

BYLAWS OF CHAMONIX AT WOODRUN
CONDOMINIUM ASSOCIATION, INC.

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BYLAWS
OF
CHAMONIX AT WOODRUN
CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

OBJECT

1. The purpose for which this Colorado nonprofit corporation ("the Association") is formed is to govern the condominium property which has been or will be submitted to the provisions of the Condominium Ownership Act of the State of Colorado by the recording of the declaration and supplements thereto and maps and supplements thereto bearing the name associated with this Association.

2. All present or future owners, tenants, future tenants, or any other person that might use or have an interest in any manner in the facilities of the project located on the property therein described are subject to the regulations set forth in these Bylaws. The mere acquisition or rental of any of the condominium units (hereinafter referred to as "units") or the mere act of occupancy of any of said units will signify that these Bylaws are accepted, ratified, and will be complied with.

ARTICLE II

MEMBERSHIP, VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

1. Membership: Except as is otherwise provided in these Bylaws, ownership of a condominium unit is required in order to qualify for membership in this Association.

(a) Any person on becoming an owner of a condominium unit shall automatically become a member of this Association and be subject to these Bylaws. Membership shall terminate without any formal Association action whenever a person ceases to own a condominium unit: Provided, however, 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. Termination shall not impair any rights or remedies which the unit owners have, either through the Board of Managers or the Association 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.

(b) The membership of the Association shall be divided into two classes. Class A shall consist

A - PMH ownership
re allocation

of the owners of the units which have been restricted to PMH (employee) housing units by the Town of Snowmass Village. Class B units shall consist of all of the other units, i.e., those that are not so restricted. Attached hereto as Schedule A is the class designation for each unit. The owners of Class A units shall be Class A members and the owners of Class B units shall be Class B members. The different classes will have (i) different representation on the Board of Managers; (ii) different rates of assessment, (iii) different rights of use of certain of the common elements and recreational facilities, all as more fully set forth in these Bylaws.

2. Voting: Voting shall be based upon the percentage of the undivided interest owned by each unit owner in all of the general common elements. The ownership interest allocable to each unit shall be set forth in the Condominium Declaration. The aggregate of all of the undivided interests in the general common elements shall be considered one hundred (100%) percent for voting purposes. Cumulative voting is prohibited. Unless specifically set forth herein to the contrary, when a vote of the members requires that a certain percentage of votes be cast for approval, it shall

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Condominium Declaration

be a percentage of the undivided interests in the general common elements, not a percentage of the total members in the Association. Both classes of membership shall be entitled to vote on all matters. However, the Board of Managers shall at all times consist of one Manager elected in an election for only the Class A members, one Manager elected in an election for only the Class B members, and the remaining Managers (the "at-large Managers") elected in an election for both classes. Notwithstanding anything contained in these Bylaws to the contrary, there shall be no amendment to these Bylaws which would change (i) the voting rights as now herein set forth, (ii) the different rates of assessment as now herein set forth, (iii) the different rights of use of certain of the common elements and recreational facilities as now herein set forth, (iv) the different representation on the Board of Managers as now herein set forth, or (v) the different class designations as now herein set forth, without a vote in favor of such amendment by at least two-thirds (2/3) of the Class A members and by at least two-thirds (2/3) of the Class B members.

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3. Majority of Unit Owners: As used in these Bylaws the term "majority of unit owners" shall

mean more than fifty (50%) percent of the undivided ownership of the general common elements.

4. Quorum: Except as otherwise provided in these Bylaws, the presence in person or by proxy of a majority of unit owners shall constitute a quorum. Unless otherwise specifically set forth herein to the contrary, an affirmative vote of a majority of the unit owners present, either in person or by proxy, shall be required to transact the business of the meeting, and the acts or decisions thereby undertaken shall be binding on all unit owners.

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 owners of the units will constitute the Association of unit owners, hereinafter referred to as "Association", who will have the responsibility of administering the project through a Board of Managers.

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

majority of unit owners shall constitute a quorum

3. Annual Meetings: The first meeting of the Association shall be held on the first Friday during the month of March in the year following the incorporation of this Association. Thereafter, the annual meetings of the Association shall be held on the first Friday during the month of March of each succeeding year, or on a more convenient date as determined by the Board of Managers. At such meeting there shall be elected, by ballot of the owners, a Board of Managers in accordance with the requirements of Section 5 of Article IV of these Bylaws. The 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 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 (1/3) of the owners. The notice of any special meetings 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 two-thirds (2/3) of the owners present, either in person or by proxy. Any such meeting 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 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.

