

EXHIBIT B
BY-LAWS
OF
TOWER HILL ASSOCIATION

For Alpha
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Declaration

The name of the organization shall be TOWER HILL ASSOCIATION.

ARTICLE I

OBJECT

Plan of Ownership

1. The purpose for which TOWER HILL ASSOCIATION (hereinafter referred to as "Association") is formed, is to incorporate the Board of Managers of TOWER HILL (hereinafter referred to as "Condominium Project"), situate on property within the City of Olivette in St. Louis County, Missouri, which land shall be submitted to the provisions of the Condominium Property Act of the State of Missouri, by the recording of a Condominium Declaration and By-Laws bearing the name associated with this Association. The Condominium Project shall be governed and administered by a Board of Managers (hereinafter called "Board"), which Board shall be the Board of Directors of this Association. The Board shall be elected by the owners of condominium units (townhomes) within the Condominium Project (hereinafter referred to as "Townhome Owners"), in the manner provided in Article IV hereinbelow. The Board shall have a general responsibility to govern, manage and administer the Condominium Project, approve the annual budget, provide for and collect monthly and other assessments, and arrange and direct the management of the Condominium Project, all as hereinafter more particularly provided. The Board shall, from time to time, promulgate (and in its discretion modify, alter and amend) rules and regulations relating to the use of the common elements within the Condominium Project, and shall limit the same to the Townhome Owners, their families, guests, tenants, invitees, agents, employees and servants. No person shall use the common elements in any manner not in accordance with such rules and regulations. The mere acquisition or rental of any of the townhomes or the mere act of occupancy of any of said townhomes, will signify that these By-Laws are accepted, ratified, and will be complied with.

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ARTICLE II

Membership, Voting, Majority of Owners, Quorum, Proxies

1. Membership: Except as is otherwise provided in these By-Laws, ownership of a townhome within the Condominium Project

is required in order to qualify for membership in this Association. Any person on becoming an owner of a townhome shall automatically become a member of this Association and be subject to these By-Laws. Such membership shall terminate without any formal Association action whenever such person ceases to own a townhome, but such termination shall not relieve or release any such former owner from any liability or obligation incurred under or in any way connected with this Association during the period of such ownership and membership in the Association, or impair any rights or remedies which the Townhome Owners have, either through the Board or directly, against such former owner and member arising out of or in any way connected with ownership and membership and the covenants and obligations incident thereto.

2. Voting: The aggregate of all of the townhomes constructed within the Condominium Project shall be considered One Hundred Percent (100%) for voting purposes. Each townhome owner shall be entitled to one vote for each townhome owned in the Condominium Project, except that where title to one or more townhomes is held jointly by one or more persons, whether as tenants in common, joint tenants, or as tenants by the entirety, one person shall be designated by said joint owners to cast one vote for each such jointly-owned townhome.

3. Majority of Townhome Owners: As used in these By-Laws, the term "Majority of Townhome Owners" shall mean those Townhome Owners constituting more than Fifty Percent (50%) of the total number of Townhome Owners owning a single ownership interest in one or more townhomes in the Condominium Project. The aggregate of all of the townhomes constructed and included within this Condominium Project, shall be considered One Hundred Percent (100%) for the purpose of computing the majority of townhome owners.

4. Quorum: Except as otherwise provided in these By-Laws, the presence in person or by proxy of ten (10) Townhome Owners shall constitute a quorum. An affirmative vote of the majority of the Townhome Owners present, either in person or by proxy, shall be required to transact the business of the meeting.

5. Proxies: Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

ARTICLE III

Administration

1. Association Responsibilities: The Townhome Owners will constitute the Association who will have the responsibility of governing and administering the Condominium Project through the Board of Managers.

2. Place of Meeting: Meetings of the Association shall be held at such place within the State of Missouri as the Board of Managers may determine.

3. Annual Meetings: The first meeting of the Association shall be held within thirty (30) days after the Developer (Tower Hill Manor Development Company) cedes its rights to exercise the rights, duties and functions of the Association to the Association as hereinafter provided and as provided in the Articles of Incorporation of the Association, and each subsequent annual meeting of the Association shall be held on the same day of the same month of each year thereafter. If the day for the annual meeting of the members falls on a legal holiday or on a Saturday or Sunday, the meeting will be held on the first business day following. At such meetings there shall be elected by ballot of the Townhome Owners a Board of Managers in accordance with the requirements of Section 5 of Article IV of these By-Laws. The Townhome Owners may also transact such other business of the Association as may properly come before them.

