all Unit Owners shall constitute a quorum at all meetings of Unit Owners.

Section 9. Effect of Majority Vote. The vote of a majority of Unit Owners at a meeting at which a quorum is present shall be binding on all Unit Owners for all purposes except in

those instances stated in the Declaration, these Bylaws or by law where a higher percentage vote of Unit Interest is required.

ARTICLE IV OFFICERS

Section 1. Designation. The principal officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint an Assistant Treasurer, an Assistant Secretary and such other officers as in its judgment may be necessary. The President, Vice President, Secretary and Treasurer shall be members of the Board of Managers.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Managers at the Board's next meeting after the annual meeting of the Unit Owners, and the officers of the Association shall hold office at the pleasure of the Board of Managers.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for that purpose.

Section 4. President. Unless the Board of Managers otherwise provides, the President shall be the chief executive officer of the Association with such general executive powers and duties of supervision and management as are usually vested in the office of the chief executive officer of a corporation, and he shall effect or cause to be effected all directions and resolutions of the Board of Managers. The President shall preside at all meetings of the Board of Managers and Unit Owners. The President may execute all bonds, notes, contracts, deeds, mortgages and any other instruments for and in the name of the Association. He shall, unless the Board of Managers otherwise provides, be ex officio a member of all standing committees. He shall have such other or further duties and authority as may be prescribed elsewhere in these Bylaws or from time to time by the Board of Managers.

Section 5. Vice President. The absence of the President or in the event of his disability, inability or refusal to act, the Vice President shall perform the duties and exercise the powers of the President and shall perform such other duties as the Board of Managers may from time to time prescribe.

Section 6. Secretary. The Secretary may attend all sessions of the Board of Managers and all meetings of the Unit Owners and shall record or cause to be recorded all votes taken and the minutes of all proceedings in a minute book of the Association to be kept for that purpose. He shall perform like duties for any standing committees when requested by the Board of Managers or any such committee to do so. It shall be the principal responsibility of the Secretary to give, or cause to be given, notice of all meetings of the Board of Managers or the Unit Owners, but this shall not lessen the authority of others to give such notice as is authorized elsewhere in these Bylaws. The Secretary shall see that all books, records, lists and information, or duplicates, required to be maintained in Kansas, or elsewhere, are so maintained.

The Secretary shall keep in safe custody the seal of the Association, if such a seal is authorized by the Board of Managers, and shall have authority to affix the seal to any instrument requiring it, and when so affixed, he shall attest the seal by his signature. The Board of Managers may give general authority to any other officer to affix the seal of the Association and to attest the affixing by his signature.

The Secretary shall perform such other duties and have such other authority as may be prescribed elsewhere in these Bylaws or from time to time by the Board of Managers or the chief executive officer of the Association, under whose direct supervision he shall be.

The Board of Managers shall have the right to designate an Assistant Secretary, who need not be a member of the Board of Managers, and in the absence of the Secretary or in the event of his disability, inability or refusal to act, the Assistant Secretary may perform the duties and exercise the powers of the Secretary, and shall perform such other duties as the Board of Managers may from time to time prescribe.

Section 7. Treasurer. The Treasurer shall have the responsibility for the safekeeping of the funds and securities of the Association, shall keep or cause to be kept full and accurate accounts of receipts and disbursements in books belonging to the Association and shall keep or cause to be kept all other books of account and accounting records of the Association. He shall deposit or cause to be deposited all moneys and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Managers or by any officer of the Association to whom such authority has been granted by the Board of Managers. He shall disburse or permit to be disbursed the funds of the Association as may be ordered or

authorized generally by the Board of Managers, and shall render to the chief executive officer of the Association and the Board of Managers whenever they may require it, an account of all his transactions as Treasurer and of those under his jurisdiction and of the financing condition of the Association.

He shall perform such other duties and shall have such other responsibility and authority as may be prescribed elsewhere in these Bylaws or from time to time by the Board of Managers. He shall have the general duties, powers and responsibility of a treasurer of a corporation. If required by the Board of Managers, he shall give the Association a bond in a sum and with one or more sureties satisfactory to the Board of Managers, for the faithful performance of the duties of his office, and for the restoration to the Association, in the case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under this control which belong to the Association.

Section 8. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by any two officers of the Association or by such other person or persons as may be designated by the Board of Managers.

Section 9. Compensation of Officers. No officer shall receive any compensation from the Association for acting as such unless such compensation is approved by a vote of a majority of Unit Owners as described in Section 7 of Article III hereof.

ARTICLE V OPERATION OF THE PROPERTY

Section 1. Common Expenses and Charges. Assessments against the Unit Owners shall be made by the Board of Managers as provided by the Declaration and shall be paid by the Unit Owners to the Association in accordance with the following provisions:

A. Share of Expenses - Common Expenses. Each Unit Owner shall be liable for his respective assessment for common expenses, which shall be based on Unit Interest, regardless of any waiver of the use or enjoyment of any of the common areas and facilities. "Common expenses" includes:

(i) all sums lawfully assessed against the Unit Owners by the Association;

(ii) expenses of administration, maintenance, repair or replacement of the common areas and facilities;

(iii) expenses agreed upon as common expenses by the Association; or

(iv) expenses declared common expenses by the provisions of the Act, the Declaration or these Bylaws.