6. Adjourned Meetings: If any meeting of owners cannot be organized because a quorum has not attended, the 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 the annual meetings of the owners of units shall be as follows:

- (a) Roll call and certifying proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading and/or disposal of unapproved minutes.
- (d) Reports of officers.
- (e) Reports of committees.
- (f) Election of managers.
- (g) Unfinished business.
- (h) New Business.
- (i) Adjournment.

8. Performance of Functions by Declarant:

Notwithstanding the provisions of paragraph 3 of Article III, the rights, duties and functions of the Board of Managers shall, at the Declarant's option, be exercised by the Declarant until the development of the entire condominium complex (all phases of Chamonix at Woodrun Condominiums) has been completed and until three-fourths (3/4) of all condominium units in the entire condominium complex have been sold and conveyed; or until two (2) years from the date of recording of the Condominium Declaration, whichever date first occurs.

ARTICLE IV

BOARD OF MANAGERS

1. Number and Qualification: At the first meeting subject to the provisions of Article III, paragraph 8, there shall be elected from among the unit owners six (6) members of the Association to the Board of Managers who shall thereafter govern the affairs of this Association until their successors have been duly elected and qualified. The number of Managers on the Board may be increased to no more than seven (7) or decreased to no less than three (3).

2. Powers and Duties: The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Association and for

the operation and maintenance of the condominium project as a first class residential condominium property. The Board of Managers may do all such acts and things except as by law or by these ByLaws or by the Condominium Declaration may not be delegated to the Board of Managers.

3. Other Powers and Duties: Such powers and duties of the Board of Managers shall include, but shall not be limited to, the following, all of which shall be done for and in behalf of the owners of the condominium units:

(a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Condominium Declaration submitting the property to the provisions of the Condominium Ownership Act of the State of Colorado, the ByLaws of the Association and supplements and amendments thereto.

(b) To establish, make and enforce compliance with such rules and regulations as may be necessary for the operation of the condominium complex and for the operation, rental, use and occupancy of all of the condominium units with the right to amend same from time to time. A copy of such rules and regulations shall be delivered or mailed to each member upon the adoption thereof.

(c) To incur such costs and expenses as may be necessary to keep in good order, condition and repair all of the general and limited common elements and all items of common personal property.

(d) To insure and keep insured all of the insurable common elements of the property in an amount equal to the maximum replacement value. To insure and keep insured all of the common fixtures, common equipment and common personal property for the benefit of the owners of the condominium units and their first mortgagees. Further, to obtain and maintain comprehensive liability insurance covering the entire premises in amounts not less than One Million Dollars (\$1,000,000.00) combined single limit.

(e) To prepare, according to generally accepted accounting principles, a budget for the condominium at least annually, in order to determine the amount of the common assessments payable by the unit owners to meet the common expenses of the condominium project. The budget shall reflect the provisions set forth in Article V, paragraph 2. To allocate and assess such common charges among the unit owners according to their respective common ownership interests in and to the general common elements and according to the provisions of Article V, paragraph 2. To cause the Association to provide for, among other things, the

following services to be paid for out of the regular assessments (or special assessments if necessary) which assessments shall be made in accordance with the allocation guidelines of these Bylaws: the maintenance, repair, operation, additions, alterations and improvements of and to the common elements, including expenses of management; the acquisition, leasing, maintaining and servicing the debt for property owned by the Association, including but not limited to the PMH (employee) housing units situated within the Chamonix at Woodrun Condominium complex; insurance relative to the common elements and any property owned by the Association; common electricity, common heating, common water, and common sewer; trash collections; legal and accounting relative to the common elements and the Association; snow removal; and other services deemed necessary by the Board of Managers for the maintenance of the common elements and operation of the Association. By majority vote of the Board to adjust, decrease or increase the amount of the quarterly or monthly assessments, and remit or return any excess of assessments over expenses, working capital, sinking funds and reserve (for deferred maintenance and for replacement) to the owners at the end of each operating year. To levy and collect special assessments whenever in the

opinion of the Board it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies.