4. Special Meetings: The President may call a special meeting of the Townhome Owners upon his own initiative or as directed by resolution of the Board of Managers or upon receipt of a petition signed by at least one-third (1/3rd) of the Townhome Owners of the Condominium Project. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business except as stated in the notice shall be transacted at a special meeting unless by consent of a majority of the Townhome Owners present, either in person or by proxy. Any such meetings shall be held at such place and time as the President determines within thirty (30) days after receipt by the President of such resolution or petition.

5. Notice of Meetings: The Secretary shall mail or deliver a notice of each annual or special meeting, stating the purpose thereof as well as the time and place it is to be held, to each Townhome Owner of record, at least ten (10) but not more than thirty (30) days prior to such meeting. ~~The mailing of a notice in the manner provided in this paragraph or the delivery of such notice shall be considered notice served.~~ Further, upon written request to the Manager or the Board of Managers, the holder of any duly recorded mortgage or deed of trust against any Townhome Owner's interest in the property shall be given a copy of all meeting notices and shall be entitled to designate a representative to attend all membership meetings.

6. Adjourned Meetings: If any meeting of Townhome Owners cannot be organized because a quorum has not attended, the Townhome Owners who are present, either in person or by proxy, may adjourn the meeting, from time to time, until a quorum is obtained.

7. Order of Business: The order of business at all meetings of Townhome Owners shall be as follows:

- (a) Roll call and certifying proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading and disposal of unapproved minutes.

- (d) Reports of officers.
- (e) Reports of committees.
- (f) Election of managers, if any.
- (g) Unfinished business.
- (h) New business. And,
- (i) Adjournment.

8. Performance of Functions by Developer: Notwithstanding the provisions of Section 3 of Article III, the rights, duties and functions of the Board of Managers shall, at Developer's option, be exercised solely by the Developer until such time as Developer cedes such rights, duties and functions to the Association by an instrument in writing, provided, however, that all such rights, duties and functions shall be deemed to have been so ceded at that time when no townhome or other interest in or part of the property within the Condominium Project is owned by Developer or any successor in interest to the Developer, or on June 1, 1985, whichever occurs first.

ARTICLE IV

Board of Managers

1. Number and Qualification: The Board shall consist of three (3) Townhome Owners. In the event any corporation or association is a Townhome Owner, the person designated by the corporation shall be considered the Townhome Owner for the purpose of this Article, and shall be qualified to serve as a member of the Board. The first Board shall be elected at the time and in the manner specified in Section 3 of Article III hereof, who shall thereafter govern the affairs of this Association until their successors have been duly elected and qualified. Until such time, Developer or its successors or assigns shall have the right, option and privilege to manage the Condominium Project and have all the rights, powers, duties and privileges ~~herein~~ given to the Board of Managers ~~(for the period of time set forth in Article III, Paragraph 8), including using monies in the General Maintenance Fund.~~ Should such funds be insufficient, Developer, or its successors or assigns shall advance all additional sums required while it shall have assumed and is thereby charged with management responsibility, all such advances to be recovered from subsequent assessments.

2. Powers and Duties: The Board of Managers shall have the powers and duties necessary for governing and administering the affairs of the Association and all the rights, powers, privileges and duties set out in the Declaration of Condominium, ~~as~~ from time to time amended, for TOWER HILL, the act or exercise of which shall be paid for out of the Condominium general maintenance fund.

3. No Waiver of Rights: The omission or failure of the Association or any Townhome Owner to enforce the covenants, condi-

tions, restrictions, easements, uses, limitations, obligations or other provisions of any recorded Condominium Declaration or By-Laws, or any rules and regulations adopted pursuant thereto, shall not constitute or be deemed a waiver, modification or release thereof, and the Board of Managers shall have the right to enforce the same thereafter.

4. Election and Term of Office: Of the first three Board Members, the term of office of one Manager shall be fixed for three (3) years; the term of office of one Manager shall be fixed for two (2) years; and the term of office of one Manager shall be fixed at one (1) year. The terms of office of the first three Board members shall date from the date of election as provided in Section 3 of Article III hereof. At the expiration of the initial term of office of each respective Manager, his successor shall be elected to serve a term of three (3) years. The Managers shall hold office until their successors have been elected and hold their first meeting, except as is otherwise provided.

