

BY-LAWS
OF
SNOWMASS MOUNTAIN CONDOMINIUM ASSOCIATION

ARTICLE I

OBJECT

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

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

ARTICLE II

MEMBERSHIP, VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

1. Membership. Except as is otherwise provided in these By-Laws, 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. Membership shall terminate without any formal Association action whenever a person ceases to own a condominium unit. Provided, however, such termination shall not relieve or release any such former owner from any liability or obligation incurred under or in any way connected with this Association during the period of such ownership and membership in the Association. Termination shall not impair any rights or remedies which the unit owners have, either through the Board of Directors of the Association or directly, against such former owner and member arising out of or in any way connected with ownership and membership and the covenants and obligations incident thereto.

2. Voting. Voting shall be based upon the percentage of the undivided interest owned by each unit owner in all of the general common elements. An owner of an undivided interest in and to a condominium unit shall be entitled to a vote equal to his ownership interest in such unit. The aggregate of all of the undivided interests in the general common elements shall be considered one hundred percent (100%) for voting purposes. Cumulative voting is prohibited.

As used in the By-Laws the words "undivided interests" or "ownership in the general common elements" mean, for voting purposes, that fractional or percentage interest in and to the general common elements.

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 a majority of unit owners 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 the business of the meeting.

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

ARTICLE III

ADMINISTRATION

1. Association Responsibilities. The 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 Directors, hereinafter referred to as the "Board."

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

3. Annual Meetings. The first meeting of the Association shall be held on the fourth Friday during the month of June in the year following the incorporation of this Association. Thereafter, the annual meetings of the Association shall be held on the fourth Friday during the month of July of each succeeding year, or on a more convenient date as determined by the Board. At such meeting there shall be elected by ballot of the owners a Board of Directors in accordance with the requirements of section 5 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. The President may call a special meeting of the owners upon his own initiative or as directed by resolution of the Board or upon receipt of a petition signed by at least one-third (1/3) of the owners. The notice of any special meetings shall state the time and place of such meeting and the purpose thereof. No business except as stated in the notice shall be transacted at a special meeting unless by consent of two-thirds (2/3) of the owners present, either in person or by proxy. Any such meeting shall be held at such place and time as the President determines within thirty (30) days after receipt by the President of such resolution or petition.

5. Notice of Meetings. The secretary shall mail or deliver a notice of each annual or special meeting, stating the purpose thereof as well as the time and place it is to be held, to each owner of record, at least five (5) but not more than thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in this paragraph or the delivery of such notice shall be considered notice served.

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

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

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

8. Performance of Functions by Declarant. Notwithstanding the provisions of paragraph 3 of Article III, the rights, duties and function of the Board shall, at the declarant's option, be exercised by the declarant until the first phase of the condominium complex has been completed and until three-fourths (3/4) of all condominium units in the first phase have been sold and conveyed.

ARTICLE IV

BOARD OF DIRECTORS

1. Number and Qualification. At the first meeting there shall be elected not less than three (3) nor more than seven (7) members of the Association to the Board of Directors who shall thereafter govern the affairs of this Association until their successors have been duly elected and qualified.

2. Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the condominium project as a first class residential condominium property. The Board may do all such acts and things except as by law or by these By-Laws or by the Condominium Declaration may not be delegated to the Board.

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

- (a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Condominium Declaration submitting the property to the provisions of the Condominium Ownership Act of the State of Colorado, the By-Laws of the Association and supplements and amendments thereto.
- (b) To establish, make and enforce compliance with such rules and regulations as may be necessary for the operation, rentals, use and occupancy of all of the condominium units with the right to amend same from time to time. A copy of such rules and regulations shall be delivered or mailed to each member upon the adoption thereof.

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

(d) To insure and keep insured all of the insurable general common elements of the property in an amount equal to the maximum replacement value. To insure and keep insured all of the common fixtures, equipment and personal property for the benefit of the owners of the condominium units and their first mortgagees. Further, to obtain and maintain comprehensive liability insurance covering the entire premises.

