

COPY

BYLAWS OF
THE EAGLERIDGE-ATRIUMS UNIT OWNERS' ASSOCIATION

The Board of Directors of The Eagleridge-Atriums Unit Owners' Association, a Colorado non-profit corporation, hereby adopts the following Bylaws on and as of the date of execution hereof, as the amended and restated bylaws of The EagleRidge-Atriums Unit Owners' Association, hereby repealing all prior bylaws and bylaw provisions and amendments thereto:

ARTICLE I
NAME AND LOCATION

The name of the corporation is The EagleRidge-Atriums Unit Owners' Association, hereinafter referred to as the "Association." The principal offices of the Association shall be located at 350 South Lincoln Avenue, Steamboat Springs, Colorado 80477, but meetings of Directors may be held at such places within or outside of the State of Colorado as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

As used in these Bylaws, the terms "air space unit," "condominium unit," "unit," "owner," "general common elements," "limited common elements," "common building," "map," "Project" or "Condominium Project," "Reconstruction," and "Declarant" shall have the same meanings as defined in the Substituted Condominium Declaration for The EagleRidge-Atriums Condominiums, recorded or to be recorded in the real property records of Routt County, Colorado, as may be amended from time to time (herein called the "Substituted Declaration").

ARTICLE III
MEMBERSHIP AND VOTING

Section 1. **Membership and Voting.** Membership and voting shall be as provided for in the Amended and Restated Articles of Incorporation and in the Substituted Declaration. Every Owner of an undivided fee simple interest in a Unit in the Condominium Project shall automatically be and become a Member upon acceptance of the deed of transfer to such interest. Membership shall be appurtenant to and may not be separated from ownership of an interest in a Unit.

Section 2. **Suspension of Voting Rights.** The rights of membership are subject to the payment of general and special assessments levied by the Association. The obligation to pay such assessments is imposed against each Owner and becomes a lien upon the Unit against which such assessments are made and the furniture, furnishings, appliances, equipment and fixtures therein, provided by subparagraph 8(g) of the Substituted Declaration. During any period in which a Member shall be in default in the payment of any general or special assessment levied by the

Association, the voting rights on the Association allotted to the Unit of such Member may be suspended by the Board of Directors until such delinquent assessment has been paid. Such voting rights for such Unit may also be suspended for violation of any rules and regulations, provisions, resolution or decision established by the Board of Directors governing the use and occupancy of the Units or the general common elements or property owned by the Association. No suspension of voting rights shall be exercised except after not less than three (3) days advance written notice given to the delinquent Member and to the first lienor of the affected Unit. Further, no suspension of voting rights shall affect the rights of any first lienor to vote pursuant to a proxy granted in connection with the first mortgage on the affected Unit.

Section 3. Membership Not Transferrable. The Association shall issue no stock and there shall be no stock interest in this nonprofit corporation. No certificate of membership shall be issued. It shall be the duty of each Member, upon automatically becoming a Member under the provisions hereof, to notify the secretary of the Association or its managing agent in writing of the fact of membership and to furnish the name and address under which the membership shall be carried and recognized by the Association and the name and address of all lienors of the Member's interest in the Unit. No membership may be sold, transferred or assigned, whether voluntarily or by operation of law, except in connection with the sale and transfer of an interest in a Unit to which such membership attaches.

ARTICLE IV PROPERTY RIGHTS AND RIGHTS OF USE OF THE COMMON ELEMENTS AND ASSOCIATION PROPERTY

Section 1. Use and Enjoyment. Each Member shall be entitled to the use and enjoyment of the general common elements and property of the Association held for common use in accordance with and subject to the terms and conditions set forth in the Substituted Declaration and subject to rules, regulations, provisions, resolutions and decisions of the Board of Directors. Use and enjoyment of limited common elements shall be restricted to the Owners of Units to which such limited common elements have been assigned.

Section 2. Delegate Right of Use. Any Members may delegate his rights of use and enjoyment of the general common elements and property of the Association to the members of his family who reside in such Member's Unit and to any tenants and their families who reside in the Member's Unit. Such Member should notify the secretary of the Association or its managing agent in writing of the name of any such person and of the relationship of the Member to such person, or of any such tenant and the Members of such tenant's family and their relationship to the tenant; however, unless notified in writing to the contrary, the Association and its managing agent may presume that parties or tenants in possession of such Member's Unit have been duly and properly authorized to use and enjoy general common elements and Association property. The rights and privileges of such persons are subject to suspension under Section 2 of Article XIII herein and under paragraph 6 of the Substituted Declaration, to the same extent as those of the

Members. Any Member may also delegate the aforementioned rights of enjoyment to his guests and invitees subject to the foregoing limitations.

ARTICLE V MEETINGS OF MEMBERS

Section 1. Annual Meetings. The annual meeting of Members shall be held in each year, commencing in 1990, on such date and at such time and at such place as is fixed by the Board of Directors and specified in the notice of the meeting. The annual meeting of Members shall be held on a business day or Saturday. Failure to hold an annual meeting shall not work a forfeiture or dissolution of the Association, nor remove any officer or Director from office.

Section 2. Special Meetings. Special meetings of the Members shall be called by a majority of the Directors or by the president or upon the written request of Owners having at least ten percent (10%) of the total votes of the Members. Business transacted at any special meeting shall be confined to the purposes stated in the notice thereof.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary, by mailing a copy of such notice, postage prepaid, at least ten (10) days before such meetings to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purposes of the meeting. The secretary or managing agent of the Association shall give notice of a regular or special meeting of the Members at the Association's expense.

Section 4. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of Members able to vote who are entitled to vote twenty-five percent (25%) of the total votes allotted to all Units shall constitute a quorum for the transaction of business. All questions shall be decided by vote of the majority of the votes represented at the meeting, except as otherwise provided by law, by the Amended and Restated Articles of Incorporation, by the Substituted Declaration, or by these Bylaws. No cumulative voting shall be allowed on any question or in the election of Directors.