5. Vacancies: Following creation of the First Board, vacancies of an elected member on the Board of Managers caused by any reason other than the removal of a Manager by a vote of the Association shall be filled by vote of the majority of the remaining Managers, even though they may constitute less than a quorum; and each person so elected shall be a Manager until a successor is elected at the next annual meeting of the Association.

6. Removal of Managers: At any regular or special meeting duly called, any one or more of the elected Managers may be removed with or without cause by a majority of the owners, and a successor may then and there be elected to fill the vacancy thus created. Any elected Manager whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting. Should any elected members of the Board cease to be an owner of a townhome or of an interest in any townhome (or should the corporation for which he is acting cease to be an owner or co-owner), such member's term of office shall automatically terminate.

7. Organization Meeting: The first meeting of a newly elected Board of Managers following the annual meeting of the Townhome Owners shall be held within ten (10) days thereafter at such place as shall be fixed by the Board at the meeting at which such Managers were elected and no notice shall be necessary to the newly elected Board in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

8. Regular Meetings: Regular meetings of the Board of Managers may be held at such time and place as shall be deter-

mined, from time to time, by a majority of the Managers, but at least one such meeting shall be held semi-annually. Notice of regular meetings of the Board of Managers shall be given to each Manager, personally or by mail, telephone or telegraph, at least seven (7) days prior to the day named for such meeting.

9. Special Meetings: Special meetings of the Board of Managers may be called by the President on three (3) days notice to each Manager, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) 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 two or more Managers.

10. Waiver of Notice: Before or at any meeting of the Board of Managers, any Manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Manager at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

11. Board of Managers' Quorum: At all meetings of the Board of Managers, a majority of the Managers shall constitute a quorum for the transaction of business, and the acts of the majority of the Managers present at a meeting at which a quorum is present shall be the acts of the Board of Managers. If, at any meeting of the Board of Managers, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

12. Fidelity Bonds: The Board of Managers shall require that all ~~officers and employees of the Association and the Managing Agent~~ handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a common expense.

13. Compensation: No member of the Board of Managers shall receive any compensation for acting as such.

ARTICLE V

Fiscal Management

The provision for fiscal management of the townhomes for and in behalf of all of the Townhome Owners as set forth in any recorded Condominium Declaration shall be supplemented by the following provisions:

1. Accounts: The funds and expenditures of the Townhome Owners by and through the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expenses:

(a) Current expense, which shall include all funds and expenditures within the year for which the funds are budgeted, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves or to additional improvements.

(b) Reserve for deferred maintenance, which shall include funds for maintenance items which occur less frequently than annually.

(c) Reserve for replacement, which shall include funds for repair or replacement required because of damage, wear or obsolescence.

ARTICLE VI

Officers

1. Designation: The officers of the Board of Managers (and the Association) shall be a President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Managers, and such assistant officers as the Board of Managers shall, from time to time, elect. Such officers must be members of the Board of Managers, and shall be owners of a townhome in this Condominium Project. The offices of President and Treasurer may be held by the same person, and the offices of Treasurer and Secretary may be held by the same person.

2. Election of Officers: The officers of the Association shall be elected annually by the Board of Managers at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

3. Removal of Officers: Upon an 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 elected at any regular meeting of the Board of Managers, or at any special meeting of the Board called for such purpose.

4. President: The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Managers. He shall have all of the general powers and duties which are usually vested in the office of president of an association, including, but not limited to the power to appoint committees from among the

Townhome Owners from time to time as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the Association or as may be established by the Board or by the members of the Association at any regular or special meetings.

5. Secretary: The Secretary shall keep all the minutes of the meetings of the Board of Managers and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Managers may direct; and he shall, in general, perform all the duties incident to the office of Secretary and as is provided in the Declaration and By-Laws.

The Secretary shall compile and keep up to date at the principal office of the Association a complete list of members and their last known addresses as shown on the records of the Association. Such list shall also show opposite each member's name the number or other appropriate designation of the townhome owned by such member, and the undivided interest in the general common elements. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

6. Treasurer: The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Managers. In the event a Managing Agent has the responsibility of collecting the disbursing funds, the Treasurer shall review the accounts of the Managing Agent not less often than once each six months.

