

ARTICLE I – APPLICATION

- 1.1 The management, administration and regulation of the Cold Spring Properties Townhouse Association (the “Association”) shall be governed by these Bylaws. All present and future owners (the “Owners”) of any interest in “Resort Ownership Intervals,” as such are defined in Part III of the Comprehensive Declaration of Covenants, Restrictions, Reservations and Easements for Cold Spring Properties, Inc., Ashland, New Hampshire (the “Comprehensive Declaration”), and Developer, and all tenants, guests, occupants and other persons who in any way use the facilities and common areas subjected to Part III of the Comprehensive Declaration (“Others”) shall do so in accordance with and subject to these Bylaws.
- 1.2 These Bylaws shall automatically apply to any property which may be added to the property subjected to Part III of the Comprehensive Declaration upon the recording in the Grafton County Registry of Deeds of an instrument submitting such additional property to the Comprehensive Declaration.
- 1.3 The acceptance by any person of any deed, or the execution of any lease or any other document relating to any land, buildings or facilities subjected to Part III of the Comprehensive Declaration, shall constitute acceptance of the Bylaws and the Comprehensive Declaration, which shall immediately become binding upon said person, and his or her heirs, executors, administrators, successors and assigns.

ARTICLE II – PURPOSE

- 2.1 It is the purpose of the Association to provide care and maintenance for the common land, buildings, roads and streets, parks and other facilities, to establish rules and regulations concerning their use and to provide enforcement on a uniform basis to protect and enhance the value, appearance and desirability of the community; further, to raise money by assessments of the Owners, to borrow money and to do all other acts necessary or proper to accomplish the purposes of the Association as set forth in Part III of the Comprehensive Declaration; to collect assessments, file liens and institute legal proceedings for said collections; to enforce such rules, regulations, covenants, easements and restrictions, and any other conditions, and, in general, to do such things as are suitable or necessary to promote the efficient administration, management and regulation of the Association.

ARTICLE III – BOARD OF DIRECTORS

- 3.1 All corporate powers shall be exercised by or under the authority of the Board of Directors. The business and affairs of the Association shall be managed under the direction of its Board of Directors.
- 3.2 Election At each Annual Meeting, the Owners shall elect certain members of the Board of Directors for the forthcoming year. At least sixty (60) days prior to each Annual Meeting, the President shall appoint a Nominating Committee of at least three (3) owners, not more than one (1) of whom may presently be serving as a Director. Such Nominating Committee shall recommend to the Owners, prior to the Annual Meeting, nominees for each position on the Board of Directors to be filled at that particular meeting. Any Owners in good standing may, not less than ninety (90) days prior to the Annual Meeting, offer his/her name to the Nominating Committee for consideration. Each applicant must include a short biographical outline and his/her qualifications and reasons for seeking a position on the Board. After considering the candidates, the Nominating Committee will advise each applicant in writing of its selection at least forty-five (45) days prior to the Annual Meeting. At that time, any unsuccessful candidate may request in writing that his/her name, biographical outline, qualifications, past volunteer and/or Committee service, and reasons for seeking a position on the Board be included with the mailing of the notice of Annual Meeting, along with the slate of candidates being recommended by the Nominating Committee. Nominations will not be received from the floor at the Annual Meeting unless so voted by affirmative vote of two-thirds (2/3) of the Owners in good standing and entitled to vote and voting in person at the meeting.

3.3 Term The members of the Board of Directors shall serve until their respective successors are elected, or until their death, resignation or removal. Each member shall serve for a three-year term on a rotational basis provided that if any member ceases to be an Owner in good standing, his/her membership on the Board of Directors shall thereupon terminate.

3.4 Resignation and Removal Any member of the Board of Directors may resign at any time by giving written notice to the President. Any Director may be removed from the Board of Directors by an affirmative vote of a majority of the Owners in good standing and entitled to vote and voting either in person or by proxy at any annual or special meeting at which such removal is considered.