Section 5. Fixing Record Date. The Board of Directors may fix any date not more than forty-five (45) days prior to any meeting date as the record date for the determination of Members entitled to notice of, and to vote at, a regular or special meeting of Members, and all persons who are individual Owners or are designees of organizations or multiple Owners at the close of business on that date (but only such persons) will be entitled to vote at such meeting and any adjournment thereof.

Section 6. Place of Meeting. The Board of Directors may designate any place, within Routt County, Colorado, as the place for any annual meeting or for any special meeting of

Members. A waiver of notice signed by all Members entitled to vote at a meeting may designate any place, either within or outside Colorado, as the place for such meeting. If no designation of place is made, or if a special meeting shall be called otherwise than by the president or Board of Directors, the place of meeting shall be the principal offices of the Association in Colorado.

Section 7. Proxies. Any Member entitled to vote at a meeting of Members may be represented by a proxy given to some person other than such Member. All proxies shall be in writing, shall specify the Unit to be represented by the proxy holder, shall refer only to a particular meeting, shall be dated no earlier than three (3) months before the meeting, shall be delivered to the secretary of the Association or its managing agent prior to such meeting at which such proxy is voted, and shall be available for inspection at the meeting where exercised. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Unit or interest in his Unit.

Section 8. Order of Business. The order of business at all meetings shall be as follows:

- (a) Roll Call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Establishment of Quorum.
- (d) Reading of minutes of preceding meeting.
- (e) Report of officers.
- (f) Reports of committees.
- (g) Appointment of inspectors of Election of Directors (in the event there is an election).
- (h) Election of Directors (in the event there is an election).
- (i) Unfinished business.
- (j) New business.
- (k) Adjournment.

In the case of a special meeting, items (a) through (e) shall be applicable and thereafter the agenda shall consist of the items specified in the notice of the special meeting.

Section 9. Decisions Without a Meeting. A vote of Members may be obtained by mail, if the Board of Directors so resolves, and if the ballot to all Members is mailed by the secretary or the managing agent of the Association and contains the exact question or questions submitted for vote and ballot by mail and a brief explanation of same and the position of the Board of Directors with respect thereto, and if reasonable time is allowed for return of ballots before the vote is counted. A decision on a question submitted to mail vote shall not be considered passed, approved and effective unless at least seventy-five percent (75%) of the votes of the entire Association shall be represented by returns received from Members and unless at least fifty-one percent (51%) of the votes received are cast in the affirmative on such submitted question. Such mail vote shall not be permitted as respects any matter which by law, by the Substituted

Declaration, by the Amended and Restated Articles of Incorporation or by these Bylaws, requires approval by more than a majority of Members. The annual meeting of Members shall not be handled by mail.

ARTICLE VI
BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of Directors comprised of three (3) directors each of whom shall own an undivided fee simple interest in a Unit or shall be an individual designated to the secretary of the Association as entitled to vote on behalf of an organizational Member or an individual designated by Declarant as permitted by these Bylaws. Prior to the latest to occur of (i) the annual meeting of members in 1990, or (ii) the annual meeting of members next succeeding the date on which Declarant has sold and conveyed at least three (3) Units in the Project, however, the Board shall be comprised of only one (1) director, who need not own any interest in a Unit. The professional property manager contracting with the Association, or an officer or Director of the property management firm contracting with the Association, pursuant to subparagraph 6(a) of the Substituted Declaration, may be a Director of the Association if such manager or firm is an Owner.

Section 2. Selection or Election; Term of Office. Until four (4) months after Declarant has sold and conveyed at least seventy-five percent (75%) of the condominium units in the entire Project, or until three (3) years after the first unit in the Project has been sold and conveyed by Declarant, whichever first occurs, Declarant shall have the exclusive right to elect, select and replace from among the Owners the Board of Directors of the Association. Thereafter, all of the Directors shall be elected by the Members. Each Director shall be selected or elected for a term of one (1) year. The term of office of each Director shall be one (1) year, and all Directors shall be selected or elected at each annual meeting of Members. Each Director shall hold office until the selection and qualification of his successor.

Section 3. Removal of Directors. After four (4) months after Declarant has sold and conveyed at least seventy-five percent (75%) of the condominium units in the entire Project, or after three (3) years after the first unit in the Project has been sold and conveyed by Declarant, whichever first occurs, then at any regular or special meeting of the Members duly called for such purpose, one or more of the Directors may be removed with or without cause by the affirmative vote of at least fifty-one percent (51%) of all the votes allotted to the Members, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting.

Section 4. Resignations; Vacancies. Any Director may resign at any time by giving written notice to the president or to the secretary of the Association. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any vacancy occurring in the Board of Directors (by reason of resignation, death, by disqualification of a Director, or by an increase in

the number of Directors); other than by removal pursuant to Section 3 above, may be filled by Declarant until four (4) months after Declarant has sold and conveyed at least seventy-five percent (75%) of the condominium units in the entire Project, or until three (3) years after the first unit in the Project has been sold and conveyed by Declarant, whichever first occurs, and thereafter may be filled by the affirmative vote of a majority of the Directors then in office though less than a quorum. A Director elected to fill a vacancy, whether by Declarant or by the Members or by the remaining Directors, shall serve through the unexpired term of the vacant directorship.

Section 5. Compensation. No Director shall receive compensation on any service he may render to the Association. However, any Director may be reimbursed, at the discretion of the Board, for his actual expenses incurred in the performance of his duties and for his actual travel expenses to attend meetings of the Board.