ARTICLE VII

Indemnification of Officers, Managers and Managing Agent

1. Indemnification: The Association shall indemnify every Manager, Officer, Managing Agent, their respective successors, personal representatives and heirs, against all loss, cost and expenses including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Manager, officer, or Managing Agent of the Association, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Manager, officer, or Managing Agent in relation to the matter in-

volved. The foregoing rights shall not be exclusive of other rights to which such Manager, officer, or Managing Agent may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses; provided, however, that nothing in this Article VII contained shall be deemed to obligate the Association to indemnify any member or owner of a townhome who is or has been a Manager, or officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of any recorded Condominium Declaration, as a Townhome Owner.

2. Other: Contracts or other commitments made by the Board of Managers, Officers, or the Managing Agent shall be made as agent for the Townhome Owners, and they shall have no personal responsibility on any such contract or commitment (except as Townhome Owners), and the liability of any Townhome Owner on any such contract or commitment shall be limited to such proportionate share of the total liability thereof as the common interest of each Townhome Owner bears to the aggregate common interest of all Townhome Owners, except that any losses incurred because of an inability to collect such proportionate amount of the total liability owned by an owner shall be shared proportionately by the other Townhome Owners.

ARTICLE VIII

Amendments to By-Laws

1. Amendments to By-Laws: These By-Laws may be amended, provided that any amendment shall not have the effect of canceling or abrogating contracts, commitments or the terms and provisions of the Condominium Declaration as from time to time amended, upon the written assent of the owners of all promissory notes secured by deed of trust of record and the affirmative vote or written assent of the owners of at least seventy-five percent (75%) of the townhomes.

ARTICLE IX

Mortgages

1. Notice to Association: An owner who mortgages his townhome shall notify the Association through the Managing Agent, if any, or the Secretary of the Board of Managers, giving the name and address of his mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Townhomes."

2. Notice of Unpaid Common Assessments: The Board of Managers, whenever so requested in writing by a mortgagee of a townhome, shall promptly report any then unpaid common assessments due from, or any other default by, the Townhome Owner of a mortgaged townhome.

3. Notice of Default: The Board of Managers, when giving notice to a Townhome Owner of a default in paying common assessments or other default, shall send a copy of such notice to each holder of a mortgage covering such townhome whose name and address has theretofore been furnished to the Board of Managers.

4. Examination of Books: Each Townhome Owner and each mortgagee of a townhome shall be permitted to examine the books of account of the condominium at reasonable times, on business days, but not more often than once each month. Further, each such owner and each such mortgagee shall, upon written request and within ninety (90) days of the close of the fiscal year, be entitled to receive an annual, audited financial statement of the Project.

ARTICLE X

Evidence of Ownership, Registration of Mailing Address and Designation of Voting Representative

1. Proof of Ownership: Except for those owners who initially purchase a townhome from Developer, any person on becoming an owner of a townhome shall furnish to the Managing Agent, if any, or Board of Managers, a machine or a certified copy of the recorded instrument vesting that person with an interest or ownership in the townhome, which copy shall remain in the files of the Association.

2. Registration of Mailing Address: The Townhome Owners or several Townhome Owners of an individual townhome shall have one and the same registered mailing address to be used by the Association for mailing of monthly statements, notices, demands and all other communications, and such registered address shall be the only mailing address of a person or persons, firm corporation, partnership, association or other legal entity or any combination thereof to be used by the Association. Such registered address of a Townhome Owner or owners shall be furnished by such owners to the Managing Agent or Board of Managers within fifteen (15) days after transfer of title, or after a change of address, and such registration shall be in written form and signed by all of the owners of the townhome or by such persons as are authorized by law to represent the interest of (all of) the owners thereof.

3. Designation of Voting Representative - Proxy: If a townhome is owned by one person, his right to vote shall be established by the record title thereto. If title to a townhome is held by more than one person or by a firm, corporation, partnership, association or other legal entity, or any combination thereof, such owners shall execute a proxy appointing and authorizing one person or alternate persons to attend all annual and special meetings of members and thereat to cast whatever vote the Townhome Owner himself might cast if he were personally present. Such proxy shall be effective and remain in force unless voluntarily revoked, amended or sooner terminated by operation of law; provided, however, that within thirty (30) days after

such revocation, amendment or termination, the Townhome owners shall reappoint and authorize one person or alternate persons to attend all annual and special meetings as provided by this Paragraph 3.