(f) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an owner as is provided in the Declaration and these Bylaws. To enforce a late charge of not more than \$20.00 per month. To collect interest at the rate of eighteen (18%) percent per annum in connection with assessments remaining unpaid more than fifteen (15) days from due date for the payment thereof, together with all expenses, including attorney's fees incurred. The Board of Managers shall have the duty, right, power and authority to prohibit use of the limited and general common elements by an owner, his guests, tenants, lessees and invitees in the event that any assessment made remains unpaid more than thirty (30) days from the due date for payment thereof.

(g) To protect and defend in the name of the Association any part or all of the condominium project from loss and damage by suit or otherwise.

(h) To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the recorded Declaration and these Bylaws, and to execute all such instruments

evidencing such indebtedness as the Board of Managers may deem necessary and give security therefor (including security which may be liens upon the common elements). Such indebtedness shall be the several obligation of all of the owners in the same proportion as their interest in the general common elements, except as set forth to the contrary in Article V, paragraph 2.

(i) To enter into contracts to carry out their duties and powers.

(j) To establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable.

(k) To maintain the general and limited common elements; to make or cause to be made repairs, replacements, additions, alterations and improvements to the general and limited common elements consistent with managing the condominium project in a first class manner and consistent with the best interest of the unit owners. However, there shall be no additions, alterations or improvements by the Board of Managers or the Managing Agent of or to the general and limited common elements requiring an expenditure in the excess of Five Thousand Dollars (\$5,000.00) in any one calendar year without prior approval of a majority of the owners in writing or as reflected in the minutes of a regular or special meeting of the owners. Such limitation shall

not be applicable to the replacement, repair, maintenance or obsolescence of any general or limited common element or common property.

(l) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at convenient weekday business hours by each of the owners, or their mortgagees, if applicable.

(m) To prepare and deliver annually to each owner a statement showing receipts, expenses or disbursements since the last such statement.

(n) To meet at least semi-annually.

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

(p) In general, to carry on the administration of this Association and to do all of those things necessary and reasonable in order to carry out the governing and the operation of this condominium property.

(q) To control and manage the use of all parking areas.

(r) To employ for the Association a Managing Agent who shall have and exercise all of those powers granted to the Board of Managers from time to time by the Declaration and Bylaws which may be delegated to

such Managing Agent by the Board of Managers; provided, however, that no such delegation shall relieve the Board of Managers of its responsibility under the Declaration.

(s) The Board shall purchase from the developer or individuals involved in the development any or all of the PMH (employee) units situated within the Chamonix at Woodrun condominium complex in accordance with paragraph 11 of the Condominium Declaration. The Board shall, as appropriate, maintain and lease such units in accordance with PMH guidelines of the Town of Snowmass Village.

4. No Waiver of Rights: The omission or failure of the Association or any condominium unit owner to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provisions of the Condominium Declaration, the ByLaws or the house rules and regulations adopted pursuant thereto, shall not constitute or be deemed a waiver, modification or release thereof, and the Board of Managers or the Managing Agent shall have the right to enforce the same thereafter.

5. Election and Term of Office: At the first meeting of the Association the term of office of two Managers (both at-large managers) shall be fixed for three (3) years; the term of office of two Managers (the Class A elected manager and the Class B elected manager) shall be fixed for two (2) years; and the term of office of two Managers (both at-large managers) shall be fixed

at one (1) year; provided, however, that the terms of office for not less than 1/3 of the members of the board shall expire annually. At the expiration of the initial term of office of each respective Manager, he shall serve until his successor shall have been elected and the Board of Managers shall hold their first meeting thereafter, except as is otherwise provided.

6. Vacancies: Vacancies in 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; provided however that the vacancy of a Class A Manager shall always be filled either by a Class A member or in the event that the Association owns any Class A Units then by appointment of the President of the Association as the representative of the Association and the vacancy of a Class B Manager shall always be filled by a Class B member.

7. Removal of Managers: At any regular or special meeting duly called, any one or more of the Managers may be removed with or without cause by a two-thirds (2/3) majority of the owners present in person or by proxy. Thereupon a successor may then and there be elected to

fill the vacancy thus created. The vacancy of a Class A elected Manager shall always be filled by an election by the Class A members and the vacancy of a Class B elected Manager shall always be filled by an election by the Class B members. Any Manager whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting.

