

BY-LAWS

OF

MOUNTAIN FAIRWAYS CONDOMINIUMS

ARTICLE I

Plan of Ownership

Section 1. Object: The purpose for which this non-profit association is formed is to govern the condominium property known as Mountain Fairways Condominium's, described in the Condominium Declarations recorded in the County of Larimer Recorder's Office, under the provisions of the Condominium Ownership act of the State of Colorado.

Section 2. Personal Application: All present or future owners, tenants, future tenants, or their employees, or any other persons that might use the facilities of the project in any manner, are subject to the regulations set forth in these By-Laws and to any rules and regulations hereafter adopted by the Board of Directors. The mere acquisition or rental or act of occupancy of any of the units will signify that these Bu-Laws are accepted, ratified and will be complied with.

ARTICLE II

Members

Section 1. Membership: Any person on becoming an owner or part owner of a unit in the condominium project shall automatically become a member of the Association of Owners and be subject to these By-Laws. Such membership shall terminate without any formal action whenever such person ceases to own any interest in a 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 the Association during the period of such ownership and membership in this Association, or impair any rights or remedies which the Board of Directors or the Association or others may have against such former owner and member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

Section 2. Voting: Each condominium unit, regardless of the number of owners of such unit, shall be entitled to cast only one (1) vote per unit on

any question submitted to a vote of the members of the Association of owners, providing monthly assessments are currently paid as set forth in Article V, Section 1 of these By-Laws. The vote for such multiple owner unit shall be cast by the owner attending a meeting in person. Any matter submitted to a vote of the members of the Association shall pass upon receiving the affirmative vote of a majority of the units represented. Majority of units shall mean those units whose aggregate is more than 51% of the total number of units.

Section 3. Proxies: Votes may be cast by proxy in the event any owner is unable to vote in person. Multiple owners of a unit shall specify among themselves who shall cast a proxy vote. Proxies must be filed with the Secretary before the appointed time of a meeting.

Section 4. Quorum: Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of the owners as defined in Section 2 of the Article II shall constitute a quorum.

Section 5. Annual Meetings: The annual meetings of the owners shall be held on a date selected by the Board of Directors. At such meetings, there shall be elected by ballot a Board of Directors in accordance with the requirements of Article III of these By-Laws. The owners may also transact such other business of the Association as may properly come before them.

Section 6. Special Meetings: It shall be the duty of the President of the Board of Directors to call a special meeting of the owners as directed by Resolution of the Board of Directors or upon a petition signed by a majority 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.

Section 7. Place of Meetings: The Board of Directors may designate any location as the place for any annual meeting and/or special meeting within the area of Estes Park, Colorado; and such location shall be specified in the notice of the meeting.

Section 8. Notice of Annual Owners Meeting: It shall be the duty of the Secretary to mail a notice of each annual meeting, stating the purpose thereof, together with the time and place where said meeting is to be held to each owner of record, at least thirty (30), but not more than forty-five (45) days prior to said meeting. The notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the member at his address as it appears in the records of the Association.

ARTICLE III

Board of Directors

Section 1. Number and Qualifications: The affairs of the Association shall be governed by a Board of Directors composed of five (5) or more persons, all of whom must be owners of units. In the case of resignation or removal of one member of the board, this vacancy may or may not be filled at the discretion of the remaining members of the Board, but no less than three (3) persons shall comprise a Board of Directors. If the resigning or removed Director is an officer, his position will be filled by one of the remaining members of the Board.

Section 2. Election and Term of Office: At each annual meeting of the owners, a new board of directors shall be elected to serve for a term of one (1) year or until their successors have been duly elected and qualified.

Section 3. Vacancies: Vacancies in the Board of Directors caused by any reason other than removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, as set forth in Section 1 of the Article III, 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.

Section 4. 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 majority of the owners and a successor may then and there be elected to fill the vacancy thus created, as set forth in Section 1 of this Article II. Any Director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting.

Section 5. Organizational Meetings: The first meeting of the newly elected Board of Directors shall be held without other notice than these By-Laws, immediately after and at the same place as the annual meeting of owners for the purpose of election Officers of the Board.

Section 6. Regular Meetings: Regular meetings of the Board of Directors may be held at such time and place as shall be determined by the President, but at least four (4) such meetings shall be held during each fiscal

year. Failure to attend less than two regular meetings shall constitute cause for the removal of such Director at the option of a majority of the members of the board. Notice of regular meetings of the Board shall be given to each Director personally or by mail or telephone at least ten (10) days prior to the day designated for such meeting.

Section 7. Special Meetings: Special Meetings of the Board of Directors may be called by the President or any two (2) members of the Board on five (5) days notice to each Director, given personally, by mail or telephone, which notice shall state the time, place and purpose of such meeting.

Section 8. Quorum: A majority of the number of Directors, fixed by Section 1 of this Article III, shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 9. Committees: The Board of Directors may create or dissolve special committees as it deems necessary. Committee members may be comprised of any owners and shall include at least two (2) Directors.

Section 10. Power and Duties:

- a. To administer and enforce the provisions set forth in the Condominium Declarations.
- b. To establish and enforce compliance with reasonable rules and regulations.
- c. To annually review insurance coverage.
- d. To adopt a yearly budget as proposed by the Treasurer in accordance with Section 7, Article IV.
- e. To fix amount of monthly assessment or special assessment and make collection therefor.
- f. To maintain accurate and complete records of receipts and disbursements, documents and all other records pertaining to the affairs of the Association.
- g. To designate personnel necessary for maintenance and operation of the general common elements.
- h. The Board shall be required to submit to owners for their prior approval, expenditures in excess of the yearly budget or a contractual arrangement which will be

carried for a longer period of time than the annual term of the elected Board.