A petition for the removal of a member of the Board of Directors shall be placed on the agenda for the next annual or special meeting of the Association provided that it is received at least ninety (90) days prior to said meeting, is signed by at least fifty (50) owners in good standing, and includes a list of complaints or reasons for removal of the Director. This information, as well as the response, if any, of the Director to the charges will be published as an agenda item and must be included with the notice of the next annual or special meeting of the Association.

Whenever a vacancy shall occur on the Board of Directors due to death, resignation, removal or any other cause, the remaining Directors shall elect a successor to serve until the next Annual Meeting of the Association, at which time said vacancy shall be filled for the unexpired term.

3.5 Power and Authority of the Board of Directors The Board of Directors, through its authorized General Manager, for the benefit of the Owners, shall enforce the provisions of Part III of the Comprehensive Declaration, and shall have all powers as set forth in that Declaration, the Articles of Association, these Bylaws and any Standing Rules and Regulations, and shall acquire and shall have exclusive authority to contract and pay for the following from the operating fund.

- a. Water, trash collection, snow removal, electricity, fuel, telephone, cable TV, and other necessary services for the Common Property and the units.
- b. A policy or policies of fire insurance with an extended coverage endorsement, for the full insurable replacement value of the Units and Common Property, or such other fire and casualty insurance as the Board of Directors shall determine gives substantially equal or greater protection to the Owners and their mortgagees as their respective interests may appear.
- c. A policy or policies insuring the Owners, the Board of Directors, the General Manager or any employee of the Board of Directors against any liability to the public or to the Owners or Others, incident to the ownership and/or use of the Owner and including the personal liability exposure of the Owners, incident to the ownership and/or use of any of the Property subject to Part III of the Comprehensive Declaration. The Board of Directors shall obtain limits of liability under such insurance of not less than One Million Dollars (\$1,000,000) for any one occurrence for property damage. Such limits and coverage shall be reviewed at least annually by the Board of Directors and increased at its discretion. Said policy or policies shall be issued on a comprehensive liability basis and shall provide cross liability endorsements whereby the rights of persons named as insureds under the policy or policies shall not be prejudiced with respect to their actions against other named insureds. Said liability policy may be separate from or combined with any fire insurance policy required in paragraph 3.5.b above and/or any policy required in paragraph 3.5.d below.
- d. Workers' compensation and employer's liability insurance to the extent necessary to comply with an applicable laws.
- e. The services of a person or firm to manage its affairs (the General Manager) to the extent deemed advisable by the Board of Directors as well as such other personnel as the Board of

Directors shall determine necessary for the operation of the Common Property.

- f. Legal and accounting services necessary or proper to the operation of the Association and its enforcement of the Comprehensive Declaration, the Articles of Association, the Bylaws and any Standing Rules and Regulations.
- g. Painting, maintenance, repair and landscaping of the Common Property and such furnishings and equipment for the Units, Common Property, Limited Common Property, and Townhouse Clusters as the Board of Directors shall determine are necessary and proper. The Board of Directors shall have the exclusive right and duty to acquire same.
- h. Any other materials, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Board of Directors is required to secure or pay for pursuant to the terms of Part III of the Comprehensive Declaration or these Bylaws, or which in its opinion shall be necessary or proper for the operation of the Units, Common Property, Limited Common Property, and Townhouse Clusters, or for the enforcement of Part III of the Comprehensive Declaration.
- i. If excessive housekeeping services, maintenance or repair of any Unit, Common Property, Limited Common Property and Townhouse Clusters are necessary due to damage by or negligence of any Owner in the judgment of the Board of Directors, to protect or preserve the appearance and/or value of the property subjected to Part III of the Comprehensive Declaration, such repair or maintenance will be immediately authorized by the Board of Directors and a special assessment shall be levied against any responsible Owner(s) to reimburse the Association for the cost of said maintenance or repair.