(e) To prepare a budget for the condominium, at least annually, in order to determine the amount of the common assessments payable by the unit owners to meet the common expenses of the condominium project. To allocate and assess such common charges among the unit owners according to their respective common ownership interests in and to the general common elements. By majority vote of the Board to adjust, decrease or increase the amount of the quarterly or monthly assessments, and remit or return any excess of assessments over expenses, working capital, sinking funds, reserve for deferred maintenance and for replacement to the owners at the end of each operating year. To levy and collect special assessments whenever in the opinion of the Board it is necessary to do so in order to meet increased operating expenses, or because of emergencies.

(f) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an owner as is provided in the Declaration and these By-Laws. To enforce a late charge and to collect interest at a rate as determined by the Board of Directors in connection with assessments remaining unpaid more than fifteen (15) days from due date for the payment thereof, together with all expenses, including attorney's fees incurred. The Board shall have the duty, right, power, and authority to prohibit use of the condominium unit by the owner thereof, his guests, tenants, lessees, and invitees in the event that any assessment made remain unpaid more than thirty (30) days from the due date for payment thereof. If such condominium unit is rented during the time that assessments are unpaid, the Association will assume an assignment of such rent proceeds to pay the assessments outstanding.

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

(h) To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the recorded Declaration and these By-Laws, and to execute all such instruments evidencing such indebtedness as the Board may deem necessary and give security therefor. 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 to carry out their duties and powers.

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

(k) To make repairs, additions, alterations and improvements to the general common elements consistent with managing the condominium project in a first class manner and consistent with the best interests of the unit owners.

(l) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the owners, and to cause a complete audit or review of the books and accounts by a certified or public accountant once each year.

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

(n) To meet at least semi-annually.

(o) To designate the personnel necessary for the maintenance and operation of the general and limited common elements.

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

(q) To control and manage the use of all parking areas, open spaces, common streets and other common property.

(r) To employ for the Association a Managing Agent who shall have and exercise all of those powers granted to the Board by the Declaration and By-Laws which may be delegated from time to time to such Managing Agent by the Board, but not those powers which the Board, by law, may not delegate.

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

5. Election and Term of Office. At the first meeting of the Association the term of office of one Director shall be fixed for three (3) years; the term of office of one or two Directors shall be fixed for two (2) years; and the term of office of one or two Directors shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three (3) years. Except as is otherwise provided by these By-Laws, the Directors shall hold office until their successors have been elected and hold their first meeting. In the event the number of Directors is increased to seven (7) by the members, the newly elected Board members shall serve terms coincidental to the two (2) longest terms of the Board members then serving as Directors.

6. Vacancies. Vacancies in the Board caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a director until a successor is elected at the next annual meeting of the Association.

7. Removal of Directors. At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a two-thirds (2/3) majority of the owners present in person and by proxy. Thereupon a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting.

8. Organization Meeting. The first meeting of a newly elected Board of Directors following the annual meeting of the unit owners shall be held within ten (10) days following the annual meeting at such place as shall be fixed by the Directors at the meeting at which such Directors were elected. No notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board be present.

9. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least two such meetings shall be held during each calendar year. Notice of regular meetings of the

Board of Directors shall be given to each Director, personally or by mail, telephone, or telegraph, at least seven (7) days prior to the day named for such meeting.

10. Special Meetings. Special meetings of the Board may be called by the President on three (3) days notice to each Director, given personally or by mail, telephone, or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of two or more Directors.

11. Waiver of Notice. Before or at any meeting of the Board, 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 of the time and place thereof. If all of the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

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

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

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

ARTICLE V

FISCAL MANAGEMENT

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

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

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

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

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

ARTICLE VI

OFFICERS

1. Designation. The officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by the Board, and such assistant officers as the Board shall, from time to time, elect. Such officers need not be members of the Board, but each shall be owner of a condominium unit in this condominium project, or the Declarant or its representative(s). The office of President and Treasurer may be held by the same person.