B. Assessments. The Board of Managers shall have the power to levy assessments for common expenses and to provide adequate reserves for maintenance, repairs and replacement of the common areas and facilities that must be repaired or replaced on a periodic basis, and for other purposes authorized by the Declaration, these Bylaws or as otherwise permitted.

C. Accounts. All sums collected by the Association from assessments may be commingled in a single fund but they shall be credited to bookkeeping accounts from which shall be deducted the expenses for which the respective assessments are made. Such accounts shall be as determined by the Board of Managers but shall include the following:

(i) Common Expense Account - to which shall be credited collections of assessments for all common expenses as well as payments received as income from the rental or use of any of the common areas and facilities;

(ii) Alteration and Improvement Account - to which shall be credited all sums collected for alteration and improvement assessments;

(iii) Reconstruction and Repair Account - to which shall be credited all sums collected for reconstruction and repair assessments;

(iv) Emergency Account - to which shall be credited all sums collected for emergencies;

(v) Reserve Account - to which shall be credited all funds required by the Board of Managers for working capital of the Association, general operating reserves, reserves for replacement and maintenance and funds

required to make up deficits in the expenses for any prior year.

D. Budget and Assessments. The Board of Managers shall adopt a budget for 1985 and each succeeding calendar year on or before the second Monday in December of the year preceding the year for which the budget is made, which budget shall contain estimates of the cost of performing the functions of the Association, taking into consideration overages or shortages from previous years, making provision therefor, and including, but not limited to, common expenses, alterations and improvements, reconstruction and repairs, reserves and emergencies. Simultaneously therewith the Board of Managers shall prepare the proposed assessments against each Unit Owner, based on Unit Interest, for the calendar year. The assessments against each Unit Owner shall be due and payable in consecutive monthly payments in amounts as determined by the Board of Managers on the first day of each month, beginning with January of the year for which the assessments are made. A copy of each annual budget together with the proposed assessments to be made against each Unit Owner shall be delivered to each Unit Owner on or before the first day of the calendar year for which the budget and assessments are prepared. If an annual budget or proposed assessment is not made as required, a monthly payment in the monthly amount required by the last prior assessment shall be due from each Unit Owner on the first day of each month until changed by a new assessment made by the Board of Managers. Within sixty (60) days following each calendar year the Board of Managers shall send to each Unit Owner an annual report of assets and liabilities as of the last day of said calendar year as more particularly stated in Section 1 of Article VIII hereof. Copies of the budget, the assessment roll and the annual report shall be furnished to any mortgagee of the Unit Owners upon request.

E. Other Assessments. Other assessments shall be made by the Board of Managers in accordance with the provisions of the Declaration, the Bylaws and as required by the lawful resolution of the Board of Managers.

F. Assessments for Emergencies. Assessments for common expenses resulting from emergencies which cannot be paid from an appropriate expense account may be made by the Board of Managers from time to time.

G. Assessments for Liens. All liens of any nature, including taxes and special assessments levied by governmental authorities which are a lien upon all Units or upon any portion of the common areas and facilities, shall be paid by the

Association as a common expense and shall be assessed against the Units in accordance with the Unit Interest.

H. Assessments for Purchase or Lease. Assessments shall be made from time to time by the Board of Managers, based on Unit Interest, to defray the cost involved in the acquisition or leasing by the Board of Managers on behalf of the Unit Owners of any Unit purchased, acquired or leased by the Board of Managers pursuant to the provisions of the Declaration, these Bylaws or the Act.

I. Assessment Roll. The assessments against all Unit Owners shall be set forth upon a roll of the Units which shall be available in the office of the Association for inspection at all reasonable times by Unit Owners or their duly authorized representatives. such roll shall indicate for each Unit the name and address of the owner or owners, the assessments and the amounts of all assessments paid and unpaid.

J. Liability for Assessment. The owner of a Unit and his grantee (unless the grantee is the holder of the first mortgage on such Unit, in which case each Unit Owner, by taking title to a Unit, hereby agrees that any first mortgagee who obtains title to a Unit pursuant to the remedies provided in the mortgage or by foreclosure of the mortgage will not be liable for unpaid assessments which accrued prior to the acquisition of title to such Unit by such mortgagee) shall be jointly and severally liable for all unpaid assessments due and payable at the time immediately preceding a conveyance of the Unit. Such liability may not be avoided by a waiver of the use or enjoyment of any common area and facility or by abandonment of the Unit for which the assessments are made.

K. Lien for Assessment. The creation, existence and enforcement of a lien or liens against any Unit Owner for failure to pay any assessment shall be governed by the provisions of the Act and by applicable provisions of the Declaration.

Section 2. Insurance.

A. The Board of Managers shall be required to the extent available to obtain and maintain the following insurance:

(i) fire insurance with extended coverage, vandalism, malicious mischief and windstorm endorsements, insuring the entire Property (including all of the Units, but not including furniture, furnishings or other personal property supplied or installed by Unit Owners), together with

boiler and machinery insurance contained therein and covering the interests of the Board of Managers and all Unit Owners and their mortgagees, as their interests may appear, in an amount equal to at least 100% of replacement value of the Property;

(ii) worker's compensation insurance if and to the extent necessary to meet the requirements of law; and

(iii) such other insurance as the Board of Managers may determine.