ARTICLE VII MEETINGS OF DIRECTORS

Section 1. Regular Meeting. At least one (1) regular meeting of the Board of Directors shall be held annually after, but not later than one (1) week after, the annual meeting of the membership of the Association. The Directors may hold such other regular or special meetings as they may determine.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association and shall also be called by the secretary of the Association upon the written request of any two (2) Directors, after not less than three (3) days prior notice of the time and place thereof has been given to each Director by leaving such notice with him or at his residence or usual place of business, or by mailing or telegraphing it prepaid and addressed to a Director at his post office address as it appears on the books of the Association, or by telephone call personally to such Director. Notices need not state the purpose of the meeting. No notice of any adjourned meeting of the Directors shall be required.

Section 3. Quorum. A majority of the number of Directors fixed by the Bylaws shall constitute a quorum for the transaction of business. In the event a quorum of Directors is not present, a lesser number may adjourn the meeting to some future time. Every act or decision done or made by a majority of the Directors present at a meeting duly called and convened, at which a quorum is present, shall be regarded as the act of the Board, except where a larger vote is required by law, by the Substituted Declaration, by the Amended and Restated Articles of Incorporation or by these Bylaws.

Section 4. Waiver of Notice. Before, at or after any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him except when a Director attends the meetings for the

express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

Section 5. Informal Action by Directors. Any action required or permitted to be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the Directors.

Section 6. Conference Meetings. One or more members of the Board of Directors or any committee designated by such Board may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

ARTICLE VIII POWERS AND DUTIES

Section 1. Powers. The business and affairs of the Association shall be managed by its Board of Directors which may exercise all powers of the Association and do all lawful acts and things as are not by statute or by the Amended and Restated Articles or by these Bylaws or by the Substituted Declaration directed or required to be exercised and done by the Members. The power and authority of the Board of Directors shall include, but shall not be limited to, the power and authority, acting directly or through the Association's officers or through the Association's manager or managing agent:

- (a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Substituted Declaration.
- (b) To establish, make and amend such reasonable administrative rules, regulations, provisions and resolutions as may be necessary, convenient or proper for the management, operation use or occupancy of the Condominium Project, the Units, the general common elements and all real and personal property owned or leased by the Association for common use, and to enforce compliance therewith pursuant to the Substituted Declaration, including (without limitation) the right, power and authority to establish penalties for the infraction thereof and to assess liquidated damage sums in favor of the Association for specific violations of any regulation, provision, rule, or resolution, each such liquidated damage sum to be special assessment against the Unit of the Owner who or whose guests, invitees, agents or tenants violated such rule, regulation, provision or resolution.

- (c) To create any reserve required by the Substituted Declaration or deemed appropriate by the Board of Directors, including (without limitation) a capital reserve for repairs, maintenance, replacement and acquisition of Association property and general common elements and a contingency reserve to meet unanticipated common expenses.
- (d) To hire and discharge contractors, agents and employees, and to designate and remove personnel necessary for the operation, maintenance, repair, and replacement of the general common elements, and to set and determine the conditions and duties of, and wages, benefits and payments to, any such contractor, agent, employee or personnel.
- (e) To declare the office of a Director on the Board of Directors to be vacant in the event such Director shall be absent from three (3) consecutive regular meetings of the Board of Directors.
- (f) To enter into, make, amend and terminate contracts or agreements pertaining to its authority and responsibilities.
- (g) To exercise, for the Association, all powers, duties and authority vested in or delegated to the Association and not reserved to the membership or the Declarant by other provisions of these Bylaws, the Amended and Restated Articles of Incorporation or the Substituted Declaration.

Section 2. Duties. It shall be the duty of the Board of Directors acting directly or through the Association's officers or through the Association's manager or managing agent:

- (a) To cause to be kept a complete record of all its acts and corporate affairs and to present the annual report of affairs required by Section 4 of this Article to the Members at or before the annual meeting of the Members, and to supply an interim summary report of financial affairs of the Association at any special meeting when such report is requested in writing at least twenty (20) days in advance of such meeting by Members (other than Declarant) having thirty percent (30%) or more of the votes allotted to Members.
- (b) To supervise all officers, agents, contractors and employees of the Association, and to see that their duties are properly performed.
- (c) To prepare annually a budget for the collection of general assessments and the payment of the common expenses of the Association (including reserves) for the ensuing fiscal year, pursuant to Article XII herein.

- (d) To fix, determine, levy and collect general assessments to be paid by the Owners to meet the common expenses and to fund any reserve required by the Substituted Declaration or deemed appropriate by the Board of Directors, including (without limitation) a capital reserve for repairs, maintenance, replacement and acquisition of Association property and general common elements and a contingency reserve to meet unanticipated common expenses, and to fix, determine, levy and collect special assessments.
- (e) To maintain in clean and good order, attractive and sanitary condition, and in good repair, all of the general and limited common elements and all property of the Association.
- (f) To obtain and maintain insurance in connection with the Condominium Project, for the benefit of the Owners, the Association and holders of liens on Units, in the manner and in at least the amounts set forth in the Substituted Declaration.
- (g) To set and determine user fees and charges, if any, for use of recreational facilities in the general common elements or on Association property, which fees and charges shall be in addition to general and special assessments. There are, however, no major recreational facilities in the Condominium Project at the present time.
- (h) To collect promptly all delinquent assessments by suit, by foreclosure of lien, by exercise of any power or remedies granted or provided in the Substituted Declaration, or otherwise, as may be available at law or in equity, and to enjoin or seek damages from an Owner as is provided in the Substituted Declaration and these Bylaws.
- (i) To protect and defend the Condominium Project from loss or damage by suit or otherwise.
- (j) To borrow funds in order to pay for any expenditure or outlay authorized by these Bylaws and the Substituted Declaration, and to execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary or advisable, subject to the limitations of the Substituted Declaration and Amended and Restated Articles of Incorporation.
- (k) To enter into, amend and terminate contracts and agreements within the scope of its duties and powers.
- (l) To establish bank accounts for the common treasury and for all separate funds and reserves which are required or may be deemed advisable by the Board of Directors.