8. Organization Meeting: The first meeting of a newly elected Board of Managers following the annual meeting of the unit owners shall be held immediately following the annual meeting at such place as shall be fixed by the Managers at the meeting at which such Managers were elected. No notice shall be necessary to the newly elected Managers in order legally to constitute such meeting, providing a majority of the whole Board be present.

9. 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 Managers, but at least one such meeting shall be held every six months. One such meeting per annum may be held by telephone. 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.

10. 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. Special meetings may be held by telephone.

11. 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 of the Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

12. 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.

13. Fidelity Bonds: The Board of Managers may 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.

14. Compensation: No member of the Board of Managers shall receive any compensation for acting as such, but shall be entitled to reimbursement for any actual out-of-pocket expenses incurred in the performance of his duties.

ARTICLE V

FISCAL MANAGEMENT

The provision for fiscal management of the condominium units for and on behalf of all of the unit owners as set forth in the Condominium Declaration shall be supplemented by the following provisions:

1. Accounts: The funds and expenditures of the unit 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 expenses: 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: shall include funds for maintenance items which occur less frequently than annually.

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

V. 2. Assessments/Class Distinctions: In the event of conflict, the provisions of this paragraph shall control over any other provisions contained in these Bylaws. If at any time any Class A Units are owned by the Association, assessments allocable to such Class A units owned by the Association (to the extent that such assessments are not covered by rental income realized from the leasing of such units by the Association) shall be borne by all unit owners per percentage ownership interest in the common elements. In order to reduce the assessments to the Class A owners, access to the major recreational facilities are restricted as set forth in Article XVI. Therefore, in adopting budgets and in

allocating assessments as among the separate unit owners, the Board of Managers shall endeavor, to the best of their abilities, to allocate the costs related to such major recreational facilities to the Class B owners only. Costs allocated to Class B owners only shall be borne by the Class B owners in the ratio of the ownership of common elements of each Class B unit to the total ownership interest in the common elements of all Class B units. Accordingly, the budgets and assessments should, at a minimum, reflect the following allocations for common expenses:

<u>Expense</u>	<u>Class</u>
1. Common Electricity	A and B per percentage ownership interest in the common elements except to the extent that common electricity can be separately metered with regard to the major recreational facilities, in which event those expenses shall be allocated to Class B.
2. Common Water and the Sewer	A and B per percentage ownership interest in the common elements except to extent that common water and sewer can be separately metered or allocated with regard to the major recreational facilities in which event those expenses shall be allocated to Class B.
3. Firewood	Separately billed to unit owners pursuant to use.
4. Grounds Maintenance and Snow Removal	A and B per percentage ownership interest in the common elements.

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| 5. | On-Site Manager's Salary, Housing and Expenses | A and B per percentage ownership interest in the common elements. |
| 6. | Managing Agent's Fee | A and B per percentage ownership interest in the common elements. |
| 7. | Insurance | A and B per percentage ownership interest in the common elements. |
| 8. | Gas for Heating Pool Facilities | B only. |
| 9. | Recreation Area Expenses (maintenance of pools, jacuzzis, dressing rooms, conference or recreation room, shuttle service) | B only. |
| 10. | Advertising and Promotion | B only. |
| 11. | Trash Removal | A and B per percentage ownership interest in the common elements. |
| 12. | Governmental Transportation Assessments | A and B per percentage ownership interest in the common elements. |
| 13. | Common Governmental Taxes or Assessments | A and B per percentage ownership interest in the common elements. |
| 14. | Reserve Funds and Special Assessments | A and B per percentage ownership interest in the common elements except to the extent the reserves or special assessments are for replacement of major recreation facilities. |
| 15. | Common Building Maintenance and Supplies | A and B per percentage ownership interest in the common elements. |
| 16. | Common Maid Service and Supplies | A and B per percentage ownership interest in the common elements. |

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| 17. Condominium Association Costs and Fees Incurred | A and B per percentage ownership interest in the common elements. |
| 18. Laundry Facilities | B only. |
| 19. Security Service | A and B per percentage ownership interest in the common elements |
| 20. Snowmass Resort Association Dues | As assessed by Snowmass Resort Association in accordance with General Declaration for West Village of Snowmass and Amendments thereto. |
| 21. Debt Service on Employee Units Owned by the Association | A and B per percentage ownership interest in the common elements |
| 22. All other expenses | As determined in the discretion of the Board of Managers. |

ARTICLE VI

OFFICERS

1. Designation: The officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Managers, and such assistant officers as the Board of Managers shall, from time to time, elect. Except for the President who shall be, such officers need not be, members of the Board of Managers, but each shall be an owner of a condominium unit in this condominium project, or the Declarant(s) or their representative(s). The office of President and/or Vice-President shall not be combined with the offices of Treasurer and/or Secretary or held by the same person, but the offices of Treasurer

and Secretary may be combined and 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 or a two-thirds (2/3) majority vote of the members, any officer may be removed, either with or without cause. His successor may be 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 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.