B. The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, public liability and property damage insurance in such limits as the Board of Managers may from time to time determine, insuring Owner, each member of the Board of Managers, the manager or management company, and each Unit Owner against any liability to the public or to the Unit Owners (and their invitees, agents and employees) arising out of, or incident to, the ownership and/or use of the common areas and facilities. Said insurance shall be issued on a comprehensive liability basis and shall contain a cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to his action against another named insured. The Board of Managers shall review such limits once a year, but in no event shall such insurance be less than ONE MILLION DOLLARS (\$1,000,000) with respect to any one accident or occurrence and FIFTY THOUSAND DOLLARS (\$50,000) with respect to any claim for property damage. It shall be the responsibility of each Unit Owner to obtain, at his own expense, liability insurance with respect to his ownership and/or use of his Unit, and the Board of Managers shall not be responsible for obtaining such insurance.

C. A duplicate original of the master policy of physical damage insurance, all renewals thereof, and all subpolicies or certificates issued thereunder, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least thirty (30) days prior to expiration of the then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Managers shall obtain an appraisal from an insurance company, or such other source as the Board of Managers may determine, of the full replacement value of the Property, without deduction for depreciation, for the purpose of determining the amount of physical damage insurance to be effected pursuant to this Section 2.

D. The insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to, the Board of Managers, as trustee for each of the Unit Owners in the Unit Interests established in the Declaration. The policy of insurance may contain a loss payable clause containing the words "to the holder or holders of mortgages of record, if any, as their interest may appear" without specifically naming the holder or holders in the clause, in which event the proceeds shall thereupon be payable jointly to the Board of Managers and the respective holder or holders of mortgages of record, as trustees for each party claiming an interest in insurance proceeds attributable to any Unit in accordance with the Unit Interests established in the Declaration. The trustees shall have full power to adjust all insurance losses by suit or otherwise and payment accepted by the trustees hereunder shall constitute a discharge to the insurer. Premiums for the insurance shall be common expenses.

E. Should a Unit contain unusual or special improvements, such as, but not limited to, wood paneling, decorative art work on the walls, or other special improvements to the Unit, the Board of Managers may separately assess such Unit Owner for any additional insurance premium resulting therefrom. Should any unusual or special improvements be made to any Unit which might have an effect on the insurability or amount of insurance required to insure adequately the Property, the Owner of such Unit shall promptly notify the Board of Managers or the manager of the Association. Any Unit Owner will bear the risk of loss for all improvements made to his Unit that were not the subject of notice to the Board of Managers.

Each Unit Owner may obtain, at his own expense, any other insurance for his own benefit provided that all such policies shall contain waivers of subrogation for the benefit of the Association, the Board of Managers, the officers and other Unit Owners, and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. Any Unit Owner who obtains insurance coverage for any part of the Property (excluding personal property belonging to such Unit Owner) shall within thirty (30) days after obtaining such coverage file with the Association a copy of all such policies.

F. Each Unit Owner hereby appoints the Board of Managers as his true and lawful attorney-in-fact to act in connection with all matters concerning the insurance policies herein described, except as to policies carried separately by the respective Unit Owners, including full power and authority to

purchase and maintain such insurance, to collect and remit the premiums therefor, to collect proceeds and to distribute the same to the Association, the Unit Owners and their respective mortgagees (subject to the provisions of these Bylaws, the Declaration and the Act) as their interests may appear, to execute releases of liability and to execute all documents and to do all things on behalf of the Unit Owners and the Association as shall be necessary or convenient to the accomplishment of the foregoing, and any insurer may deal exclusively with the Board of Managers in regard to such matters. The Board of Managers shall not be responsible for procurement or maintenance of any insurance covering the equipment, furnishings or personal property in any Unit.

Section 3. Repair or Reconstruction After Fire or Other Casualty. In the event of loss, damage to or destruction of all or part of the Property and if the proceeds of any policy or policies of insurance insuring against such loss or damage, any payable by reason thereof, shall be substantially sufficient in the opinion of the Board of Managers to pay the cost of repair, replacement or restoration, estimated as hereinafter provided, then, unless all Unit Owners unanimously agree to the contrary (as provided in Section 12 of the Declaration), the Board of Managers shall arrange for the prompt repair and restoration of the damaged property (including any damaged Units, but not including any equipment, furnishings or personal property of the Unit Owners as described in the following paragraph), and the Board of Managers shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any actual cost of such repair, replacement or restoration to the common areas and facilities in excess of the insurance proceeds shall constitute a common expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the common expenses based on Unit Interest.

Each Unit Owner shall be responsible for the reconstruction, repair or replacement of the interior of his Unit, to the extent not covered by the insurance carried by the Board of Managers and specifically with respect to the window shades, draperies, furniture, furnishings and all appliances.

In the event the property damaged or destroyed is not insured against the peril causing the loss or damage, or the insurance proceeds are not sufficient to pay the estimated cost of repair, restoration or reconstruction, and the Unit Owners and all other parties in interest do not voluntarily make provision for reconstruction of that property within one hundred twenty

(120) days after said damage or destruction, then the provisions of Section 13 of the Declaration shall apply.