- (m) To maintain full and accurate books and records of account showing all of the receipts, expenses and disbursements of the Association.
- (n) To maintain a complete and accurate list and record of all Owners and all first lienors, and the last known address of each, entitled "Owners and Mortgagees of Units."
- (o) To issue, or cause the secretary or the Association's managing agent to issue, within ten (10) days after receipt of written request of any Owner, mortgagee, prospective mortgagee, purchaser or other prospective transferee of a Unit, or title insurer, the written statement certifying the matters required by subparagraph 8(m) of the Substituted Declaration. The Association may charge the requesting party a \$25.00 fee for such statement.
- (p) To make available to any Member and any first lienor, or the duly authorized agents or attorneys of any Member or first lienor, or the insurer or guarantor of any first-lien mortgage on a unit, for inspection purposes, the books, minutes, accounts, financial statements, contracts and records of receipts and expenditures of the Association and Board of Directors, together with current copies of the Substituted Declaration and the Amended and Restated Articles of Incorporation, Bylaws, rules and regulations of the Association provided, however, that the Board may restrict examination to normal business hours during weekdays and at the principal offices of the Association.
- (q) To notify in writing the first lienor of a Unit, and the insurer or guarantor of a first-lien mortgage who has sent a prior written request to the Association, of (i) any condemnation or casualty loss that affects either a material portion of the Project or the unit securing the first-lien mortgage, (ii) any sixty (60) day delinquency in the payment of assessments or charges owed by the owner of the unit encumbered by the first-lien mortgage, (iii) a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association, and (iv) any proposed action that requires the consent of a specified percentage of first lienors.
- (r) To collect diligently all general and special assessments and to enforce strictly and impartially all limitations, conditions, covenants and provisions in the Substituted Declaration, the Amended and Restated Articles of Incorporation, these Bylaws and the rules, regulations, provisions, resolutions and decisions adopted by the Board of Directors.
- (s) To cause all officers and employees and managing agents having responsibility over and access to the funds and treasury of the Association to be bonded as provided in the Substituted Declaration.

- (t) To remove snow and any other obstacles on a frequent and regular basis from all parking areas and private roadways, and to take reasonable protective steps toward keeping the general common elements and Association property safe and secure from vandalism and criminal mischief (which may include provision of security services).
- (u) To do and perform all things required by the Substituted Declaration, the Amended and Restated Articles and these Bylaws to be performed by the Association and not specifically and exclusively vested in the Members.
- (v) To do any and all things necessary or proper to accomplish the purposes of the Association.

Section 3. Managing Agent. Declarant reserves and shall have the exclusive right to act as or appoint and discharge, from time to time, the managing agent of the Association until four (4) months after Declarant sells and conveys at least seventy-five percent (75%) of the condominium units in the entire Project, or three (3) years after the first unit in the Project has been sold and conveyed by Declarant, whichever first occurs. Thereafter, the Board of Directors may employ a professional property manager or management firm as managing agent for the Association at a compensation rate established by the Board, to have such powers and to perform such duties and services as the Board may authorize, including, but not limited to, the delegation of the responsibilities, duties and powers of the secretary and treasurer of the Association and the powers and duties listed in Sections 1 and 2 of this Article, and in Article IV of the Amended and Restated Articles of Incorporation, and in the Substituted Declaration; provided, however, that the Board when so delegating shall not be relieved of its responsibilities under the Substituted Declaration, the Amended and Restated Articles or at law.

Section 4. Annual Report. After the close of the fiscal year, the Board of Directors shall submit to the Members of the Association a report as to the condition of the Association and its property and the affairs of the Association for the preceding year, and shall also submit a summary account of the financial transactions of the past year. Such report shall also include an unaudited balance sheet and income statement for the preceding year. In any event, any holder, insurer or guarantor of a first-lien mortgage shall be allowed to have an audited financial statement of the affairs of the Association prepared at the sole expense of such holder, insurer or guarantor. If the Board shall determine, interim reports may be provided to the Members one or more times during each year.

ARTICLE IX INDEMNIFICATION

Section 1. The Association shall indemnify any Director or officer or former Director or officer of the Association for expenses and costs (including attorneys' fees) actually and necessarily incurred by him in connection with any claim asserted against him, by action in court

or otherwise, by reason of his being or having been such Director or officer, except in relation to matters as to which he shall have been guilty of gross negligence or misconduct in respect of the matter in which indemnity is sought.

ARTICLE X OFFICERS AND THEIR DUTIES

Section 1. Identification of Officers. The officers of the Association shall be a president, a secretary and a treasurer, and such other officers as the Board shall from time to time by resolution create. The president shall at all times be a Member of the Board of Directors. The other officers need not be Directors. All officers shall be elected by the Board of Directors and shall serve at the pleasure of the Board.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed by the Directors, or be otherwise disqualified to served.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the affirmative vote of a majority of the Directors then in office. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice, or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces or at the pleasure of the Board.

Section 7. Compensation. No officer shall receive compensation for any service he or she may render to the Association. However, any officer may be reimbursed, at the discretion of the board, for his or her actual expenses (including travel expenses) incurred in the performance of his or her duties and in attending meetings of the Board or of the members.

Section 8. Multiple Offices. The offices of secretary and treasurer may be held by the same person. Otherwise, no person shall simultaneously hold more than one of the offices, except in the case of special offices created pursuant to Section 4 of this Article.

