

**BY-LAWS
OF
MOUNTAIN HAUS CONDOMINIUM ASSOCIATION**

The name of the organization shall be “Mountain Haus Condominium Association”.

**ARTICLE I
OBJECT
(Plan of Ownership)**

1. The purpose for which this non-profit Association is formed is to govern the condominium property situated in the County of Eagle, and State of Colorado, which property is described in the Certificate of Incorporation and which property has been or will be submitted to the provisions of the Condominium Ownership Act of the State of Colorado by recorded Condominium Declaration.

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

**ARTICLE II
MEMBERSHIP, VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES**

1. Membership. Ownership of a condominium unit is required in order to qualify for membership in this Association. Any person, on becoming an owner of a condominium unit, shall automatically become a member of this Association and be subject to these By-Laws. Such membership shall terminate without any formal Association action whenever such person ceases to own a condominium unit, but such termination shall not relieve or release any such former owner from any liability or obligation incurred under or in any way connected with this Association during the period of such ownership and membership in this Association, or impair any rights or remedies which the Board of Managers of the Association or others may have 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. No certificates of stock shall be issued by the Association, but the Board of Managers may, if it so elects, issue one membership card to the owner(s) of a condominium unit. Such membership card shall be surrendered to the Secretary whenever ownership of the condominium unit designated thereon shall terminate.

2. Voting. Each unit owner shall have the right to cast one vote for each unit owned by such owner. The vote for a unit, the ownership of which is held by more than

one person, may be exercised by any one of them, unless an objection or protest by any other holder of an interest in the unit is made prior to the completion of the vote, in which case the vote for such unit shall be exercised, as the persons holding a majority of such interest determine between themselves. Should the joint owners of a unit be unable, within a reasonable time, to agree upon how they will vote any issue, they shall be passed over and their right to vote on such issue shall be lost. In no event shall more than one vote be cast with respect to any unit. Cumulative voting is prohibited.

In all cases in which an owner is an entity rather than a natural person, such owner shall designate in a written instrument one natural person as the Voting Representative of such owner. Such owner shall furnish a copy of such instrument to the Association, and such instrument shall remain in full force and effect until revoked by written instrument filed with the Association or replaced by a subsequent instrument filed with the Association designating a substitute Voting Representative. Only the Voting Representative so designated may cast a vote or issue a proxy on behalf of such owner. If such owner fails to designate a Voting Representative in a written instrument filed with the Association, then such owner shall be treated as having abstained from any vote made by the owners at any meeting held at any time prior to the Association's receipt of such designation.

3. Majority of Unit Owners. As used in these By-Laws, the term "majority of unit owners" shall mean those owners of more than fifty percent (50%) of the undivided ownership of the general common elements.

4. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of those owners of twenty percent (20%) of the undivided ownership of the general common elements shall constitute a quorum. An affirmative vote of a majority of the unit owners present, either in person or by proxy, shall be required to transact business.

5. Proxies. Votes may be cast in person or by proxy duly signed by all owners of the unit, or the Voting Representative of an entity. 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 as the Board of Managers may determine.

3. Annual Meetings. The first annual meeting of the Association shall be held on any day during the month of December, 1969. Thereafter, the annual meetings of the

Association shall be held on any day during the month of December of each succeeding year. At such meetings, there shall be elected by ballot of the owners a Board of Managers in accordance with the requirements of Paragraph 4 of Article IV of these By-Laws. The owners may also transact such other business of the Association as may properly come before them.

4. Special Meetings. It shall be the duty of the President to call a special meeting of the owners as directed by resolution of the Board of Managers or upon a petition signed by at least one-third of the owners and having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of five-sixths of the owners present, either in person or by proxy. Any such meeting shall be held within thirty (30) days after receipt by the President of such resolution or petition.

5. Notice of Meetings. It shall be the duty of the Secretary to deliver a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each owner of record, at least ten (10) but not more than sixty (60) days prior to such meeting. Delivery of notice may be given in person, by telephone, by electronic transmission or other form of wire or wireless communication, by mail or by private courier.

6. Adjourned Meeting. 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 to a time not less than forty-eight (48) hours from the time the original meeting was called.