As soon as possible after the occurrence of a casualty which causes damage to any part of the Property for which the Association has insurance coverage and the provisions of Section 13 of the Declaration re not invoked (hereinafter referred to as the "Casualty"), the Board of Managers shall obtain reliable and detailed cost estimates of the following:

(a) the cost of restoring all damage caused by the Casualty to the common areas and facilities (hereinafter referred to as the "Common Areas and Facilities Cost"); and

(b) the cost of restoring that part of the damage caused by the Casualty to each Unit which is or would be covered by insurance held by the Association without regard to the policy limits of such insurance (hereinafter referred to as the "Unit Costs").

If repair or restoration is to be made pursuant to this section, all insurance proceeds available to the Association with respect to the Casualty shall first be applied to the payment of the actual Common Areas and Facilities Cost and the balance thereof, if any, shall thereafter be applied to the payment of the actual Unit Costs allocated among Units on an equitable basis. However, if such insurance proceeds are not sufficient to cover the actual costs, then an assessment shall be made against the Unit Owners by the Association in the following manner:

(i) all Unit Owners shall be assessed on the basis of their Unit Interest for the payment of the estimated Common Areas and Facilities Costs not otherwise paid for by insurance held by the Association; and

(ii) each Unit Owner of a damaged Unit shall be assessed an amount equal to his actual Unit Costs less the amount, if any, of the remaining insurance proceeds allocated on an equitable basis to such Unit.

Section 4. Payment of Assessments. All Unit Owners shall be obligated to pay the common expenses and assessments established by the Board of Managers pursuant to the provisions of this Article V, herein sometimes referred to as "common

charges", at such time or times as provided herein or as the Board of Managers shall otherwise determine.

A Unit Owner in default in the payment of common charges for a period of thirty (30) days after the same are due shall not be entitled to vote at any meeting of the Unit Owners so long as such default continues, except with respect to any matters requiring the unanimous consent of all Unit Owners. The Board of Managers may discontinue the furnishing of utilities or other services to a Unit Owner in default after giving ten (10) days' written notice to such Owner of its intention to do so.

No Unit Owner shall be liable for the payment of any part of the common charges against his Unit assessed subsequent to a sale, transfer or other conveyance by him of such Unit. In addition, any Unit Owner may, subject to the terms and conditions specified in these Bylaws, provided that his Unit is free and clear of liens and encumbrances other than a bona fide first mortgage and a lien for unpaid common charges, convey his Unit to the Board of Managers, or its designee, corporate or otherwise, on behalf of all other Unit Owners, and in such event be exempt from common charges thereafter assessed.

If any Unit Owner fails or refuses to make any payment of the common charges when due, the amount thereof shall constitute a lien on the interest of such Unit Owner in the Property, including the Unit, prior to all other liens and encumbrances, recorded or unrecorded, except only (i) tax liens on the Unit in favor of any assessing entity or special district and (ii) all sums unpaid on a first mortgage or record.

Section 5. Default in Payment of Common Charges. In the event that any Unit Owner shall fail to pay to the Association within twenty (20) days after the due date the common charges as determined by the Board of Managers, such Unit Owner shall be obligated to pay interest at the maximum permissible rate (or any lesser rate established by the Board of Managers) from the due date thereof, together with all expenses incurred by the Board of Managers in any proceeding brought to collect such unpaid common charges. The Board of Managers shall have the right to restrict or deny the use and enjoyment of any common area and facility to any Unit Owner, his family, guests or assigns, who is delinquent in the payment of any common charges, and/or the Board of Managers shall have the right to bring an action to recover such common charges, together with interest thereon and the expenses of the proceeding, and/or by foreclosure of the lien on such Unit.

Section 6. Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid common charges, the Board of Managers, acting on behalf of all Unit Owners, shall, in accordance with Section 6 of the Declaration, be entitled to judgment against the Unit Owner for a reasonable rental for the Unit and shall have power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same.

Section 7. Statement of Common Charges. Upon written request, the Board of Managers shall provide any Unit Owner a written statement of all unpaid common charges due from such Unit Owner. Such statement shall be furnished within ten (10) days after receipt of said request.

Section 8. Abatement and Enjoyment of Violation by Unit Owners. The violation of any rule or regulation adopted by the Board of Managers, the breach of any bylaw contained herein or the breach of any provision of the Declaration shall give the Board of Managers the right, in addition to any other rights set forth in these Bylaws: (a) to enter the Unit in which, or as to which, such violation or breach exists and to abate summarily and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Managers shall not thereby be deemed guilty in any manner of trespass; and/or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach. In the event any action is brought against a Unit Owner claiming, asserting or enforcing a lien against a Unit, the Unit Owner shall give prompt written notice thereof to the Board of Managers.

Section 9. Maintenance and Repair. All maintenance, repairs and replacements to any Unit (except maintenance of and repairs to any common areas and facilities contained therein and as otherwise provided in the Declaration and in this Article V in the event of fire or casualty) shall be made by the Owner of such Unit. In the event the Board of Managers permits its maintenance employees to perform maintenance work that is the responsibility of the Unit Owner, the Board of Managers shall have the right to establish reasonable rates and charges for such maintenance work and the Unit Owner promptly on demand shall pay for such work and any required materials. Nothing herein shall be deemed to obligate the Board of Managers to provide such maintenance, repair

and replacement, it being recognized that any such arrangement shall be solely a convenience to the Unit Owners.