Section 9. Duties. The duties of the officers are as follows:

- (a) 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 Directors. He shall have the general and active control of the affairs and business of the Association and general supervision of its officers, agents and employees, and shall see that the orders, decisions, and resolutions of the Board are carried out. The president or any vice-president shall sign all notes, security instruments, leases, agreements and other written instruments of the Association.
- (b) Vice Presidents. Any vice presidents shall assist the president and shall perform such duties as may be assigned to them by the president or by the Board of Directors. In the absence of the president, a vice president designated by the Board of Directors or (if there be no such designation) designated in writing by the president shall have the powers and perform the duties of the president. If no such designation shall be made, any vice president may exercise such powers and perform such duties.
- (c) Secretary. The secretary shall:
- (i) Keep the minutes of the meetings of the Members and of the Board of Directors;
 - (ii) See that all notices are duly given in accordance with the provisions of these Bylaws, the Substituted Declaration and as required by law;
 - (iii) Be custodian of the corporate records and of the seal of the Association and affix the seal to all instruments and documents when authorized by the Board of Directors;
 - (iv) Unless delegated to a manager or managing agent as described in Section 5 of Article XIV herein, the secretary shall keep at the registered office or principal place of business of the Association within Colorado a book (which may be a separate section of the minute book of the Association) containing the names and registered addresses of all Members, the designation of the Unit owned by each Member, and, if such Unit is mortgaged, the name and address of each mortgagee or beneficiary of a trust deed;
 - (v) In general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him or her by the president or by the Board of Directors. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the secretary.

The duties of the secretary may be delegated to the managing agent or the representative of the managing agent of the Association.

- (d) Treasurer. The treasurer shall be the principal financial officer of the Association and shall have the care and custody of all funds, securities, evidences of indebtedness and other personal property of the Association and shall deposit the same in accordance with the instruction of the Board of Directors. The treasurer shall sign all checks and drafts of the Association, shall receive and give receipts and acquittance for moneys paid on account of the Association, and shall pay out of the funds on hand all bills, payrolls and other just debts of the Association of whatever nature upon maturity. The treasurer shall keep and maintain the Association's financial records and books of account, shall cause to be prepared the annual financial reports of the Members required by Section 4 of Article VIII of these Bylaws, and the annual budget of the Association, shall levy, assess and collect all general and special assessments and shall take such actions to accomplish collection of delinquent accounts as are authorized by the Board of Directors and permitted by the Substituted Declaration, the Amended and Restated Articles of Incorporation or these Bylaws. The treasurer shall perform all other duties incident to the office of the treasurer and, upon request of the Board, shall make such reports to it as may be required at any time. The treasurer shall, as required by the Substituted Declaration but as a common expense, give the Association a bond in such sums and with such sureties as is required by the Substituted Declaration, conditioned upon the faithful performance of his or her duties and for the restoration to the Association of all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his or her control belonging to the Association. The treasurer shall have such other powers and perform such other duties as may be from time to time prescribed by the Board of Directors or the president. The assistant treasurers, if any, shall have the same powers and duties, subject to the supervision of the treasurer. The duties of the treasurer may be delegated to the managing agent or representative of the managing agent of the Association, if so provided in the contract between the Association and such managing agent.

ARTICLE XI COMMITTEES

Section 1. Architectural Control Committee. The Board of Directors of the Association shall be and constitute the architectural control committee pursuant to paragraph 18 of the Substituted Declaration.

Section 2. Other Committees. The Board of Directors may appoint such other committees among the membership as it shall deem necessary, to perform such responsibilities as are delegated thereto by the Board.

ARTICLE XII
BUDGET AND ASSESSMENTS

Section 1. Budget. The treasurer, or the managing agent of the Association if so empowered, shall prepare annually and submit to the Board of Directors a proposed budget for the Association for the ensuing fiscal year. Such budget should be so prepared and submitted to the Board prior to the end of each fiscal year. Each budget should, to the extent feasible, be determined by reference to the current fiscal year's actual income and expenses, together with reasonable estimates of other expenses or modifications of income and expenses expected to occur in the ensuing year, adjusted further to reflect inflation. Each such budget shall include sums to be deposited to each reserve fund maintained by the Association. The Board of Directors shall make reasonable efforts to adopt the budget for the Association for the ensuing year not later than thirty (30) days after the commencement of such fiscal year, and shall in any event so adopt such budget prior to the annual meeting of Members. The Board shall also determine the periodic intervals of the general assessments (and special assessments, if applicable) to be levied to collect the income required by the budget, but no less frequently than quarter-annually. Copies of the budget, as adopted, shall be submitted to all Members at or prior to the annual meeting of Members.

Section 2. Capital Reserve Fund for Replacements. The Association shall establish and maintain a capital reserve fund for repairs, maintenance, replacement, and acquisition of Association Property and general common elements and shall allocate and set the periodic payment to such reserve fund in amounts to be designated from time to time by the Board of Directors and included as a general assessment to the Owners. Assessments for and additions to such fund shall conclusively be deemed to be a common expense of the Owners, the assessment for which shall be a general assessment. Such fund shall be deposited in a segregated account or savings certificates with a lending or savings institution, the accounts of which are insured by an agency of the United States or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, and state or the United States. This capital reserve fund for replacements may be expended only for the purpose of effecting the repair, maintenance or replacement of the common elements and personal and real property owned by the Association, and for the acquisition, installation and construction of new or additional improvements on or in the general common elements or Association real property or new or additional personal property to be owned by the Association. Each expenditure of funds in such capital reserve fund for replacements shall be approved in advance by the Board of Directors. The interest of any Owner in the capital reserve fund for replacements, and except as provided in these Bylaws, in any other reserve fund established by the Board of Directors, shall be considered an appurtenance to such Owner's Unit or interest therein and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Unit or interest therein to which it appertains and shall be deemed to be transferred and assigned with any conveyance of a Unit or interest therein.