The requirements herein contained in this Article X shall be first met before an owner of a townhome shall be deemed in good standing and entitled to vote at any annual or special meeting of members.

ARTICLE XI

Obligations of the Owners

1. Assessments: All Townhome Owners shall be obligated to pay the monthly or annual assessments imposed by the Association to meet the common expenses. The assessments shall be made pro rata according to their percentage or fractional interest in and to the general common elements of the Condominium Project, and shall be due in advance. A member shall be deemed to be in good standing and entitled to vote at any annual or special meeting of members, within the meaning of these By-Laws, if, and only if, he shall have fully paid all assessments made or levied against him and the townhome owned by him.

2. Notice of Lien or Suit: A Townhome Owner shall give notice to the Association of every lien or encumbrance upon his townhome, other than for taxes and special assessments, and notice of every suit or other proceeding which may affect the title to his townhome, and such notice shall be given in writing within five (5) days after the owner has knowledge thereof.

3. Maintenance and Repair:

(a) Every Townhome Owner must perform promptly, at his own expense, all maintenance and repair work within his own townhome which, if omitted, would affect the appearance of or the aesthetic integrity of part or all of the Condominium Project.

(b) All the repairs of internal installations of the townhome such as water, light, power, sewage, telephone, sanitary installations, doors, windows, electrical fixtures and all other accessories, equipment and fixtures shall be at the Townhome Owner's expense.

(c) A Townhome Owner shall be obligated to reimburse the Association promptly upon receipt of its statement for any expenditures incurred by it in repairing or replacing any general or limited common element damaged by his negligence or by the negligence or his tenants or agents or guests.

4. Mechanic's Lien: Each Townhome Owner agrees to indemnify and to hold each of the other Townhome Owners harmless from any and all claims of mechanic's lien filed against other townhomes and the appurtenant general common elements for labor, materials, services or other products incorporated in the owner's townhome. In the event such a lien is filed and/or a suit for foreclosure of mechanic's lien is commenced, then within ten (10) days thereafter such owner shall be required to deposit with the Association cash or negotiable securities equal to one and one-half of the amount of such claim plus interest for one year together with a sum equal to Ten Percent (10%) of the amount of such claim but not less than One Hundred Fifty Dollars (\$150.00), which latter sum may be used by the Association for any costs and expenses incurred, including attorney's fees incurred for legal advice and counsel. Except as is otherwise provided, such sum or securities shall be held by the Association pending final adjudication or settlement of the claim or litigation. Disbursement of such funds or proceeds shall be made by the Association to insure payment of or on account of such final judgment or settlement. Any deficiency, including attorney's fees incurred by the Association, shall be paid forthwith by the subject owner, and his failure to so pay shall entitle the Association to make such payment, and the amount thereof shall be a debt of the Townhome Owner and a lien against his townhome which may be foreclosed as is provided in any recorded Condominium Declaration. All advancements, payments, costs and expenses, including attorney's fees, incurred by the Association shall be forthwith reimbursed to it by such Townhome Owner(s), and the Townhome Owner shall be liable to the Association for the payment of interest at the rate of Eight Percent (8%) per annum on all such sums paid or incurred by the Association.

5. General:

(a) Each Townhome Owner shall comply strictly with the provisions of any recorded Condominium Declaration effecting his townhome, and these By-Laws and any amendments thereto.

(b) Each Townhome Owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which this Condominium Project was built.

6. Use of Townhomes - Internal Changes: A Townhome Owner shall not make structural modifications or alterations to his townhome or installations located therein without the written approval of the Board of Managers. The Board of Managers shall be notified in writing of the intended modifications through the Managing Agent, or if no Managing Agent is employed, then, through the President of the Board of Managers. The Association shall have the obligation to answer a Townhome Owner's request within thirty (30) days after such notice, and failure to

do so within such time shall mean that there is no objection to the proposed modifications or alterations.

7. Right of Entry:

(a) A Townhome Owner shall and does grant the right of entry to the Managing Agent or to any other person authorized by the Board of Managers in case of any emergency originating in or threatening his townhome, whether the owner is present at the time or not.