B. All maintenance, repairs and replacements to the common areas and facilities, whether located inside or outside of the Units, shall be made by the Association and in accordance with the Declaration and shall be charged by the Board of Managers to all Unit Owners based on Unit Interest as a common expense. All payments for such maintenance, repairs and replacements to the common areas and facilities shall be documented by payment vouchers and approved by the Board of Managers or by one of its officers designed to act by said Board in approving payment vouchers.

Section 10. Balconies and Patios. The balconies and patios designated on the Plat and declared to be limited common areas and facilities shall be kept clean and orderly by the Owner of the appurtenant Unit.

Section 11. Restrictions on Use of Units. In order to provide for congenial occupancy of the Property and the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

(a) Each unit shall be used and occupied solely for residential purposes and for the use of a single family. No Unit shall be used for professional or business purposes or as a business or professional office, except occasional business guests shall be permitted. In the event of the death or disability of a Unit Owner and if it is desired by the executor, administrator, guardian or personal representative to dispose of certain household effects and personal property on the premises, such sales and disposition may be permitted by the Board of Managers, in the nature of "estate sales"; however, any such sales shall be upon terms and conditions established solely in the discretion of the Board of Managers.

(b) The common areas and facilities shall be used only for the purposes for which they are reasonably suited and which are incident to the use and occupancy of the Units.

(c) No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to Unit Owners or

which interferes with the peaceful possession or proper use of the Property by the Unit Owners or which increases the insurance risk to the Property.

(d) No immoral, improper, offensive or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction and relating to any portion of the Property, shall be complied with, by and at the sole expense of the respective Unit Owners or the Association, whichever shall have the obligation to maintain or repair such portion of the Property.

(e) No portion of a Unit (other than the entire Unit) may be rented or leased and no transient tenants may be accommodated therein.

Section 12. Additions, Alterations or Improvements by the Board of Managers. Whenever in the judgment of the Board of Managers the common areas and facilities shall require additions, alterations or improvements in any twelve (12) month period costing in the aggregate in excess of \$50,000, the making of such additions, alterations or improvements must be approved by the vote of a majority of Unit Owners, as described in Section 7 of Article III hereof. If such approval is obtained, the Board of Managers shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as common charges. Additions, alterations or improvements in any twelve (12) month period costing in the aggregate \$50,000 or less may be made by the Board of Managers without the approval of the Unit Owners being required and all Unit Owners shall be assessed for the cost thereof as a common charge.

Section 13. Additions, Alterations or Improvements by Unit Owners. No Unit Owner shall make any addition, alteration or modification which may affect the structure of any Unit or common area and facility, without the prior written consent of the Board of Managers, which shall not be unreasonably withheld. Such consent shall be deemed not unreasonably withheld if the Board of Managers, in its absolute discretion, determines that such proposed addition, alteration or modification impairs or may impair the structural soundness of any Unit or common area and facility. The Board of Managers shall have the obligation to answer any written request by a Unit Owner for approval of a

proposed addition, alteration or modification of such Unit Owner's Unit within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Managers to the proposed addition, alteration or modification. Any application to any department of the City of Prairie Village, Kansas, or to any other governmental authority for a permit to make such addition, alteration or modification in or to any Unit shall be executed by the Board of Managers if required, without, however, incurring any cost or liability on the part of the Board of Managers or any of them to such authority or to any contractor, subcontractor or materialman on account of such addition, alteration or modification. The provisions of this Section 13 shall not apply to Units owned by Owner until such Units shall have been sold by Owner to other parties.

Section 14. Use of Common Areas and Facilities

A. A Unit Owner shall not place or cause to be placed in the lobbies, vestibules, public halls, stairways, or other common areas and facilities (other than the areas designed as storage areas) any furniture, packages or objects of any kind. The lobbies, vestibules, public halls and stairways of the common areas and facilities shall be used for no purpose other than for normal transit through them.

B. Unit Owners shall require their tradesmen to utilize exclusively the facilities designated by the Board of Managers for transporting packages, merchandise or any other objects which otherwise might affect the comfort or well-being of Unit Owners, residents and guests.

Section 15. Right of Access. The Association, its manager or any other person authorized by the Board of Managers, shall have the irrevocable right to have access to each Unit during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the common areas and facilities therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the common areas and facilities or another Unit. In addition, access is hereby granted for the purpose of correcting any condition originating in a Unit and/or threatening another Unit or the common areas and facilities, and for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other common areas and facilities, provided that requests for entry are made in advance and any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency situation, such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

Section 16. Rules of Conduct. Reasonable rules and regulations concerning the use of the Units and the common areas and facilities may be made by the Board of Managers from time to time. Copies of such rules and regulations shall be furnished by the Board of Managers to each Unit Owner prior to the time when the same shall become effective. Initial rules and regulations, which shall be effective until superseded or amended by the Board of Managers, are annexed hereto and made a part hereof as Bylaws Exhibit A.