Section 3. Contingency Reserve Fund. The Association shall establish and maintain a contingency reserve fund to meet unanticipated common and other expenses, and shall allocate

and set the periodic payment to such reserve fund in amounts to be designated from time to time by the Board of Directors (which may be zero) and assessed as a general or special assessment, as appropriate, to the Owners. Such fund shall be deposited in a segregated account or savings certificates with a lending or savings institution, the accounts of which are insured by an agency of the United States or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, any state or the United States. Upon the initial sale of each condominium unit by Declarant, an assessment equal in amount to three (3) months of the then current general assessments for the conveyed condominium unit shall be collected from each purchasing owner and deposited in the contingency reserve fund account. Such initial assessment shall be credited to the seller and debited to the purchaser upon each subsequent sale of each unit. The Association shall have no obligation to refund or account to any unit owner for such contingency reserve fund contribution. The contingency reserve fund may be expended only for the purpose of payment of unanticipated common expenses, other under-funded expenses or expenses not included in the current year's budget. Each expenditure of funds from the contingency reserve fund shall be approved in advance by the Board of Directors. The interest of any Owner in the contingency reserve fund, shall not be considered an appurtenance to such Owner's Unit or interest therein.

Section 4. Assessments. Each Owner shall promptly pay such Owner's share of all general assessments imposed by the Association to meet the common expenses, all assessments for any reserve created by the Board of Directors (including the Capital Reserve Fund For Replacements and the Contingency Reserve Fund described in Subsections 2 and 3 above), and all special assessments duly made and levied, including all special assessments constituting liquidated damage sums for violation of any rule, regulation, provision or resolution of the Association. General assessments (including assessments to fund the Capital Reserve Fund For Replacements and the Contingency Reserve Fund described in Subsections 2 and 3 above and any other reserve fund created by the Board) shall be made as a periodic (not less often than quarter-annual) advance billing of the annual Association budget, in which event the proportionate general common expense shall be deemed to have been severally incurred as of each respective date of each installment billing. No distinction or division between general common elements and limited common elements shall be made with respect to assessments and budgets.

The Board of Directors shall determine the amount of the general assessments annually in connection with adoption of each budget, but may set or adjust assessments at more frequent intervals should circumstances so require, all in accordance with the Substituted Declaration and these Bylaws.

The Board of Directors shall make reasonable efforts to fix the amount of the general assessments against each Owner for the ensuing fiscal year not later than thirty (30) days after the commencement of such fiscal year. Written notice of the assessments shall thereupon be sent to all Owners. The omission of the Board of Directors, before the commencement of any annual assessment period, to fix general assessments for the next fiscal year or to give notice thereof shall not be deemed a waiver or modification in any respect of the provisions of this Article or the

power to assess pursuant to the Substituted Declaration or a release of any Owner from the obligation to pay general assessments, or any installment thereof, for that or any subsequent assessment period, but the general assessment fixed for the preceding period shall continue until a new assessment is fixed. No Owner may exempt himself from liability for general and special assessments, or interest, fees or charges thereon, by a waiver of the use or enjoyment of any of the general common elements or the property of the Association.

Each billing by the Association to an Owner, whether an advance billing of a general assessment or a special assessment or otherwise, shall be due and payable by the last day of the month in which the billing is made; provided that the initial assessment for funding the Capital Reserve Fund For Replacements may be made with respect to each Unit when such Unit is initially conveyed by the Declarant to the first purchaser thereof and initial assessments for funding the Contingency Reserve Fund shall be made as provided in Section 3 above. The Declarant shall be liable to pay common expenses and general or special assessments by virtue of Units owned from time to time by the Declarant. If a Unit is owned in undivided interest by two (2) or more Owners, each of such co-owners shall be jointly and severally liable for each general and special assessment, except for a liquidated damage sum against and attributable to such Unit by reason of the conduct or omission of only one (1) co-owner, and except as otherwise provided in the Substituted Declaration. An assessment shall be deemed billed when in writing, placed in an envelope addressed to the Owner at his or her last address as shown on the books of the Association, postage prepaid, and deposited in the U.S. Mails. Payment of assessments shall be made in cash. All assessments not paid when due shall bear interest from and after the same are due at a rate of two percent (2%) per month. Further, any assessment not paid within ninety (90) days after the same is billed shall incur a late payment charge of Fifty and No/100ths Dollars (\$50.00), in addition to interest. The Board of Directors, the treasurer, or the professional property manager or managing agent contracted by the Association, is empowered to take any and all action and remedies for collection of assessments as are provided for in the Substituted Declaration, the Amended and Restated Articles of Incorporation or these Bylaws, or as are permitted at law or in equity.

A special assessment may be levied and collected against an Owner of a Unit as liquidated damages for violation of any rule, regulation, provision or resolution with respect to management, operation, use and occupancy by such Owner or his guests, invitees, agents or tenants. Special assessments also may be levied against and shall be paid by each of the Owners whenever in the opinion of the Board it is necessary or advisable to do so (i) to meet increased operating or maintenance expenses or costs which cannot be paid from the Contingency Reserve Fund, (ii) to meet increased repair expenses or to provide for additional capital expenses or for replacement or improvement of general common elements or Association property or for installation or construction of additional improvements on common elements, the cost of which cannot be paid for the Capital Reserve Fund For Replacements, (iii) because of emergencies, or (iv) for any purpose allowed by the Substituted Declaration; provided that except for Reconstruction Assessments or special assessments made pursuant to paragraph 10 of the Substituted Declaration and except for assessments to fund or add to the Capital Reserve Fund For Replacements and the

Contingency Reserve Fund, all other special assessments must be approved in advance by the affirmative vote of at least thirty-five percent (35%) of all of the votes allotted to the Members, at a regular or special meeting called to consider such special assessment. All special assessments (other than for violating any rule, regulation, provision or resolution) shall be in itemized statement form and shall set forth the detail of the various expenses for which the special assessment is being made.