7. Order of Business. The order of business for all meetings of the owners of units shall be as follows:

- (a) Roll Call
- (b) Proof of Notice of Meeting or Waiver of Notice
- (c) Reading of Minutes
- (d) Reports of Officers
- (e) Reports of Committees
- (f) Election of Managers
- (g) Unfinished Business
- (h) New Business

ARTICLE IV BOARD OF MANAGERS

1. Number and Qualification. The affairs of this Association shall be governed by a Board of Managers composed of not less than three or more than nine members of the Association.

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 a first-class residential condominium project. The Board of Managers may do all such acts and things as are not by law or by these By-Laws or by the Condominium Declaration directed to be exercised and done by the owners.

3. Other Powers and Duties. The Board of Managers shall be empowered and shall have the duties as follows:

- (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.
- (b) To establish, make and enforce compliance with such 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. A copy of such rules and regulations shall be delivered or mailed to each member promptly upon the adoption thereof.
- (c) To keep in good order, condition and repair all of the general and limited common elements and all items of personal property, if any, used in the enjoyment of the entire premises.
- (d) To insure and keep insured all of the insurable general common elements of the property in an amount equal to their maximum replacement value as is provided in the Declaration. Further, to obtain and maintain comprehensive liability insurance covering the entire premises in amounts not less than \$100,000.00 per person, \$300,000.00 per accident and \$50,000.00 property damages. To insure and keep insured all of the fixtures, equipment and personal property acquired by the Association for the benefit of the Association and the owners of the condominium units and their first mortgagees.
- (e) To fix, determine, levy and collect the monthly pro-rated assessments to be paid by each of the owners towards the gross expenses of the entire premises and by majority vote of the Board to adjust, decrease or increase the amount of the monthly assessments and to remit or return any excess of assessments over expenses and cash reserves 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. All monthly or other assessments shall be in statement form and shall set forth the detail of the various expenses for which the assessments are being made.

- (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 By-Laws.
- (g) To protect and defend the entire premises 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 to execute all such instruments evidencing such indebtedness as the Board of Managers may deem necessary, and such indebtedness shall be the several obligation of all of the owners in the same proportion as their interest in the general common elements.
- (i) To enter into contracts within the scope of their duties and powers.
- (j) To establish a bank account for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Managers.
- (k) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the owners, and to cause a complete audit of the books and accounts by a competent certified public accountant, once each year.
- (l) To prepare and deliver annually to each owner a statement showing all receipts, expenses or disbursements since the last such statement.
- (m) To meet at least once each year.
- (n) To designate the personnel necessary for the maintenance and operation of the general and limited common elements.

- (o) 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.
- (p) To employ for the Association a management agent at a compensation established by the Board to perform such duties and services as the Board shall authorize.

4. Election and Term of Office. At the first annual meeting of the Association the term of office of one Manager shall be fixed for three (3) years. The term of office of one Manager shall be fixed at two (2) years, and the term of office of one Manager shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Manager, his successor shall be elected to serve a term of three (3) years. The Managers shall hold office until their successors have been elected and hold their first meeting. The Managers shall be elected by the majority of the unit owners casting their ballots in person or by proxy.

5. 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.

6. 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 majority of the owners, and a successor may then and there be elected to fill the vacancy thus created. Any Manager whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting.

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

8. Regular Meetings. Regular meetings of the Board of Managers may be called by the President or a majority of the Managers and 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 during each calendar year. Notice of regular meetings of the Board of Managers shall be given to each Manager, in person, by telephone, by electronic transmission or other form of wire or wireless communication, by mail or by private courier at least three (3) days prior to the day named for such meeting.

9. Special Meetings. Special meetings of the Board of Managers may be called by the President or by any two Managers on two (2) days' notice to each Manager, which

notice shall state the time, place (as hereinabove provided) and purpose of the meeting and shall be given in like manner as notice of a regular meeting of the Board of Managers.

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

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

12. Fidelity Bonds. The Board of Managers may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

ARTICLE V 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 and from the Board of Managers, and such assistant officers as the Board of Managers shall, from time-to-time, elect.

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. One person may hold concurrently any two offices; provided, however, that the offices of President and Secretary shall not be held by the same person. The office of Vice-President need not be filled.