3.6 Meetings of the Board of Directors Three (3) members of the Board of Directors shall constitute a quorum and, if a quorum is present, the decision of the majority of those present shall be the act of the Board of Directors, except for the election of officers which shall require that a vote of the full Board of Directors be conducted in person. The Board of Directors shall annually elect all of the officers of the Association as set forth in Article VI of these Bylaws, and such officers must be elected from among the members of the Board of Directors. The election of officers shall be held at a meeting of the Board of Directors to be convened immediately following the Annual Meeting of the Association, or as soon as all Directors can be assembled for this purpose. Other meetings of the Board of Directors may be called, held and conducted in accordance with such regulations as the Board of Directors may adopt. The Board of Directors may also act at any time without formally calling a meeting of its members. Any such meeting may be attended in person or by telephone or other similar electronic means. If by telephone, all Directors must be contacted and given an opportunity to vote, and any resulting actions taken will not become effective until consent of a majority of the Directors has been received by the President.

ARTICLE IV – MEETINGS

4.1 Quorum The presence at any meeting of the Association of any number of Owners in good standing, in response to notice sent to all Owners of record in accordance with the procedures set forth below, shall constitute a quorum. Unless otherwise expressly prohibited in Part III of the Comprehensive Declaration or these Bylaws, any action may be taken at any meeting of the Association at which such a quorum is present upon the affirmative majority vote of the Owners in good standing and entitled to vote and voting either in person or by proxy. Each Owner of record shall have one vote for each “Resort Ownership Interval” owned. In the event there is more than one Owner of record of an interval, there shall be only one (1) vote cast per interval. In order to cast a vote, all of the Owners of record of an interval must assent in writing to the proposed vote. Unless all owners of an interval are able to agree, no vote shall be counted for that interval.

An Owner in good standing shall be entitled to vote either in person or by proxy, on each item of business to come before the meeting, including the election of the Board of Directors. Selective voting on issues and directorship vacancies will be permitted, and ballots and proxies will not be invalidated in the event that each item of business or each directorship vacancy on a ballot has not been voted. Cumulative voting, which allows the voter to divide his/her total number of votes among candidates in any way he/she chooses, will not be permitted.

Ballot Committee A Ballot Committee will be appointed by the President and will consist of at least three (3) Owners in good standing who are neither candidates for, nor presently serving on, the Board of Directors. The Ballot Committee will be responsible for the distribution, collection, validation and tabulation of all ballots and proxy ballots. The Board of Directors will vote validated proxies at the annual or special meeting on behalf of Owners in good standing and entitled to vote. Proxies will be voted on each item of business included with the mailing of the notice of annual or special meeting and on each item of business introduced at the meeting.

Any Owner shall be deemed to be in good standing and entitled to vote either in person or by proxy at any annual or special meeting if all assessments made or levied and due against the Owner by the Board of Directors, together with all interest, costs, attorney's fees, penalties and other expenses, if any, properly chargeable to the Owner, shall have been fully paid at least three (3) days prior to said meeting.

- 4.2 **Annual Meeting** There shall be a meeting of the Association following the start of each new fiscal year, but no later than the third Saturday in November, upon the Common Property or at such other reasonable place as may be designated by the Board of Directors. Written notice shall be sent by first class mail to all Owners not less than fifteen (15) days prior to the date fixed for said meeting.

The Notice of the Annual Meeting shall include:

- a. the date, time, location and the agenda of the meeting, including all pertinent committee reports;
- b. a statement of common expenses itemizing receipts and disbursements for the preceding fiscal year, and the estimated common expenses for the current fiscal year with the allocation thereof to each Owner;
- c. a list of nominees submitted by the Nominating Committee for any vacancy on the Board of Directors, including a short biographical outline of each, a listing of all volunteer and/or Committee service for the Association, as well as the candidate's qualifications and reasons for seeking a position on the Board;
- d. a list of any unsuccessful candidates who have submitted their names to the Nominating Committee, in accordance with Article III of these Bylaws, and who wish to have their names and qualifications included on the ballot;
- e. the text and an explanation of any proposed Bylaw changes; and,
- f. details of any proposed projects requiring the expenditure of capital (non-operating) funds, including an estimated cost per Interval for such project.