Section 5. Determining Proportionate Share of Assessments. Each general assessment (including each assessment for a reserve) and each special assessment (other than as a liquidated damage sum for violation of a rule, regulation, provision or resolution of the Association) shall be allocated among the Owners in proportion to each Owner's "Percentage of Common Expense Responsibility" as calculated pursuant to paragraph 8 of the Substituted Declaration.

ARTICLE XIII OBLIGATION OF MEMBERS

Section 1. Maintenance and Repair.

(a) Every Owner shall perform or cause to be performed at his own expense all maintenance and repair work within his own Unit necessary to maintain the Unit in a good and habitable state of repair.

(b) All repairs of internal installation in a Unit such as water, light, gas, power, sewage, telephones, air conditioners, sanitary installations, doors, windows, electrical fixtures, fireplaces, and all other accessories, equipment and fixtures belonging to a Unit shall be at the Owner's expense.

(c) Each Owner shall reimburse the Association promptly upon receipt of its statement for any expenditures incurred by it in repairing and replacing any general or limited common element damaged by the negligence or intentional acts of such Owner or his tenants, invitees, agents or guests.

Section 2. Compliance with Substituted Declaration, Amended and Restated Articles, Bylaws and Rules. Each Member, and each guest, invitee and tenant of each Member, shall comply with all of the provisions of the Substituted Declaration, the Amended and Restated Articles of Incorporation and Bylaws of the Association, and all rules, regulations, provisions, resolutions and decisions issued by the Board of Directors. If a Member or guest, invitee or tenant of a Member fails to so comply, the Association shall have all powers and remedies provided for in the Substituted Declaration, including (without limitation) the power, during the period of any failure of compliance, (a) to suspend the right of such delinquent Member and his guests and invitees and tenants to use general common elements and Association property held for common use (provided that access to such member's Unit shall never be denied), (b) to cause utility service to a delinquent Member's Unit to be suspended, and/or (c) to suspend the voting

rights allotted to the Member's Unit; provided, however, that none of the powers in this Section 2 may be exercised except after not less than three (3) days advance written notice given to the delinquent Member and to the first lienor of the affected Unit, and provided further that no suspension of voting rights shall affect the rights of any first lienor to vote pursuant to a proxy granted in connection with a first-lien mortgage or deed of trust on the affected Unit. Any remedy or power of the Association above described in this Section 2 may be exercised by the manager or managing agent for the Association.

ARTICLE XIV
EVIDENCE OF OWNERSHIP, REGISTRATION OF
MAILING ADDRESS AND LIEN HOLDERS

Section 1. Proof of Ownership. Except for those Owners who initially contract to purchase a Unit from the Declarant, any person on becoming an Owner shall furnish to the secretary a photocopy of the recorded instrument vesting that person with an interest or ownership, together with such Owner's current mailing address and the name and address of all mortgagees of such Unit. The secretary shall maintain such information in a book (which may be a separate section of the minute book of the Association) entitled "Owners and Mortgagees of Units." A Member shall not be deemed to be in good standing and shall not be entitled to vote at any annual or special meeting of Members unless he shall have provided the secretary in writing with such Member's current mailing address. The last mailing address provided to the Association and shown in its records shall be deemed to be the current mailing address. The duties of the secretary herein may be delegated to the managing agent of the Association.

Section 2. Registration of Mailing Address. If a Unit is owned entirely by one individual Member or one organizational Member, the current mailing address of such individual or of the designated representative of the organizational Member shall be deemed the registered address required by the Substituted Declaration. If a Unit is owned by more than one entity or individual, then the current mailing address of the designated representative of all such Owners, or if no such designation has been made to the Association, then the current mailing address of any one of such co-owners as selected by the Association in its sole discretion, shall be deemed the registered address required by the Substituted Declaration.

Section 3. Liens. Any Owner who mortgages or grants a deed of trust covering the Unit or the ownership interest in such Unit of such Owner shall notify the secretary of the name and address of the mortgagee or beneficiary of the deed of trust and shall file a photocopy of the recorded security instrument with the secretary. The secretary shall maintain such information in a book (which may be a separate section of the minute book of the Association) entitled "Owners and Mortgagees of Units." The Board of Directors or secretary or managing agent, not later than sixty (60) days after the delinquency of an Owner or Co-Owner in paying any assessment, shall send a notice of such default to the first lienor of such Owner's Unit and to the guarantor or insurer of such first-lien mortgage, if such guarantor or insurer has given a written request for same to the Association.

Section 4. Address of the Association. The address of the Association shall be as provided in Article I of these Bylaws. Such address may be changed from time to time upon written notice to all Members and all mortgagees or beneficiaries of deeds of trust listed in the book (or, in the separate section of the minute book of the Association) entitled "Owners and Mortgagees of Units."

Section 5. Delegate to Managing Agent. If the Association shall contract with a manager or managing agent and shall record a certificate of identity of such manager or managing agent in the real property records of Routt County, and if such contract expressly so provides, then such manager or managing agent shall have full power and authority to do and perform all functions and duties of the secretary and of the treasurer of the Association under these Bylaws and shall, as agent of the Board, exercise any remedies vested in the Association by the Substituted Declaration, the Amended and Restated Articles of Incorporation, and these Bylaws for the collection of assessments or enforcement of the Substituted Declaration, and any notice given by any Owner or mortgagee or beneficiary of a trust deed encumbering a Unit pursuant to this Article XIV shall be directed to such manager or managing agent.