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

4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Managers. He shall have all of the general powers and duties which are usually vested in the office of

president of an association, including but not limited to the power to appoint committees from among the 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 at any regular or special meetings.

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 the Secretary.

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. 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 the charge and custody of and be responsible for all funds and securities of the Association; the Treasurer shall keep complete financial books and records of the Association and shall submit such reports as the Board of Managers may from time to time require. In general, the Treasurer shall perform all of the duties incident to the office of Treasurer and such other duties as may be from time to time assigned to him or her by the President or by the Board of Managers. If required by the Board of Managers, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety as the Board of Managers shall determine. The Association shall pay the premium for such bond.

ARTICLE VI INDEMNIFICATION OF OFFICERS AND MANAGERS

The Association adopts the indemnification provisions set forth in Article 129 of the Colorado Revised Non-Profit Corporation Act codified at C.R.S. § 7-121-1018 et seq, including without limitation, the mandatory indemnification of directors as set forth in C.R.S. § 7-129-103 and mandatory indemnification of officers pursuant to C.R.S. § 7-129-107(1)(a) in effect on the date of adoption of these Bylaws. A copy of this Article 129 is attached to these Bylaws as Exhibit A and incorporated herein by this reference.

ARTICLE VII AMENDMENTS TO PLAN OF APARTMENT OWNERSHIP

1. By-Laws. These By-Laws may be amended by the Association at a duly constituted meeting for such purpose or by the use of written owner consents, and no

amendments shall take effect unless approved by owners representing at least seventy percent (70%) of the aggregate interest of the undivided ownership of the general common elements.

ARTICLE VIII MORTGAGES

1. Notice to Association. An owner who mortgages his unit shall notify the Association through the Managing Agent, if any, or the President of the Association, giving the name and address of his mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Units".
2. Notice of Unpaid Assessments. The Association shall at the request of a mortgagee of a unit report any unpaid assessments due from the owner of such unit.

ARTICLE IX EVIDENCE OF OWNERSHIP AND REGISTRATION OF MAILING ADDRESS

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 photo copy on a certified copy of the recorded instrument vesting that person with an interest or ownership which instrument shall remain in the files of the Association. A member shall not be deemed to be in good standing nor shall he be entitled to vote at any annual or at a special meeting of members unless this requirement is first met.
2. Registration of Mailing Address. The owners of each 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, and such registered address shall be the only mailing address of a person or persons, firm, corporation, partnership, association or other legal entity or any combination thereof to be used by the Association. Such registered address of a condominium unit owner or owners shall be furnished by such owners to the Secretary within five (5) 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 interests of (all of) the owners thereof.

ARTICLE X OBLIGATIONS OF THE OWNERS

1. Assessments. Except as is otherwise provided in the Condominium Declaration, all owners shall be obligated to pay the monthly assessments imposed by the Association to meet the common expenses. The Assessments shall be made pro rata according to the Percentage of Responsibility for Expenses set out as Exhibit C to the First Amendment to Condominium Declaration for Mountain Haus (a Condominium) in First Supplement to First Amendment to Condominium Declaration for the Mountain

Haus recorded in the real estate records of Eagle County, Colorado on August 28, 1987 in Book 468 at Page 761 and shall be due monthly in advance. A member shall be deemed to be in good standing and entitled to vote at any annual or at a special meeting of members, within the meaning of these By-Laws, if and only if he shall have fully paid all assessments made or levied against him and the condominium unit owned by him.

2. 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 project in its entirety or in part belonging to other owners.
- (b) All the repairs of internal installations of the unit such as water, light, gas, power, sewage, telephone, sanitary installations, doors, windows, electrical fixtures and all other accessories, equipment and fixtures shall be at the owner's expense.
- (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.

3. 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 suit for foreclosure is commenced, then within ninety (90) days thereafter such owner shall be required to deposit with the Association cash or negotiable securities equal to the amount of such claim plus interest for one (1) year together with the sum of One Hundred Dollars (\$100.00). 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 shall be paid forthwith by the subject owner, and his failure to so pay shall entitle the Association to make such payment, and the amount thereof shall be a debt of the owner and a lien against his condominium unit which may be foreclosed as is provided in Paragraph 21 of the Declaration.