In the event that the Association owns any Class A units, the President as the representative of the Association shall cast all votes on behalf of the Association with regard to the units so owned by the Association.

5. Vice President: The Vice President shall have all the powers and authority and perform all the functions and duties of the President in the absence of the President or his inability for any reason to exercise such powers and functions or perform such duties.

6. 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 the ByLaws.

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 unit 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.

7. 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 and disbursing funds, the Treasurer shall review the accounts of the Managing Agent not less often than once each calendar quarter.

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, costs and expenses, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding arising out of his or their conduct on behalf of the Association, except that the indemnification shall not apply if the Court determines such person was guilty of gross negligence or

willful misconduct. In the event the Court determines such gross negligence or malfeasance to have occurred, the person shall reimburse the Association for all sums advanced to defend the suit or proceeding. 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 involved. 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 condominium unit, 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 as a member or owner under and by virtue of the Condominium Declaration.

2. Other: Contracts or other commitments made by the Board of Managers, officers or the Managing Agent shall be made as agent for the unit owners, and they shall have no personal responsibility on any such contract or commitment (except as unit owners), and the liability of any unit owner on any such contract or commitment, except as set forth to the contrary in Article V, paragraph 2, shall be limited to such proportionate share of the total liability thereof as the common interest of each unit owner bears to the aggregate common interest of all of the unit owners, except that any losses incurred because of an inability to collect such proportionate amount of the total liability owed by an owner shall be shared proportionately by the other owners in the same ratio as the common interest of each unit owner from whom such proportionate amount was collected bears to the aggregate common interest of all unit owners from whom such proportionate amount was collected.

ARTICLE VIII

AMENDMENTS TO BYLAWS AND ARTICLES

1. Amendments to Bylaws: These Bylaws may be amended by the Association at an annual meeting or at a duly constituted special meeting for such purpose; provided, however, that the particulars set forth in Section 38-33-106, C.R.S. 1973, and as the same may be

amended, shall always be embodied in the ByLaws. The vote of a two-thirds (2/3) majority of the owners shall be required for amendment, except as set forth in Article II, paragraph 2.

2. Amendments to Articles of Incorporation: The Board of Managers shall adopt a resolution setting forth the proposed amendment to the Articles of Incorporation and directing that it be submitted to a vote at either the annual, or a special, meeting of the members. Written notice setting forth the proposed amendment or amendments shall be given to each member entitled to vote at such meeting in person or by proxy. No amendment prohibited by applicable laws, including but not limited to, federal tax laws, the Colorado Nonprofit Corporation Act, or the Colorado Condominium Act, may be adopted. The proposed amendment shall be adopted upon receiving at least two-thirds of the votes which members present at such meeting or represented by proxy are entitled to cast, except as set forth in Article II, paragraph 2.

ARTICLE IX

MORTGAGES

1. Notice to Association: An owner who mortgages his unit 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.

2. Notice of Unpaid Common Assessments: The Board of Managers, upon ten days written notice of request and payment of the required fee (in a reasonable amount as established by the Board of Managers) by a unit owner or his mortgagee shall promptly prepare a statement of account setting forth the amount of any unpaid assessments or other charges due and owing from such unit owner.

3. Notice of Default: The Board of Managers, when giving notice to a unit 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 condominium unit whose name and address has theretofore been furnished to the Board of Managers.

4. Examination of Books: Each unit owner and each mortgagee of a condominium unit 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.

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 condominium unit from Declarant, any person on becoming an owner of a condominium unit shall furnish to the Managing Agent or

Board of Managers a machine or a certified copy of the recorded instrument vesting that person with an interest or ownership in the condominium unit, which copy shall remain in the files of the Association.

2. Registration of Mailing Address: The owners or several owners of an individual condominium unit 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. 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 condominium unit 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 condominium unit 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 condominium unit is owned by one person, his right to vote shall be established by the record title thereto. If title to a condominium unit 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 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 owners shall reappoint and authorize one person or alternate persons to attend all annual and special meetings as provided by this paragraph 3.