ARTICLE XV SECURITY INTEREST IN MEMBERSHIP

Section 1. Security Interest. Any Owner shall have the right irrevocably to constitute and appoint the mortgagee or the beneficiary of a trust deed as the true and lawful attorney-in-fact for such Owner to vote for such Owner at any and all meetings of the Association and to vest in the mortgagee or the beneficiary any and all rights, privileges and powers that such Owner has under the Amended and Rested Articles of Incorporation and these Bylaws or by virtue of the Substituted Declaration, subject to the powers-of-attorney contained in paragraphs 6 and 10 of the Substituted Declaration. No such proxy or power-of-attorney shall be effective until the same is executed and subscribed and sworn to by the Owner and is filed with the secretary of the Association, and further, such proxy or power-of-attorney shall be effective only on written notice by the mortgagee or beneficiary to the Association that such mortgagee or beneficiary deems its security in jeopardy. A release of the mortgage or the beneficiary's deed of trust shall operate automatically to revoke such proxy or power-of-attorney. Nothing herein contained shall be construed to relieve any Owner, as mortgagor, of the duties and obligations as an Owner or to impose upon the mortgagee or the beneficiary of the deed of trust the duties and obligations of an Owner.

ARTICLE XVI NOTICES

Section 1. Notices. Notices to Directors and Members shall be in writing and delivered personally or mailed to the Directors or Members at their addresses appearing on the books of the Association, except as otherwise specifically permitted by these Bylaws. Notice by mail shall be deemed to be given at the time when deposited in the United States Mail addressed

to the Member or Director at his address as it appears on the books of the Association, with postage thereon prepaid. Notice to Directors may also be given by telegram and shall be deemed to have been presented when given to the telegraph company, and may also be given by telephone personally connected to such Director.

Section 2. Waiver. Whenever any notice is required to be given to any Member or Director under the provisions of any statute or of the Amended and Restated Articles of Incorporation or of these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be the equivalent to the giving of such notice.

Section 3. Attendance is Waiver. Attendance of any Member or Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director or Member attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE XVII MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the Association shall be the calendar year.

Section 2. Principal Office, Change of Same. The principal offices of the Association shall be as set forth in these Bylaws. The Board of Directors, by appropriate resolution, shall have the authority to change the location of the principal offices of the Association from time to time without necessity of prior notice to the Members; provided, however, that the Association shall advise all Members of such change of principal offices at or prior to the next annual meeting of the Members.

Section 3. Seal. The seal of the Association shall bear the name of the Association and the words "Colorado-Seal." The seal shall be in the charge of the secretary or the managing agent. If so directed by the Board of Directors, a duplicate seal may be kept and used by the treasurer or any assistant secretary or assistant treasurer or the managing agent.

Section 4. Right of Entry. The president, the manager or managing agent and any other person authorized by the Board of Directors shall have the right to enter each Unit to inspect for any necessary maintenance or repair to general common elements, to perform maintenance and repair to general common elements, or to resolve any emergency originating in or threatening such Unit whether or not the Owner or occupant is present at the time.

Section 5. Compliance. These Bylaws are set forth in compliance with the requirements of the laws of the State of Colorado.

Section 6. Conflict. These Bylaws are subordinate and subject to all provisions of the Amended and Restated Articles of Incorporation and the Substituted Declaration. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as in the Substituted Declaration. In the event of any conflict between these Bylaws and the Substituted Declaration, the provisions of the Substituted Declaration shall control; and in the event of any conflict between the aforesaid Amended and Restated Articles of Incorporation and these Bylaws the Amended and Restated Articles of Incorporation shall control; and in the event of any conflict between the aforesaid Amended and Restated Articles of Incorporation and the Bylaws and the laws of the State of Colorado, the provisions of the laws of the State of Colorado shall control.

Section 7. Severability. In the event any provision or provisions of these Bylaws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions hereof which can be given effect.

Section 8. Waiver. No restriction, condition, obligation or provision of these Bylaws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 9. Captions. The captions contained in these Bylaws are for convenience only and are not a part of these Bylaws and are not intended in any way to limit or enlarge the terms and provisions of these Bylaws.

Section 10. Gender, etc. Whenever in these Bylaws the context requires, reference to the singular shall be deemed to include the plural and the converse, and reference to any gender shall be deemed to include all genders.

ARTICLE XVIII **AMENDMENTS**

Section 1. By Directors. The Board of Directors may alter or amend these Bylaws at any meeting of the Board by majority vote of the Directors, except for any material amendments to the Bylaws (as the term "material amendments" is defined from time to time by FNMA guidelines). However, any alteration or amendment in the Bylaws made by vote of the membership as permitted under Section 2 below shall not be further altered or amended by the Board of Directors.

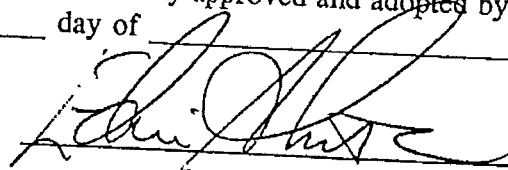
Section 2. By Members. The Members, by the vote of at least fifty-one percent (51%) of the votes allotted to the Members, unless expressly made subject to a higher voting requirement by law, the Amended and Restated Articles of Incorporation, the Substituted Declaration, or these Bylaws, may alter, amend or repeal the Bylaws at any annual meeting or at any special meeting called for that purpose at which a quorum is present; provided, however, that any material amendments to these Bylaws (as the term "material amendments" is defined from time to time by

FNMA guidelines) shall also require the approval of the holders of the first-lien mortgages on sixty-seven percent (67%) or more of the units in the Project.

Section 3. Limitation. No Amendment to these Bylaws may be made by either the Directors or the Members the effect of which would be to remove the particulars now set forth herein which are required by C.R.S. §38-33-106, and any such attempted amendment shall be void.

Section 4. Declarant Approval. No amendment of these Bylaws shall be made without the consent of Declarant so long as Declarant shall own a unit or be the beneficiary under a deed of trust or mortgage encumbering a unit.

THE FOREGOING BYLAWS were unanimously approved and adopted by the Board of Directors of the Association as of the _____ day of _____, 1995.



, Secretary