Section 17. Water and Sewer Charges. Water shall be supplied to all of the Units and the common areas and facilities through the meter serving the Property and the Board of Managers shall pay, as a common expense, all charges for water consumed on the Property, including the Units, together with all sewer charges, promptly after the bills for the same have been rendered. In the event of a proposed sale of a Unit by the owner thereof, the Board of Managers, on request of the selling Unit Owner, and provided the Unit Owner is not in default, shall execute and deliver to the purchaser of such Unit or to the purchaser's title insurance company, a letter agreeing to pay, subject to the provisions of these Bylaws, all charges for water and sewer service to the Property from and after the date of closing of title to such Unit. Notwithstanding the preceding provision of this section, with respect to lessees of any Unit under leases existing as of the date of recording of the Declaration, if such lessees are then being assessed separately for electricity, cable television, water, gas, sewerage or any other utility service, then such separate assessment shall continue and the lessee shall be responsible for the payment of such charges incurred during the term of such lease.

Section 18. Electricity and Gas. Each Unit is separately metered for electricity and gas and each Unit Owner shall be personally responsible to pay the applicable public utility company for the electrical charge and gas charge to such Unit. The electrical and gas charges furnished to the common areas and facilities shall be assessed by the Association as common charges against each Unit Owner based on Unit Interest.

ARTICLE VI MORTGAGES

Section 1. Notice to Board of Managers. A Unit Owner who mortgages his Unit shall notify the Board of Managers of the name and address of his mortgagee and the Board of Managers shall maintain such information in a book entitled "Mortgagees of Units."

Section 2. Notice of Unpaid Common Charges and Notices of Loss or Taking. The Board of Managers, whenever so requested in writing by a mortgagee of a Unit, shall promptly, in writing, notify the mortgagee of any default in the performance by the mortgagor or mortgagee of any obligation under any applicable law, the Declaration or these Bylaws, and the amount of unpaid common charges due from the Owner of the mortgaged Unit. If requested by any mortgagee or assignee thereof, the Board of Managers will give notice in writing to such mortgagee of any loss to, or taking of, the common areas and facilities if such loss or taking exceeds \$10,000.00.

Section 3. Notice of Default. The Board of Managers, when giving notice to a Unit Owner of a default in payment of common charges or other default, shall send a copy of such notice to each holder of a mortgage encumbering such Unit whose name and address have been furnished to the Board of Managers.

Section 4. Examination of Books. Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books and records of the Association at reasonable times on business days, but not more often than once a month.

Section 5. Rights of Mortgagees. Notwithstanding any other provision of these Bylaws or the Declaration, no amendment or violation of these Bylaws or the Declaration shall operate to defeat or render invalid the rights of the mortgagee under any mortgage on a Unit made in good faith and for value, provided that after the foreclosure of any such mortgage such Unit shall remain subject to these Bylaws and the Declaration, as amended. Notwithstanding any and all provisions of these Bylaws and the Declaration to the contrary, in order to induce the Federal Home Loan Mortgage Corporation ("FHLMC"), the Government National Mortgage Association ("GNMA") and the Federal National Mortgage Association ("FNMA") to participate in the financing of the sale of Units within the Property, the following provisions are added hereto (and to the extent these added provisions, pertaining to the rights of mortgagees, FHLMC, FNMA and GNMA conflict with any other provisions of these Bylaws and the Declaration, these added restrictions shall control):

(a) Except as provided by statute in case of condemnation or substantial loss to the Units and/or common areas and facilities, unless at least two-thirds (2/3) of the first mortgagees (based upon one vote for each first mortgage owned), or Unit Owners (other than the Owner) have given their prior written approval, the Association shall not be entitled to:

(1) by act or omission seek to abandon or terminate the condominium project;

(2) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the common areas and facilities (the granting of easements for public utilities or for other public purposes consistent with the intended use of the common areas and facilities shall not be deemed a transfer within the meaning of this clause);

(3) use hazard insurance proceeds for losses to any condominium property (whether to Units or to common areas and facilities) for other than the repair, replacement or reconstruction of such condominium property.

(4) In addition to the foregoing, the Board of Managers may enter into such contracts or agreements on behalf of the Association as are required in order to satisfy the guidelines of the FHLMC, the FNMA or the GNMA or any similar entity, so as to allow for the purchase, guaranty or insurance, as the case may be, by such entities of first mortgages encumbering Units. Each Unit Owner as a member of a class of potential mortgage borrowers and potential sellers of a Unit, hereby agrees that it will benefit the Association if such agencies approve the Property as a qualifying subdivision under their respective policies, rules and regulations, as adopted from time to time. Mortgagees are hereby authorized to furnish information to the Board of Managers concerning the status of any mortgage encumbering a Unit.

ARTICLE VII CONDEMNATION

Section 1. Condemnation. In the event of condemnation or the exercise of the power of eminent domain whereby the federal government, the state, a political subdivision, or any other corporation, agency or authority having the power of condemnation or eminent domain seeks to acquire any of the common areas and facilities, the provisions of Section 17 of the Declaration shall govern with respect to the taking of the common areas and

facilities. In the event that all or any part of the Units are taken by condemnation or the exercise of the power of eminent domain, as above described, the Unit Owners shall be free to assert their respective claims against the condemning authority, including any claims for severance damage, and to have the proceeds which are properly allocable to the respective Unit taken or condemned. In any such condemnation proceeding, where Units are taken, the respective Unit Owner of each Unit taken shall have the right to assert against the condemning authority its claim for its loss of its Unit Interest in the common areas and facilities. In the event that a taking involves only part of the common areas and facilities and in the judgment of the Board of Managers the remainder of the Property will not be substantially damaged or rendered unsuitable for continued use, the Board of Managers shall have the right to use the funds applicable to the part of the common areas and facilities so taken for the repair and restoration of the remainder of the Property. No provision of this Article VII shall be deemed to give any Unit Owner or any other party priority over any rights of the first mortgagee of a Unit, pursuant to the terms of the mortgage, in the case of a distribution of condemnation awards for losses to or a taking of the mortgaged Unit and/or common areas and facilities.