4. Delinquency: No owner who is delinquent in the payment of an assessment made against him or who has otherwise failed to meet the requirements of this Article shall have the right to vote in person or by proxy at an annual or special meeting of the members of the Association.

ARTICLE XI

OBLIGATIONS OF THE OWNERS

1. Assessments: All owners shall be obligated to pay the monthly or quarterly assessments imposed by the Association to meet the common expense. The assessments

shall be made pro-rata according to percentage or fractional interest in and to the general common elements and then adjusted to reflect the provisions contained in Article V, paragraph 2, and shall be due in advance.

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

3. Maintenance and Repair:

(a) Every owner must perform promptly, at his own expense, all maintenance and repair work within his own unit 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 unit (non-common element installations) such as water fixtures, light fixtures, gas fixtures, power fixtures, toilet and bath fixtures, telephones, sanitary installations, electrical fixtures and all other accessories, equipment and fixtures shall be at the owner's expense. Repairs to doors and windows shall be

at owner's expense, utilizing materials approved by the Association.

(c) An 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 of his tenants or agents or guests.

4. Mechanic's Lien: Each owner agrees to indemnify and to hold each of the other owners harmless from any and all claims of mechanic's lien filed against other units and the appurtenant general common elements for labor, materials, services or other products incorporated in the owner's unit. 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 at the rate of eighteen percent (18%) per annum for one year plus a sum equal to ten (10%) percent of the amount of such claim but not less than One Hundred Fifty (\$150.00) Dollars, 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 hereof shall be a debt of the owner and a lien against his condominium unit which may be foreclosed as is provided in the Condominium Declaration. All advancements, payments, costs and expenses, including attorney's fees, incurred by the Association shall be forthwith reimbursed to it by such owner(s), and the owner shall be liable to the Association for the payment of interest at the rate of eighteen (18%) percent per annum on all such sums paid or incurred by the Association.

5. General:

(a) Each owner shall comply strictly with the provisions of the recorded Condominium Declaration and these ByLaws and amendments thereto.

(b) Each owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which this condominium project was built.

6. Use of Units; Internal Changes:

(a) All units shall be utilized only for residential purposes as is provided in the Condominium Declaration.

(b) An owner shall not make structural modifications or alterations to his unit or installations located therein without the written approval of the Board of Managers, and then only in accordance with the provisions of the Condominium Declaration. 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 an owner's request within fifteen (15) 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. Use of General Common Elements and Limited Common Elements: Each owner may use the general common elements, those limited common elements which he is entitled to use, sidewalks, pathways, roads and streets and other common elements located within the entire condominium project in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other owners,

and subject to the rules and regulations contained in these ByLaws and established by the Board of Managers as is provided in paragraph 9 of this Article. Use of certain of the common elements is restricted by (1) Article XVI, (2) the rules and regulations, and (3) by non-payment of assessments as provided in paragraph 23 of the Condominium Declaration, and as provided by Article IV, paragraph 3(f) of these Bylaws.

8. Right of Entry:

(a) An 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 unit, whether the owner is present at the time or not.

(b) An owner shall permit other owners, or their representatives, to enter his unit 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 unit(s); provided that requests for entry are made in advance and that such entry is at a time convenient to the owner. In case of emergency, such right of entry shall be immediate.

9. Rules and Regulations:

(a) The initial rules and regulations, which shall be effective until amended or supplemented by the

Board of Managers, are annexed hereto and made a part hereof as Schedule "B".

(b) The Board of Managers reserves the power to establish, make and enforce compliance with such additional reasonable house rules as may be necessary for the operation, use and occupancy of this condominium project with the right to amend same from time to time.

10. Destruction and Obsolescence: Each owner, upon becoming an owner of a condominium unit, thereby grants his power of attorney in favor of the Association, irrevocably appointing the Association his attorney-in-fact to deal with the owner's condominium unit upon its damage, destruction or obsolescence, all as is provided in the Condominium Declaration.

ARTICLE XII

COMMITTEES

1. Designation: The President may, but shall not be required to, appoint an executive committee.

2. Executive Committee: The executive committee shall consist of three (3) persons who are members of the Board of Managers and who shall be appointed by the President from the members of the Board. The President shall be one (1) member, the Class A Manager shall be one (1) member and the Class B Manager shall be one (1) member. 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 President shall 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 ten (10) 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.