- i. To establish a bank account or accounts for the deposit of all funds of the Association.

Section 11. Indemnification of Board of Directors: The Association shall indemnify the members of the Board of Directors against all loss, costs and expenses, including counsel fees, reasonably incurred in connection with any action, suit or proceedings which any member may be made a party by reason of being or having been a member of the Board of Directors, except as to matters as to which any member shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the member of the Board to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as a Director. 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 expense; provided however, that nothing in this Section II, Article III, shall be deemed to obligate the Association to indemnify any member or owner of a condominium unit who is or has been a member of the Board with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Condominium Declarations.

Section 12. Compensation: The Board of Directors shall serve for the term of office elected without compensation as salary, however, any member may be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association. Any Board Member filling a position that would otherwise be contracted out may be paid for their work. The Association does not have employees. We contract for all needed services.

ARTICLE IV

Officers

Section 1. Designation: The officers of the Association shall be a President, Vice-President, Secretary and Treasurer, all of whom shall be

elected by and from the Board of Directors. The Directors may appoint an assistant secretary and /or assistant treasurer as deemed necessary in their judgment.

Section 2. Election and Term of Office: The officers shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office for one year or until their successors have been duly elected and qualified.

Section 3. Removal of Officers: Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and a successor elected at any regular or special meeting of the Board of Directors.

Section 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 Directors. 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.

Section 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.

Section 6. Secretary: The Secretary shall keep all the minutes of the Board of Directors and the minutes of all meetings of the Association and shall have charge of such books and papers as the Board of Directors shall direct and, in general, perform all the duties incident to the office of Secretary. The Secretary shall compile and keep up to date a complete list of owners and their proper mailing addresses, by unit number owned by each member.

Section 7. Treasurer: The Treasurer shall have responsibility for collection of monthly assessments and maintain full and accurate accounts of all receipts and disbursements. He shall be responsible for the deposit of all moneys collected in such bank as has been designated for the account of Mountain Fairways Condominium Owners Association. The Treasurer will

prepare the proposed budget for the following year prior to termination of his term of office.

Section 8. Operations Director: The Operations Director shall have responsibility to oversee and facilitate maintenance and operations of Mountain Fairways Condominiums.

ARTICLE V

Obligations of the Owners

Section 1. Assessments: All owners shall be obligated to pay the monthly assessment imposed by the Association to meet all of the expenses incurred by the Association, as well as special assessments. A member shall be deemed to be in good standing and entitled to vote at any annual or special meeting of owners within the meaning of these By-Laws only if he has fully paid assessments due at the time of the meetings. The fees shall be assessed as the Board of Directors deems equitable.

Section 2. Mailing Address: The owner or owners of each unit shall provide the Secretary with current, correct address for any and all communications. In the event of multiple owners of a unit, it shall be specified to which owner mailings should be sent.

Section 3. 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 assessment, or suit or other proceeding which may affect the title to his condominium unit within five (5) days after the owner has knowledge thereof.

Section 4. Maintenance and Repair:

- a. Every owner shall be obligated for the expense of all maintenance and repair work within his own unit which, if omitted, would affect the project in its entirety or in a part belonging to other owners, being expressly responsible for the damages and liabilities that failure to do so may engender.

- b. All maintenance and repairs of internal installations within the unit such as water, light, gas, power, sewage, sanitary installations, doors, windows, electrical fixtures and all other accessories, equipment and other items of personal property, shall be at the unit owner's expense.
- c. An owner shall be obligated to reimburse the Association or another unit owner promptly upon receipt of a statement for any expenditure incurred by the Association or another owner in repairing, replacing or restoring any general common element damaged as a result of his negligence or the negligence of any other entity occupying such unit in the owner's stead.

Section 5. Use of Units: All units shall be utilized for residential purposes only by the owner, his family and guests and by persons renting the units.

Section 6. Internal Changes: An owner shall not make structural modifications or alterations to his unit or installations located therein without previously notifying the Association in writing through the president of the Association. The Association shall have the obligation to answer within thirty (30) days and failure to do so within such time shall mean that there is no objection to the proposed modification or alteration.

Section 7. Use of General common Elements and Limited Common Elements: Each owner may use the general common elements and limited common elements of the project in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other owner's.

Section 8. Right of Entry:

- a. An owner shall grant the right of entry to the managing agent or to any other person authorized by the Board of Directors or the Association 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 installation, alterations or repairs to the mechanical or electrical services, provided that request for entry is 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.

ARTICLE VI

Mortgages

Section 1. Notice to Association: An owner who mortgages his unit shall notify the Association through the Secretary of the Board of directors, giving the name and address of such mortgagee. The Association shall maintain such information in a book entitled "Owners-Mortgagees of Units.

Section 2. Notice of Unpaid Assessments: The Association shall at the request of a mortgagee of a unit report any unpaid assessments due from the owners of such unit.

ARTICLE VII

Amendments

Section 1. Amendment of By-Laws: These By-Laws may be amended by the Association at a duly constituted meeting for such purpose, provided however, that no amendment shall take effect unless approved by the owners representing at least a majority.

Amended at the annual meeting in September, 2002

Helen Perry, Secretary



Lew Wallace, President