(b) A Townhome Owner shall permit the Managing Agent or Board of Managers, or their representatives, to enter his townhome for the purpose of performing installations, alterations or repairs to the mechanical, electrical or utility services which, if not performed, would affect the use of other townhome(s) provided that requests for entry are made in advance and that such entry is at a time convenient to the Townhome Owner. In case of an emergency such right of entry shall be immediate.

8. Rules and Regulations: The Board of Managers reserves the power to establish, promulgate and enforce rules and regulations for the use and general benefit of the Condominium Project, with the right to amend same from time to time by a majority vote of the Board. Copies of such rules and regulations shall be mailed to each Townhome Owner, at his last known address, prior to the date when the same shall become effective, or posted in a conspicuous place within each townhome. Amendments to rules and regulations shall be effective upon mailing or posting same.

ARTICLE XII

Abatement and Enjoinder of Violations by Townhome Owners

The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law, or the breach of any provision of any recorded Declaration, shall give the Board of Managers, or the Managing Agent the right, in addition to any other rights set forth therein, (i) to enter the townhome in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting owner, any person, structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions thereof, and the Board of Managers or the Managing Agent shall not be deemed guilty in any manner of trespass, and to expel, remove and put out, using such force as may be necessary in so doing, without being liable to prosecution of any damages therefor; (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

ARTICLE XIII

Committees

1. Designation: The Board of Managers may, but shall not be required to, appoint an executive committee, and it may designate and appoint members to the standing committees.

2. Executive Committee: The executive committee shall consist of two (2) persons who are members and who shall be appointed by the Board of Managers from the members of the Board. One member shall be the President. The executive committee shall supervise the affairs of the Association and shall regulate its internal economy, approve expenditures and commitments, act and carry out the established policies of the Association and report to the Managers at each meeting of the Board. The executive committee may hold regular meetings, monthly or as it may in its discretion determine. Special meetings may be called at any time by the chairman of the committee or by any of its members, either personally or by mail, telephone or telegraph, and a special meeting may be held by telephone.

3. Nominating Committee: Before each annual meeting, the Board of Managers may appoint a committee of three members who shall nominate candidates for the Board. The names of the candidates shall be submitted on or before thirty (30) days before the election. Members may submit names of candidates other than those submitted by the nominating committee at least sixty (60) days prior to the election. Unless such names are submitted, either by the nominating committee or by the members, no person shall be elected whose name is not so submitted unless no nominations are made, in which event the names of candidates shall be submitted at the election by the members.

4. Vacancies: A vacancy in any committee shall be filled by the President until the next meeting of the Board of Managers.

ARTICLE XIV

Association - Not For Profit

1. Association - Not For Profit: This Association is not organized for profit. No member, member of the Board of Managers, officer or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any member of the Board of Managers, officer or member; provided, however, always (1) that reasonable compensation may be paid to any member, Manager or officer while acting as an agent or employee of the Association for services rendered

in effecting one or more of the purposes of the Association, and (2) that any member, Manager or officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association; and, (3) that all assessments of every kind and nature which may be received by the corporation as exclusive Managing Agent of said Condominium Project, shall be deemed to be the property of all of the members of the corporation, as tenants in common, and deposits to the corporate bank account shall be deemed only as a convenience to the members in operating, maintaining and administrating the Condominium Project.

ARTICLE XV

Mortgagees as Proxies

1. Mortgagees as Proxies: Townhome Owners shall have the right to irrevocably constitute and appoint the beneficiary of a Deed of Trust their true and lawful attorney to vote their townhome membership in this Association at any and all meetings of the Association and to vest in such beneficiary or his nominee any and all rights, privileges and powers that they have as Townhome Owners under the Certificate of Incorporation and By-Laws of this Association or by virtue of any recorded Condominium Declaration affecting their townhome. Such proxy shall become effective upon the filing of a notice by the beneficiary with the Secretary of the Association at such time or times as the beneficiary shall deem its security in jeopardy by reason of the failure, neglect or refusal of the Association, the Managing Agent, or the Townhome Owners to carry out their duties as set forth in any Condominium Declaration affecting said townhome. A release of the beneficiary's Deed of Trust shall be construed to relieve such proxy. Nothing herein contained shall be construed to relieve Townhome Owners, as mortgagors, of their duties and obligations as Townhome Owners or to impose upon the beneficiary of the Deed of Trust the duties and obligations of a Townhome Owner.