- 4.3 **Assessment** Unless changed by vote of the Association at such Annual Meeting or at some subsequent meeting of the Association, the assessment (operating fee) presented by the Board of Directors and determined pursuant to Article VII of these Bylaws shall be the assessment (operating fee) for the fiscal year, subject to the provisions for additional assessment by the Board of Directors pursuant to Article VII of these Bylaws. The fiscal year is hereby designated to be July 1 to June 30. A statement of such assessment (operating fee) shall be mailed to the Owners of record with the next mailing of the Association's regular billing statement.

- 4.4 **Special Meetings** Special meetings of the Association may be called at any time for the purpose of considering matters which, by the terms of Part III of the Comprehensive Declaration, require approval of all or some of the Owners, or for any other reasonable purpose. Said meetings shall be called by written notice sent by first class mail to all Owners of record not less than fifteen (15) days prior to the date fixed for said meeting and signed by a majority of the Board of Directors or by fifty (50) or more individual Owners. Said notices shall specify the date, time and place of the meeting and the matter(s) to be considered thereat.

ARTICLE V – COMMITTEES

- 5.1 To assist the Board of Directors in carrying out its duties, committees will be established and will conduct their affairs in accordance with the following:

- a. The President will appoint all committees which will consist of at least three (3) members, with the exception of the Finance Committee as indicated below, who are owners in good standing and include an *ex-officio* member, who will be the President of the Board of Directors or a designee member of the Board appointed by the President.

The **Finance Committee** shall consist of at least four (4) members including the Treasurer of the Association and the General Manager, with the Treasurer acting as chairperson.

- b. Committee chairpersons will be approved by and serve at the pleasure of the President of the Board of Directors, be responsible to the President and the Board of Directors for regular committee reports and will attend monthly Board meetings when requested by the President.
- c. Committees meeting at the Resort will be provided accommodations when available, upon prior approval of the President.
- d. Committee funding will be achieved as part of the normal budgeting process, and committee chairpersons will submit budget requests to the President no later than March 31 for inclusion as a line item in the following fiscal year budget to be presented to the Owners at the next Annual Meeting.
- e. Committee meetings shall be at the call of the chairperson, unless specifically requested by the President or otherwise required by these Bylaws.
- f. It is recognized that committee members are volunteers. Therefore, the Association will hold committee members harmless from any legal action that might be brought against them, the Association, Officers of the Association, the Board of Directors of the Association, the General Manager or any employee or outside contractor working for the Association.
- g. Committee members shall continue to serve, provided they are Owners in good standing, until such time as their duties have been completed and the committee is discharged by the President.
- h. Committee chairpersons will prepare reports of their activities for inclusion in the Association Newsletter, or, if applicable, as part of the mailing of the notice of the Annual Meeting.

5.2 Nominating Committee

- a. **Purpose** – to present a slate of candidates seeking membership on the Board of Directors to be elected by the Owners at the Annual Meeting.
- b. **Duties**(see also Art. III.2)

1. Include with the mailing of the notice of Annual Meeting the names of those Directors whose terms will be expiring.
2. Review all candidates' eligibility by verifying that they are owners in good standing.
3. Publish a slate of eligible candidates with the notice of the Annual Meeting, including their names, qualifications, a brief biography, a listing of all volunteer and/or Committee service for the Association, a short summary of their reasons for seeking a position on the Board of Directors, and any plans, changes or improvements that they would propose for the Association.