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

3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board or a two-thirds (2/3) majority vote of the members, any officer may be removed, either with or without cause. His successor may be elected at any regular meeting of the Board 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. He shall have all of the general powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association or as may be established by the Board or by the members of the Association at any regular or special meetings.

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

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

ARTICLE VII

INDEMNIFICATION OF OFFICERS, DIRECTORS, & MANAGING AGENT

1. Indemnification. The Association shall indemnify every Director, officer, Managing Agent, their respective successors, personal representatives and heirs, against all loss, costs and expenses, including counsel fees, reasonably incurred by him in connection with any action, suit, or proceeding arising out of his or their conduct on behalf of the Association, except that the indemnification shall not apply if the Court determines such person was guilty of gross negligence or willful misconduct. In the event the Court determines such gross negligence or willful misconduct to have occurred, the person shall reimburse the Association for all sums advanced to defend the suit or proceeding. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director, officer, or Managing Agent in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director, officer, or Managing Agent may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses; provided, however, that nothing in this Article VII contained shall be deemed to obligate the Association to indemnify any member or owner of a condominium unit who is or has been a Director or officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Condominium Declaration.

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

ARTICLE VIII

AMENDMENTS TO BY-LAWS AND ARTICLES

1. Amendments to By-Laws. These By-Laws may be amended by the Association at an annual meeting or at a duly constituted special meeting for such purpose. The vote of a two-thirds (2/3) majority of the owners present in person or by proxy shall be required for amendment.

2. Amendments to Articles of Incorporation. The Board shall adopt a resolution setting forth the proposed amendment to the Articles of Incorporation and directing that it be submitted to a vote at either the annual, or a special, meeting of the members. Written notice setting forth the proposed amendment or amendments shall be given to each member entitled to vote at such meeting in person or by proxy. No amendment prohibited by applicable law, including but not limited to, federal tax laws, the Colorado Non-profit Corporation Act, or the Colorado Condominium Act, may be adopted.

ARTICLE IX

MORTGAGES

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

2. Notice of Unpaid Common Assessments. The Association, whenever so requested in writing or by a mortgagee of a condominium unit, shall promptly report any then unpaid common assessment due from, or any default by, the owner of a mortgaged unit.

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

4. Examination of Books. Each unit owner and each mortgagee of a condominium unit shall be permitted to examine the books of account of the condominium at reasonable times, on business days, but not more often than once each month.

ARTICLE X

EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS AND DESIGNATION OF VOTING REPRESENTATIVE

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

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

3. Designation of Voting Representative--Proxy. If a condominium unit is owned by one person, his right to vote shall be established by the record title thereto. If title to a condominium unit is held by more than one person or by a firm, corporation, partnership, association, or other legal entity, or any combination thereof, such owners shall execute a proxy appointing and authorizing one person or alternate persons to attend all annual and special

meetings of members and thereat to cast whatever vote the owner himself might cast if he were personally present. Such proxy shall be effective and remain in force unless voluntarily revoked, amended or sooner terminated by operation of law, provided, however, that within thirty (30) days after such revocation, amendment, or termination, the owners shall reappoint and authorize one person or alternate persons to attend all annual and special meetings as provided by this paragraph 3.

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

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

ARTICLE XI

OBLIGATIONS OF THE OWNERS

1. Assessments.

(a) All owners shall be obligated to pay the monthly or quarterly assessments imposed by the Association to meet the common expenses. The assessments shall be made pro rata according to percentage or fractional interest in and to the general common elements and shall be due in advance.

(b) If assessments, either regular or special, remain unpaid for thirty (30) days after date due, any rental monies from such owner's unit or units shall be deemed assigned to the Association in an amount and to the extent necessary to pay such delinquent assessments.

(c) The Association shall have the right to demand and collect delinquent assessments from rental monies held by the assessed owner or such owner's rental agent or tenant of an assessed owner, the Association by acceptance of such rental monies agrees to indemnify such agent or tenant from any claim, cause of action, or demand by the owner of such rental monies arising from or in connection with such payment.