ARTICLE XIII

ASSOCIATION - NOT FOR PROFIT

1. Association Not for Profit: This Association is not organized for profit. No members, member of the Board of Managers, officer or person from whom the Association may receive any property or funds or 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. Rent receipts received by the Managing Agent shall be deemed the property of the owner, and deposits to the Association bank account shall be deemed only as a convenience to owners.

ARTICLE XIV

MORTGAGEES AS PROXIES

1. Mortgagees as Proxies: Condominium unit owners shall have the right to irrevocably constitute and appoint a mortgagee or the beneficiary of a trust deed their true and lawful attorney to vote their unit membership in this Association at any and all meetings of the Association and to vest in such mortgagee or beneficiary or his nominee any and all rights, privileges and powers that they have as unit owners under the Certificate of Incorporation and ByLaws of this Association or by virtue of the recorded Condominium Declaration. Such proxy shall become effective upon the filing of a notice by the mortgagee or beneficiary with the Secretary of the Association at such time or times as the mortgagee or beneficiary shall deem its security in jeopardy by reason of the failure, neglect or refusal of the Association, the Managing Agent or the unit owners to carry out their duties as set forth in the Condominium Declaration. A release of the mortgage or deed of trust shall operate to revoke such proxy. Nothing herein contained shall be construed to relieve condominium unit owners, as mortgagors, of their duties and obligations as condominium unit owners or to impose upon the mortgagee or beneficiary of the deed of trust the duties and obligations of a unit owner.

ARTICLE XV

VOTING BY MAIL

The Board of Managers may determine that an election for a member or for members of the Board, for an amendment or amendments to the Articles, or for a proposed plan of merger, consolidation, or dissolution be by votes of members by mail. In the event such election be held by mail for a member of the Board of Managers, it shall require for a valid election an affirmative vote of a majority of the votes members are entitled to cast, as defined in Article II, paragraphs 2, 3 and 4. Election by mail for proposed amendments to the Articles or for a proposed plan of merger, consolidation, or dissolution shall require to be valid the affirmative votes of two-thirds of the votes that members are entitled to cast in such an election, as defined in Article II, paragraphs 2, 3 and 4.

ARTICLE XVI

COMMON ELEMENTS AND RECREATIONAL FACILITIES

1. The major recreational facilities which are common elements are swimming pools, jacuzzis, bath houses and recreation/registration area. The owners of Class A units shall not be entitled to use such facilities. The owners of Class B units shall be entitled to use such facilities without fee or charge, except as paid with their regular assessments.

2. New additions of general and limited common elements may be made by the Declarant (as defined by the Condominium Declaration) or by the Declarant's successors, if the expense for installation of such additions are paid for by the Declarant or the Declarant's successors. New additions of general and limited common elements may be made by the Association subject to the provisions of Articles IV, paragraph 3(k). A unit owner's ownership interest in any new or existing common elements shall be appurtenant to such unit. In the event of the addition of new common elements, a unit owner's voting power in the Association will not be changed other than to reflect additional unit owners in the event that additional units are added to the condominium complex. In the event of the addition of units, the number of votes which the owners of existing units are entitled to cast shall not be reduced and the number of votes which the owners of the new units shall be entitled to cast shall be computed on the same basis as was the number of votes to which the existing unit owners are entitled (as designated in the Condominium Declaration).

IN WITNESS WHEREOF, the undersigned initial Board of Managers have hereunto set their hands this ____ day of _____, 198__.

BOARD OF MANAGERS:

The undersigned Secretary of this Association does hereby certify that the above and foregoing Bylaws were duly adopted by the Managers as the Bylaws of said Association on _____, 198__.

(CORPORATE SEAL)

ATTEST:

Secretary

SCHEDULE "A"

UNIT CLASS DESIGNATION

UNITS 30-32

CLASS A

UNITS 1-29

CLASS B

SCHEDULE "B"
RULES AND REGULATIONS

1. Any common sidewalks, driveways, entrances, halls, stairways and passageways shall not be obstructed or used by any unit owner for any other purpose than ingress to and egress from the units.

2. Except as to the areas termed limited common elements, no article shall be placed on or in any of the general common elements except for those articles of personal property which are the common property of all of the unit owners.