5.3 Ballot Committee

- a. Purpose – to distribute, collect, validate, tabulate and secure all ballots and proxy ballots.
- b. Duties
 1. Ensure the security and integrity of all proxy ballots received for the Annual Meeting or for any special meeting.
 2. Ensure that proxy ballots are properly prepared in accordance with these Bylaws and distributed to all Owners with the mailing of the notice of the annual or any special meeting. Proxy ballots must include the names of all nominees for the Board of Directors, as well as applicants' biographical information, a listing of all volunteer and/or Committee service for the Association, and qualifications and reasons for running for the Board of Directors.
 3. Include on the ballot details of each item of business that will be voted on at the Annual Meeting and a provision for execution of the proxy authorizing the Board of Directors to vote the ballot in the absence of the Owner. These proxy ballots will be distributed to all Owners of record, with the mailing of the notice of the annual or special meeting.
 4. Receive, validate, tabulate and secure the results of proxy ballots and report the results to Owners and Directors for the purpose of voting same on behalf of absentee Owners at the annual or special meeting.
 5. Supervise all balloting, tallying and reporting of votes, and oversee all other aspects of the balloting process taking place at any annual or special meeting, including verifications that all persons who have executed proxies or have cast a vote, have done so with full authority.

5.4 Bylaws Committee

- a. Purpose – to meet at the call of the chairperson or at the request of the President to review proposed amendments to the Bylaws, and to conduct a full review of the Bylaws at least every five (5) years to update and revise them as needed.
- b. Duties
 1. Solicit and review suggestions from Association Owners and from the Board of Directors regarding proposed amendments to the Bylaws.
 2. Consider proposed amendments to the Bylaws and make recommendations to the President and the Board of Directors which are consistent with the best interests of the Association.

5.5 Social-Recreational Committee

- a. Purpose – to foster recreational, social and leisure activities for the Resort.

b. Duties

1. Suggest to the President and the Board of Directors any recreational, social and leisure activities that would serve the greatest number and be of the greatest benefit to the Owners, their families and guests, and visitors to the Resort.
2. Monitor the social, recreational and leisure on-site activity programs on a continual basis for their effectiveness and possible further improvement.

5.6 Finance Committee

- a. **Purpose** – to oversee the various contractual, accounting and fiscal activities of the Association in order to ensure its financial stability.
- b. **Duties**- review the Association’s fiscal activities and policies and make recommendations to the President and the Board of Directors that would ensure the financial stability of the Association.

5.7 Internal Audit Committee

- a. **Purpose** – to review the books, records, accounts, management procedures and reporting methods of the Association on an annual basis.
- b. **Duties**
 1. Review, within ninety (90) days after the close of each Association fiscal year, the books, records, accounts and management procedures and reporting methods related to Association assets for the fiscal year just ended.
 2. Investigate and propose to the Board of Directors alternatives which would improve accounting methods, management procedures or reporting processes.
 3. Report its findings to the President and the Board of Directors.

5.8 Property Oversight Committee

- a. **Purpose** – to make recommendations to the President and the Board of Directors regarding improvements to the land, buildings and grounds at the Resort belonging to the Association and the Owners.
- b. **Duties**
 1. Conduct periodic, regularly-scheduled inspections of the land, buildings and grounds at the Resort belonging to the Association and the Owners in order to identify those areas needing maintenance, repair or improvement.
 2. Prepare a list of recommendations for the Board of Directors, including estimated costs, where appropriate.
 3. Recommend to the President and the Board of Directors changes to the **STANDING RULES AND REGULATIONS** that would assist in maintaining or improving the condition of the land, buildings and grounds at the Resort belonging to the Association and the Owners.