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

3. Maintenance and Repair.

(a) Every owner must perform promptly, at his own expense, all maintenance and repair work within his own unit which, if omitted, would affect the appearance of or the aesthetic integrity of part or all of the condominium project.

(b) All the repairs of internal installations of the unit 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 or guests.

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

5. General.

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

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

6. Use of Units, Internal Changes.

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

(b) An owner shall not make structural modifications or alterations to his unit or installations located therein without the written approval of the Board. The Board shall be notified in writing of the intended modifications through the Managing Agent, or, if no Managing Agent is employed, then through the President of the Board. The Association shall have the obligation to answer an owner's request within fifteen (15) days after such notice, and failure to do so within such time shall mean that there is no objection to the proposed modifications or alterations.

7. Use of General Common Elements and Limited Common Elements. Each owner may use the general common elements, the limited common elements, sidewalks, pathways, roads and streets and other common elements located within the entire condominium project in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other owners, and subject to the rules and regulations contained in these By-Laws and established by the Board as is provided in paragraph 9 of this Article.

8. Right of Entry.

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

(b) An owner shall permit other owners, or their representatives, to enter his unit for the purpose of performing installations, alterations, or repairs to the mechanical, electrical or utility services which, if not performed, would affect the use of the other unit(s); provided that requests for entry are made in advance and that such entry is at a time convenient to the owner. In case of emergency, such right of entry shall be immediate.

9. Rules and Regulations.

(a) The initial rules and regulations, which shall be effective until amended or supplemented by the Board, are annexed hereto and made a part hereof as Schedule "A".

(b) The Board reserves the power to establish, make, and enforce compliance with such additional reasonable house rules as may be necessary for the operation, use and occupancy of this condominium project with the right to amend same from time to time. Copies of such rules and regulations shall be furnished to each unit owner prior to the date when the same shall become effective.

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

ARTICLE XIII

COMMITTEES

1. Designation. The President may, but shall not be required to, appoint an executive committee. He may designate and appoint members to the standing committees.

2. Executive Committee. The executive committee shall consist of three (3) persons who are members and who shall be appointed by the President from the members of the Board. The President shall be one (1) member. The executive committee shall supervise the affairs of the Association and shall relate its internal economy, appropriate expenditures and commitments, act and carry out the established policies of the Association and report to the Board at each meeting of the Board. The executive committee may hold regular meetings, monthly or as it may in its discretion determine. Special meetings may be called at any time by the chairman of the committee or by any of its members, either personally or by mail, telephone or telegraph, and a special meeting may be held by telephone.

3. Nominating Committee. Before each annual meeting, the President shall appoint a committee of three (3) members who shall nominate candidates for the Board. The names of the candidates shall be submitted on or before thirty (30) days before the election. Members may submit names of candidates other than those submitted by the nominating committee at least ten (10) days prior to the election. Unless such names are submitted, either by the nominating committee or by the members, no person shall be elected whose name is not so submitted unless no nominations are made, in which event the names of candidates shall be submitted at the election of the members.

4. Vacancies. A vacancy in any committee shall be filled by the President.

ARTICLE XIV

ASSOCIATION--NOT FOR PROFIT

1. Association--Not for Profit. This Association is not organized for profit. No member, member of the Board, 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, officer or member; provided, however, always (1) that reasonable compensation may be paid to any member, director, 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, director or officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association. Rent receipts received by the Managing Agent shall be deemed the property of the owner, and deposits to the Association bank account shall be deemed only as a convenience to owners.

ARTICLE XV

MORTGAGEES AS PROXIES

1. Mortgagees as Proxies. 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 such beneficiary or his nominee 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 a notice by the beneficiary with the Secretary of the Association at such time or times as the beneficiary shall deem its security in jeopardy by reason of the failure, neglect, or refusal of the Association, the Managing Agent or the 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 XVI

VOTING BY MAIL

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

IN WITNESS WHEREOF, the undersigned initial Board of Directors have hereunto set their hands this 1st day of April, 1974.