3. Unit owners, members of their families, their guests, residents, tenants or lessees shall not use sidewalks, driveways, entrances, halls, stairways and passageways as play area(s).

4. No vehicle belonging to or under the control of a unit owner or a member of the family or a guest, tenant, lessee or employee of a unit owner shall be parked in such manner as to impede or prevent ready access to any entrance to or exit from a building. Vehicles shall be parked within designated parking areas. Any traffic flow markings and signs regulating traffic on the premises shall be strictly observed. Owners shall have assigned carports. In addition, unassigned spaces shall be available to owners and their

guests. Nothing shall be kept or stored in the carports except cars and motorcycles, i.e. no bikes, toys, boxes, equipment, etc. shall be kept in the carports.

Vehicles parked in the carports and in the unassigned spaces shall be moved by the vehicle owners whenever necessary in order to permit maintenance and snow removal. In addition, vehicles parked in the unassigned spaces shall be moved at least once per week during the season (December 1 through April 15 and June 1 through August 31) and at least once per month during the remainder of each year. No unused, abandoned or damaged vehicles shall be left in the carports or parking spaces for more than forty-eight (48) hours. No car, truck, motorcycle or any other motor vehicle shall be repaired anywhere on the condominium property. No recreational vehicles which are of a size too big to fit in a carport shall be parked in any parking space. Further, no person shall live or sleep in any recreational vehicle of any size.

5. No work of any kind shall be done upon the exterior building walls or upon the general or limited common elements by any unit owner. Such work is the responsibility of the Association.

6. No owner, resident or lessee shall install wiring for electrical or telephone installations or for any other purpose, nor shall any television or radio

antennae, machines or air conditioning units be installed on the exterior of the project, including any part of any balcony or patio, or that protrude through the walls or the roof of the condominium improvements except as may be expressly authorized by the Association.

7. Owners and occupants shall exercise reasonable care to avoid making or permitting to be made loud, disturbing or objectionable noises, and in using or playing or permitting to be used or played musical instruments, radios, phonographs, television sets, amplifiers and any other instruments or devices in such manner as may disturb or tend to disturb owners, tenants or occupants of other units.

8. Disposition of garbage and trash shall be only by the use of garbage disposal units or by use of common trash and garbage facilities.

9. The balconies, terraces, decks or patios, if any, shall be used only for the purposes intended and shall not be used for hanging garments or other articles or for cleaning rugs, household articles or other items. No rugs or other materials shall be dusted from windows, balconies, decks or patios by beating or shaking. Patios and balconies shall be kept free of garbage, debris, trash, bicycles, tires, animal droppings, laundry, or other unsightly storage.

10. The Association assumes no liability for nor shall it be liable for any loss or damage to articles stored in any common or other storage area.

11. Any damage to the general common elements or common personal property caused by the owner or a child or children of a unit owner or their guests or the guests of a unit owner shall be repaired at the expense of that unit owner.

12. No pets or animals of any kind shall be permitted in the units or on the general common elements, including lawns, driveways and sidewalks.

13. Pools and jacuzzis are for the exclusive use of Class B residents and their guests only. Children under the age of 16 years may use the recreational facilities only if accompanied by a responsible adult over the age of 21 years. The recreational facilities are for the use of the owners and their guests in residence. No owner may have more than three guests under the age of 16 years use the recreation facilities at any time and guests must at all times be accompanied by the owner. No individual may use the pool between the hours of 10 p.m. and 10 a.m. All individuals are to conduct themselves in such a manner as to promote a healthy, safe, quiet environment for the recreational areas. At no time shall any glass bottles, containers or drinking glasses be permitted on pool decks. No

running or horseplay is allowed on pool decks. All persons in the recreation areas shall refrain from making loud or boisterous noises.

14. With the consent of an owner the Managing Agent, or if there is no Managing Agent, then the Board of Managers, may retain a pass key to each unit. In the event that the owner does not so permit retention of a pass key, the Managing Agent or, if there be none, the Board of Managers, its employees and/or agents may make a forcible entry into such unit when the Managing Agent or Board of Managers believes that an emergency requiring such entry exists. So long as such entry is made upon a bona fide belief of emergency, the owner shall have no recourse for any such forcible entry against the Managing Agent or Board of Managers or the person or persons who actually effect such forcible entry.

The foregoing Rules and Regulations are subject to amendment and to the promulgation of further regulations.