ARTICLE VI – OFFICERS OF THE ASSOCIATION

- 6.1 The officers of the Association shall be a President, a First Vice President, a Second Vice President, a Secretary and a Treasurer. All officers shall be Owners in good standing of Units at the Resort. Officers shall be annually elected by, and may be removed or replaced by, the Board of Directors. The Board of Directors may, at its discretion, require that officers be subjected to fidelity bond coverage in favor of the Association.
- 6.2 **President** The President shall preside at all meetings of the Association and of the Board of Directors and may exercise the powers ordinarily allocable to the presiding officer of an association, including the appointment of committee chairpersons. The President, or a designee Director, shall serve as *ex-officio* member of each Association committee.
- 6.3 **First Vice-President** The First Vice-President shall perform the functions of the President during the absence or disability of the President.
- 6.4 **Second Vice-President** The Second Vice-President shall perform the functions of the President during the absence or disability of the President and the First Vice-President.
- 6.5 **Secretary** The Secretary shall keep the minutes of all meetings of the Association, and the Board of Directors shall keep such books and records of the Association as may be necessary and appropriate for the Association and its Board of Directors. Such records shall be kept on file at the offices of the Association and made available to Owners in good standing upon written request to the Board of Directors. The Secretary will ensure that reports of all annual or special meetings of the Association are mailed to the Owners, along with the next mailing of the Association's regular billing statement.
- 6.6 **Treasurer** The Treasurer shall be responsible for the fiscal affairs of the Association but may delegate the daily handling of income and expense payments to the General Manager of the Association. The Treasurer shall serve as chairperson of the Finance Committee.

ARTICLE VII – COMMON EXPENSES

- 7.1 **Assessments** The Board of Directors shall estimate the net charges to be paid by Owners during the next fiscal year (operating fee), including a reasonable provision for working capital, contingencies and replacements, less any expected income and surplus from the prior year's operation. Such estimate shall be assessed to all the interval Owners pursuant to the provisions of Part III of the Comprehensive Declaration, with the exception of intervals owned by the Association.

If the sum estimated proves inadequate for any reason, including non-payment of any Owners' assessments, the Board of Directors may, at any time, levy a further assessment which shall be assessed to the Owners in like proportions, unless otherwise provided herein. Each owner shall be obligated to pay assessments made pursuant to this paragraph to the Association in installments determined by the Board of Directors during such year, or in such other reasonable manner as the Board of Directors shall designate.

Any Owner who is in default in payment of assessments when due shall forfeit the right to occupy the affected Unit or use the Common Property or any of the Resort facilities and will also forfeit, for so long as such default shall continue, all other rights of ownership including the right to collect rents accruing to such interval. All such rents shall be paid to the Association in partial satisfaction of the defaulted obligations.

- 7.2 The omission by the Board of Directors before the expiration of any fiscal year to fix the assessment hereunder for that or the next fiscal year shall not be deemed a waiver or modification in any respect of the provisions of Part III of the Comprehensive Declaration, or a release of the Owners from the obligation to pay the assessments or any installments thereof for that or any subsequent fiscal year.

The amount of the assessment fixed for the preceding fiscal year shall be charged again as the amount for the current year, until the new assessment is fixed.

Amendments to this paragraph shall be effective only upon consent of two-thirds (2/3) of the Owners in good standing. No Owner may exempt him/herself from liability for his/her contribution towards the common expenses by waiver of the use or enjoyment of the Common Property or by abandonment of his/her Resort Ownership Interval or Unit or by any other means.

- 7.3 The General Manager shall keep detailed, accurate records of the receipts and expenditures affecting the Common Property specifying and itemizing the maintenance and repair expenses of the Common Property, expenses of the General Manager and the Board of Directors, and any other expenses incurred. Records and vouchers authorizing the payments involved shall be available for examination at the Association office by any Owner at a time convenient to the General Manager and the Owner.
- 7.4 **Default in Payment of Assessments** Each annual and special assessment shall be separate and each shall constitute a distinct and personal debt and obligation of the Owner against whom the same are assessed and shall be collectible as such at the time the assessment is made. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same. The amount of any assessment, whether regular or special, assessed to the Owner plus interest at any rate specified in Part III of the Comprehensive Declaration and/or permitted by law, and costs, including reasonable attorney's fees, shall constitute a lien upon such Owner's interest.

Upon recordation of a notice for lien for assessments by the Board of Directors, the said lien for non-payment of common expenses shall have priority over all other liens and encumbrances, recorded or unrecorded, except only: tax and special assessment liens on the Lot in favor of any assessing body and special district, and all sums unpaid on a first mortgage of record on the Resort Ownership Interval or Unit.