ARTICLE VIII RECORDS

Section 1. Records and Audits. The Board of Managers shall keep or cause to be kept detailed records of the actions of the Board of Managers, minutes of the meetings of the Unit Owners and financial records and books of account of the Association, including a chronological listing of receipts and expenditures and a separate bookkeeping account for each Unit which, among other matters, shall contain the amount of each assessment of common charges against each Unit, the date when due, the amounts paid thereon and the balance remaining unpaid. A written report summarizing all receipts and expenditures of the Association shall be given by the Board of Managers to all Unit Owners at least semi-annually. In addition, an annual report of the assets and liabilities, including receipts and expenditures of the Association, certified by an independent certified public accountant, shall be delivered by the Board of Managers to all Unit Owners and to all mortgagees of Units who have requested the same, within sixty (60) days after the end of each calendar year.

Section 2. Statement of Account. Upon ten (10) days' notice to the Board of Managers or manager and payment of a reasonable fee, any Unit Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Unit Owner.

ARTICLE IX
DEFAULT

Section 1. Failure of the part of a Unit Owner to comply with any of the terms of the Declaration, these Bylaws or the rules and regulations of the Association shall constitute an event of default and shall be grounds for relief which may include, without limitation, an action by the Association to recover damages and for injunctive relief, any combination thereof or any other appropriate relief.

Section 2. In any proceeding arising because of an alleged default by any Unit Owner, the Association, if successful shall be entitled to recover the costs of the proceeding from such Unit Owner.

Section 3. The failure of the Association or of any Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Declaration, these Bylaws or the rules and regulations of the Association shall not constitute a waiver of the right of the Association or of any such Unit Owner to enforce such right, provision, covenant or condition in the future.

Section 4. All rights, remedies and privileges granted to the Association or any Unit Owner pursuant to any terms, provisions, covenants or conditions of the Declaration, these Bylaws or the rules and regulations of the Association shall be deemed to be cumulative and the exercise of any one or more of them shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising the other additional rights, remedies or privileges as may be available to such party at law or in equity.

ARTICLE X
STORAGE LOCKERS, LAUNDRY ROOMS, PARKING SPACES

Section 1. Storage Lockers. Some of the buildings have storage lockers in the basements and a storage locker shall be assigned by the Board of Managers to each Unit within such building. It is recognized that these lockers may presently be assigned to various occupants of the Units and in the event such occupant purchases the Unit presently occupied by such occupant, the storage locker shall continue to be for the use of such occupant. Any occupant presently leasing a Unit shall likewise have the right to the continued use of the present storage locker used by such occupant so long as such occupant's lease of the Unit continues. Upon termination of such lease, the storage locker may be reassigned by the Board of Managers to a Unit Owner or

tenant. Should a Unit Owner desire to be assigned a different storage locker, any such relocation and assignment shall be solely within the judgment of the Board of Managers. Each party using a storage locker shall be responsible to keep it in a clean and orderly condition.

Section 2. Laundry Rooms. The general laundry rooms may contain coin-operated washers and dryers or similar equipment, and shall be under the control of the Board of Managers.

Section 3. Parking Spaces. The Board of Managers shall manage and control all parking facilities except garages and the rentals, if any, charged for the parking shall be paid to and collected by the Board of Managers and shall be the property of the Association.

Section 4. Storage and Parking at Own Risk. Each person utilizing a storage locker, laundry room or parking space shall do so at his own risk and shall assume all responsibility for loss or damage, and the like, with respect to all of his properties in or located in the storage lockers, laundry room or parking space, and each person utilizing such facilities shall do so upon the understanding and agreement, and by acceptance of the use of such facilities shall be deemed to have consented and agreed, that neither the Board of Managers, the officers, the Association nor any other Unit Owner in their capacity as such, shall be responsible for or liable to such person for loss or damage to his property by fire, casualty, water damage, leakage, explosion, burglary, theft or from any other cause. This shall not preclude the liability of any person in his individual capacity in the event his intentional, willful, wanton or negligent conduct damages another person.

Section 5. Outdoor Drives. The driveways on the Property affording ingress and egress to the buildings and the parking spaces shall be utilized subject to the Rules and Regulations of the Board of Managers from time to time; however, each Unit Owner shall be deemed to consent and agree that any parking on such driveways shall be solely for the use of the Unit Owners and their guests and that any employees, agents or servants shall park their automobiles off the Property or in areas, if any, designed for such purpose by the Board of Managers.