BOARD OF DIRECTORS.

[Signature]
Clarence E. Hunt
[Signature]
[Signature]

The undersigned Secretary of this Association does hereby certify that the above and foregoing By-Laws were duly adopted by the Board as the By-Laws of said Association on April 1st, 1974.

ATTEST:

[Signature]
Secretary

(CORPORATE SEAL)

SNOWMASS MOUNTAIN
CONDOMINIUMS ASSOCIATION
SCHEDULE "A"

RULES AND REGULATIONS

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

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

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

4. No vehicle belonging to or under the control of a unit owner or a member of the family or a guest, tenant, leasee or employee of a unit owner shall be parked in such a manner as to impede or prevent ready access to any entrance to or exit from a building. Vehicles shall be parked within assigned parking areas. Any traffic flow marking and signs regulating traffic on the premises shall be strictly observed.

Each unit has one designated parking space for one car, except in the case of Buildings B through G, where carport spaces may have adequate space for 2 small cars. Each unit shall occupy no more parking than is designated for that unit. This rule is to be strictly observed, particularly at times of high occupancy at Snowmass Mountain. Each resident's car will receive a parking sticker which shall be visibly displayed in the windshield area of the car.

The Manager has the authority to tow cars which are in violation of this rule at owner expense without notice.

5. No trailers, gas or liquid containers, or vehicular accessories or attachments shall be stored in garages, parking spaces, or common areas. All vehicles shall always be in operable order. A fine will be imposed in the amount of \$25 per day, one week after notice to remove is given to owner or tenant.

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

7. No owner, resident, or leasee shall install wiring for electrical or telephone installation or for any other purpose, nor shall any television or radio antennae, machines or air conditioning units be installed on the exterior of the project, including any part of the balcony, or that protrudes through the walls or the roof of the condominium improvement except as may be expressly authorized by the Association.

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

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

10. The balconies, if any, and terraces, decks or patios shall be used only for the purposes intended and shall not be used for hanging garments or other articles or for cleaning rugs, household articles or other items. No rugs or other materials shall be dusted from window, balconies, decks or patios by beating or shaking.

11. No charcoal barbeques are allowed to be used at Snowmass Mountain; gas barbeques may be used with propane tanks.

12. No dogs or cats shall be permitted or maintained within a condominium unit or upon any common elements appurtenant thereto (hereinafter for brevity referred to as the "project premises"). Nothing herein contained shall be construed to prevent a unit owner from keeping or maintaining a household pet of the variety typically confined to a cage, aquarium, or the like provided such pet is so confined. The pet privileges herein contained shall be revocable when in the reasonable judgment of the Managing Agent any pet shall have become obnoxious or offensive to remaining unit owners. Revocation of the pet privileges shall become effective immediately upon the unit owner's receipt of written notice and if the grounds for such revocation be not forthwith abated in the manner set forth by the Managing Agent, the sanction set forth in Article IX, Section 9.4 of the Condominium Declaration for Snowmass Condominiums shall thereupon apply. The Manager has the authority to fine such owner in violation of this rule regarding pets \$25 per day, per pet.

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

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

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

16. Maximum occupancy for long term occupancy: No Snowmass Mountain unit will be permitted to be occupied long term (more than 30 days) with occupancy of more than two persons in a 1 bedroom unit; 3 adults or 2 adults and 2 children in a 2 bedroom unit; and 5 adults or 2 adults and 4 children in a 3 bedroom unit. An adult is anyone 18 years or older.

17. The Conference Room in Building A is Common Element space owned by the Association. To provide some funds for depreciation, replacement and improvement of this space, a charge of \$35 a day will be imposed as a usage charge for all users, including owners. In addition, charges for setting up, cleaning, equipment and services available for this area will be made per a schedule provided by the Managing Agent upon request.

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