Such lien for non-payment of assessments may be enforced by the Board of Directors or any person authorized by the Board of Directors, by Foreclosure Sale pursuant to N.H. R.S.A. 479:25, or in such other fashion as such other law may permit.

In any such Foreclosure Sale or other enforcement action, the Owner shall pay, in addition to the fees and assessments due and owed, the cost and expenses of the sale and all reasonable attorney's fees. If the Association forecloses on more than one Owner at one time, it may allocate the fees and costs so incurred among the several defaulted Owners in a manner that seems appropriate to it at that time.

- 7.5 A certificate executed and acknowledged by a majority of the Board of Directors stating the indebtedness secured by the lien upon any Owner created hereunder shall be conclusive upon the Board of Directors and the Owner as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any Owner or encumbrancer or prospective encumbrancer of an Owner at a reasonable fee. Unless the request for a certificate of indebtedness shall be complied with within thirty (30) days of its receipt by the General Manager, all unpaid common expenses which become due prior to the making of such request shall be subordinate to the lien held by the person making the request or, in the case of a purchaser, such purchaser shall take title free and clear of such lien. An encumbrancer holding a lien on an Owner's interest may pay any unpaid common expenses payable with respect to such Owner, and, upon such payment, such encumbrancer shall have a lien on such Owner's interest for the amounts paid of the same rank as the lien of his encumbrance.
- 7.6 Upon payment of a delinquent assessment concerning which such a certificate has been issued or concerning which a notice of lien for assessments has been recorded, or other satisfaction thereof, the Board of Directors shall cause to be issued or recorded, in the same manner as the certificate of lien, a release of the lien thereon.

ARTICLE VIII – AUDIT

- 8.1 Any owner may at any reasonable time and at his/her own expense cause an audit or inspection to be made of the books and records of the Association at the office of the General Manager. The Board of Directors, at its discretion, and as a common expense, may obtain an audit of all books and records pertaining to the Association and furnish copies thereof to the Owners.

ARTICLE IX – AMENDMENT

- 9.1 The Bylaws will be reviewed at least every five (5) years by a committee appointed by the President. The Bylaws may be reviewed at any time upon an affirmative vote of a majority of the Owners in good standing and entitled to vote and voting, either in person or by proxy, at any annual or special meeting, and this vote shall activate the Bylaws Committee.
- 9.2 Any Owner in good standing may request a change to these Bylaws by submitting in writing to the Bylaws Committee the suggested amendment and reasons for same. The Bylaws Committee will review and evaluate the request and make its recommendation to the President and the Board of Directors for further action.
- 9.3 Any proposed amendments to these Bylaws recommended for approval by the Bylaws Committee and the Board of Directors will be mailed to each Owner with the Notice of Annual Meeting and will be included as a separate ballot item to be voted on by each Owner, by proxy or in person, at the Annual Meeting.
- 9.4 Bylaw amendments will become effective upon their adoption by a majority of Owners in good standing and entitled to vote and voting at any annual or special meeting, combined with those validate proxy ballots completed by absentee Owners in good standing and entitled to vote and voting, on the question of Bylaws amendments.

ARTICLE X – RULES

- 10.1 The Board of Directors may, by majority vote, adopt reasonable Standing Rules and Regulations for the use of Units, Common Property, Limited Common Property, furnishings and equipment of the Association by the Owners. Rules and Regulations, and any changes thereto, as well as the penalty for failure to observe same, will be published by the Board of Directors or General Manager, and copies will be made available to all Owners and Unit occupants at or prior to the time of arrival for the use of their Interval Unit at the Resort.

ARTICLE XI – EFFECTIVE DATE

- 11.1 These Bylaws shall become effective upon their adoption by a majority of Owners in good standing and entitled to vote and voting at any annual or special meeting, combined with those validated proxy ballots completed by absentee Owners in good standing and entitled to vote on the question of adopt of the Bylaws.

Voted and approved at the Annual Meeting on November 4, 2000

George W. Reilly

Attested: George W. Reilly, Secretary
Cold Spring Properties Townhouse Association