4. General.

- (a) Each owner shall comply strictly with the provisions of the recorded Condominium Declaration, as amended.
- (b) Each owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which

this condominium project was built.

5. Use of Units – Internal Changes.

- (a) All units shall be utilized principally for residential purposes, other than Units 1, 2, 101, 103, 105 and 107, that may also be used for commercial purposes in accordance with the Declaration.
- (b) An owner shall not make structural modifications to his unit without the written approval of the Board of Managers. The Board of Managers shall be notified in writing of the intended modifications through the Managing Agent, or if no Managing Agent is employed, then through the President of the Association. The Association shall have the obligation to answer an owner's request within fifteen (15) days after the date of the first Board of Managers meeting following such notice, and failure to do so within such time shall mean that there is no objection to the proposed modifications or alteration.

6. Use of General Common Elements and Limited Common Elements. Each owner may use the general common elements and the limited common elements in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other owners.

7. 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, when so required, to enter his unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at a time convenient to the owner. In case of an emergency, such right of entry shall be immediate.

8. Rules and Regulations.

- (a) No member or occupant shall post any advertisement, or posters of any kind in or on any part of the condominium property except as authorized by the Association.

- (b) Owners and occupants shall exercise reasonable care to avoid making or permitting to be made loud or objectionable noises, and in using or playing or permitting to be used or played, musical instruments, radios, phonographs, televisions sets, amplifiers and any other instruments or devices in such manner as may disturb or tend to disturb owners, tenants or occupants of other condominium units.
- (c) It is prohibited to hang garments, rugs and other materials from the windows or from any of the facades of the project.
- (d) It is prohibited to dust rugs or other materials from the windows, or to clean rugs by beating on the exterior part of the project.
- (e) It is prohibited to throw garbage or trash outside the disposal installations provided for such purposes.
- (f) No owner, resident or lessee shall install wiring for electrical or telephone installations, television antennae, machines' or air conditioning units on the exterior of the project or that protrude through the walls or the roof of the project except as expressly authorized by the Association.

The Board of Managers, pursuant to Paragraph 3(b) of Article IV of these By-Laws, reserves the power to establish, make and enforce compliance with such additional 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.

9. Destruction or 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.

ARTICLE XI BENEFICIARY MAY ACT

Condominium unit owners shall have the right to irrevocably constitute and appoint 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 the beneficiary any and all rights, privileges and powers that they have as unit owners under the Certificate of Incorporation and By-Laws of this Association or by virtue of the recorded Condominium Declaration. Such proxy shall become effective upon the filing of notice by the beneficiary with the Secretary of the Association at such time or times as the beneficiary shall deem its security in jeopardy by reason of the failure, neglect or refusal of the Association, the Managing Agent or the unit owners to carry out their duties as set forth in the Condominium Declaration. A release of the beneficiary's 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 beneficiary of the deed of trust the duties and obligations of a unit owner.

ARTICLE XII COMPLIANCE

These By-Laws are set forth to comply with the requirements of the State of Colorado Condominium Ownership Act. If any of these By-Laws conflict with the provisions of said statute, it is hereby agreed and accepted that the provisions of the statute will apply.

ARTICLE XIII PAYMENTS TO INTERESTED PARTIES

This Association is not organized for profit. No member, member of the Board of Managers, officer or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any member of the Board of Managers, officer or member; provided, however, always (1) that reasonable compensation may be paid to any member, manager or officer while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (2) that any member, manager, or officer may, from time-to-time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

ARTICLE XIV EXECUTION OF DOCUMENTS

The persons who shall be authorized to execute any and all contracts, documents, instruments of conveyances or encumbrances, including promissory notes, shall be the President and the Secretary of the Association.

KNOW ALL BY THESE PRESENTS: that the above and foregoing By-Laws were duly adopted by the owners representing at least seventy percent (70%) of the aggregate interest of the undivided ownership of the general common elements at a meeting of the owners called for such purpose on December 7, 2002, as evidenced by the Minutes of such meeting on file in the office of the Association and available for inspection by any interested party.