ARTICLE XI MISCELLANEOUS

Section 1. Notices. All notices to the Association or to the Board of Managers hereunder, except as otherwise provided herein, shall be in writing and sent by registered or certified

mail to the Board of Managers at its properly designated office. Notices to any Unit Owner, except as otherwise provided herein, shall be deemed given when deposited in the mail box assigned to the Unit Owner on the Property, or may be sent by regular or certified U.S. mail to the address of such Owner's Unit or to such other address requested by the Unit Owner by prior notice to the Association. All notices to mortgagees of Units shall be sent by regular or certified U.S. mail to their respective addresses, as designed by them from time to time, in writing, to the Association. All notices sent by regular or certified U.S. mail shall be deemed to have been given when deposited in the U.S. mail in the manner aforementioned.

Section 2. Invalidity. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the other parts of these Bylaws.

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provision hereof.

Section 4. Gender. The use of the masculine gender in these Bylaws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 5. Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

ARTICLE XII AMENDMENTS TO BYLAWS

Section 1. Amendments to Bylaws. These Bylaws may be modified or amended only by an affirmative vote of at least 80% in Unit Interest of all the Unit Owners, at a meeting of Unit Owners called for such purpose.

ARTICLE XIII CONFLICTS

Section 1. Conflicts. These Bylaws are set forth to comply with and supplement the requirements and provisions of the Act and the Declaration. In case any part of these Bylaws is contrary to or in conflict with the provisions of the Act and the

Declaration, the applicable provisions of the Act and the Declaration shall control.

IN WITNESS WHEREOF, Owner has caused these Bylaws to be executed this _____ day of _____, 1984.

BYLAWS EXHIBIT A

RULES AND REGULATIONS

1. Nothing shall be done or kept in any Unit or in the common areas and facilities which will increase the insurance rates on the Property or the contents thereof, without the consent of the Board of Managers. No Unit Owner shall permit anything to be done or kept in his Unit or in the common areas and facilities which will result in the cancellation of insurance on the Property, or the contents thereof, or which would be in violation of any law. No waste shall be committed in the common areas and facilities.
2. No use or activity shall be permitted or maintained in any Unit which would be inconsistent with or detract from the high standard and character of the Property.
3. No household pets shall be kept in the Units except with the written approval of the Board of Managers, which approval may be revoked if the pet is a nuisance to other Unit Owners. No pets, if allowed, shall be permitted to run loose in the common areas and facilities. A deposit may be required of Unit Owners to cover any damage to common areas and facilities caused by household pets. All pets shall be kept upon leash while in the common areas and facilities.
4. Unit Owners will deposit one key to their Unit with the person designated by the Board of Managers to provide for any permitted entry in the absence of Owner.
5. Unit Owners shall not cause or permit anything to be placed on the outside walls of the buildings, and no signs, awnings, canopies, shutters or the like shall be affixed to or placed upon the exterior walls or windows without prior written consent of the Board of Managers.
6. No baby carriages, velocipedes or bicycles shall be allowed to stand in the halls, passageways or other common areas and facilities of the buildings, except within a Unit Owner's storage area.
7. Children shall not play in the hallways or stairways. Children under twelve (12) years of age shall not be allowed in or upon the common areas and facilities unless accompanied by an adult.

8. No Unit Owner shall alter any lock or install a new lock on any door of a Unit without the written consent of the Board of Managers. In case such consent is given, the Unit Owner shall provide the Board with an additional key for its use pursuant to its right of access to the Unit.
9. No Unit Owner shall allow anything whatever to fall from the windows, doors or porches of the Unit, nor shall any dirt or other substance be swept or thrown from any Unit into any of the corridors, halls, ventilators, or other common areas or facilities.
10. No Unit Owner shall make or permit any disturbing noises in the Unit or common areas or facilities nor do or permit anything to be done that will interfere with the rights, comfort or convenience of other Unit Owners.

BYLAWS EXHIBIT A

RULES AND REGULATIONS

1. Nothing shall be done or kept in any Unit or in the common areas and facilities which will increase the insurance rates on the Property or the contents thereof, without the consent of the Board of Managers. No Unit Owner shall permit anything to be done or kept in his Unit or in the common areas and facilities which will result in the cancellation of insurance on the Property, or the contents thereof, or which would be in violation of any law. No waste shall be committed in the common areas and facilities.
2. No use or activity shall be permitted or maintained in any Unit which would be inconsistent with or detract from the high standard and character of the Property.
3. No household pets shall be kept in the Units except with the written approval of the Board of Managers, which approval may be revoked if the pet is a nuisance to other Unit Owners. No pets, if allowed, shall be permitted to run loose in the common areas and facilities. A deposit may be required of Unit Owners to cover any damage to common areas and facilities caused by household pets. All pets shall be kept upon leash while in the common areas and facilities.
4. Unit Owners will deposit one key to their Unit with the person designated by the Board of Managers to provide for any permitted entry in the absence of Owner.
5. Unit Owners shall not cause or permit anything to be placed on the outside walls of the buildings, and no signs, awnings, canopies, shutters or the like shall be affixed to or placed upon the exterior walls or windows without prior written consent of the Board of Managers.
6. No baby carriages, velocipedes or bicycles shall be allowed to stand in the halls, passageways or other common areas and facilities of the buildings, except within a Unit Owner's storage area.
7. Children shall not play in the hallways or stairways. Children under twelve (12) years of age shall not be allowed in or upon the common areas and facilities unless accompanied by an adult.