

BYLAWS

OF

THE ASPENS CONDOMINIUMS ASSOCIATION

ARTICLE I.

Purposes and Objects

Section 1. Purposes and Objects. The purpose for which this non-profit corporation is formed is to govern The Aspens Condominiums, a condominium, situate in the City of Gunnison, County of Gunnison, and State of Colorado, in accordance with the terms and conditions of the Condominium Declaration for The Aspens Condominiums, the Articles of Incorporation and the Bylaws of this corporation.

Section 2. Compliance. All present or future owners, tenants, future tenants or any other person that might use the facilities of the project in any manner, are subject to the regulations set forth in these Bylaws. The mere acquisition or rental of any of the condominium units of that project or the mere act of occupancy of said units will signify that these Bylaws are accepted, ratified and will be complied with.

ARTICLE II.

Membership

Section 1. Automatic Membership. The owner of a condominium unit, upon becoming such owner, shall be entitled and required to be a member of the Association and shall remain a member for the period of his ownership.

Section 2. One Membership. There shall be one membership in the Association for each condominium unit. That membership shall be appurtenant to the condominium unit and shall be transferred automatically by a conveyance of that condominium unit to the new owner. The Association has no right to control, restrict, or inhibit the conveyance of any units within The Aspens Condominiums, and may not claim any right of first refusal as to such conveyance.

Section 3. Transfer. No person other than an owner may be a member of the Association and a membership may not be transferred except in connection with the conveyance or transfer of the condominium unit; provided, however, that such membership may be assigned to the holder of a mortgage as further security for the loan secured by the lien of the mortgage holder upon the condominium unit.

Section 4. Person. The person for the purpose of membership shall include a corporation, partnership, trust, joint venture or other legal entity which has valid title to any condominium unit. Any officer, director or partner of such entity may exercise the membership rights of the entity and shall further be entitled to serve on the board of directors and as an officer of the corporation.

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Section 5. Termination. Such membership shall terminate without any formal corporation action whenever such person ceases to own a condominium unit, but such termination shall not relieve or release any such former unit from any liability or obligation incurred under or in any way connected with The Aspens Condominiums during the period of such ownership and membership in this corporation, or impair any rights or remedies which the board of directors of the corporation 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 6. Voting Rights. Each member of the Association shall be entitled to cast a vote in accordance with the percentage ownership in the general common elements appurtenant to said member's condominium unit, as set forth in the Condominium Declaration for The Aspens Condominiums.

ARTICLE III.

Meetings

Section 1. Annual Meeting. The annual meeting of the corporation shall be held on the ~~first Wednesday~~ ¹⁹⁸⁵ of ~~January~~ ^{Thursday} at 7:00 o'clock p.m., commencing in the year 1986 unless otherwise fixed in a notice of such meeting. At the annual meeting the membership shall elect the board of directors and transact such other business as may properly come before it.

Section 2. Special Meetings. Special meetings may be called at any time by the board of directors or upon a petition signed by a majority of the members. No business shall be transacted at a special meeting except as stated in the notice unless by consent of three-fourths of the owners present, either in person or by proxy.

Section 3. Notice of Meetings. Notice of the date, place and time of the annual meeting, shall be given to each member of the corporation at least ten days prior thereto, either by delivering such notice to the member personally, or by mailing the same to him by United States mail. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the membership register of the corporation, with postage prepaid thereon.

Section 4. Quorum. A majority of the members of the corporation as defined herein, in good standing and in actual attendance in person or by proxy at any annual or special meeting of the corporation shall constitute a quorum at such meeting for the purpose of transacting business. If a quorum be present, the affirmative vote of the majority of the members present at such meeting in person or by proxy and entitled to vote on the subject matter shall be the act of the membership, unless the vote of a greater number is required by the Articles of Incorporation, the laws of the State of Colorado or the Condominium Declaration for The Aspens Condominiums.

Section 5. Voting of Proxies. At all meetings of the members, a member may vote by proxy executed in writing by the member or his duly authorized attorney in fact. Such proxy shall be filed with the secretary-treasurer of the corporation before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy.

Section 6. Cumulative Voting. Cumulative voting for directors shall not be allowed.

Section 7. Order of Business. The order of business at the annual meeting, and as applicable at any special meeting shall be as follows:

1. Roll call,
2. Proof of notice of meeting,
3. Reading and approval of any unapproved minutes,
4. Reports of officers and committees,
5. Election of directors,
6. Unfinished business,
7. New business,
8. Adjournment.

Section 8. Majority of Members. The term "majority of members" shall mean the owners of more than fifty percent of the condominium units.

Section 9. Procedure at Meetings. At any Association meetings, whether of the members or directors, the conduct of such meetings shall be fully in accordance with Robert's Rules of Order, according to the official edition thereof.

ARTICLE IV.

Board of Directors.

Section 1. Number of Directors. The number of directors of the Association shall be three, which number shall include the president, vice-president and secretary-treasurer. Each director shall hold office for three years.

Section 2. Powers and Duties. The board of directors shall have the powers and duties necessary for the administration of the affairs of the corporation and for the operation and maintenance of a condominium project. Such powers and duties shall include, but not be limited to, the following:

(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, maintenance, use and occupancy of the condominium project. Such rules and regulations are subject to amendment by the board of directors at any regular or special meeting. A copy of such rules and regulations shall be delivered or mailed to each member promptly upon the adoption thereof, and to any prospective unit purchaser upon request.

(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. Maintenance, repair, replacement, or improvement of the general or common elements and personal property, if any, shall not require the prior approval of the membership, except as required in the Condominium Declaration.

(d) To insure and keep insured all of the insurable common general elements as provided in the Condominium Declaration.

(e) To fix, determine, levy and collect the monthly prorated assessments to be paid by each of the owners towards the gross expenses of the entire premises as more fully set forth in the Condominium Declaration for The Aspens Condominiums, and by majority vote of the board of directors to adjust, decrease or increase the amount of the monthly assessments over expenses and cash reserves due the owners at the end of each operating year. Such assessments shall be based upon the expected costs of complying with the duties and obligations of the Association as set forth herein, based upon such costs in previous years, costs of other condominium associations in the area, and the experience of the managing agent and directors.

(f) To levy and collect special assessments whenever in the opinion of the board of directors 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. Provided, however, that capital improvements or additional general or limited common elements shall not change or alter the following, except upon due and proper amendment to the Condominium Declaration for The Aspens Condominiums:

- 1) A member's obligation to pay assessments for payment of such additional general or limited common elements in accordance with his percentage ownership of the original general common elements.
- 2) A member's percentage ownership in the existing and new general and limited common elements.
- 3) A member's rights with regard to voting in the Association.

(g) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an owner as is provided in the Declaration and these Bylaws.

(h) To protect and defend the entire premises from loss and damage by suit or otherwise.

(i) To borrow funds in order to pay for any expenditure or outlay required to execute all such instruments evidencing such indebtedness as the board of directors may deem necessary and such indebtedness shall be the several obligation of all the owners in the proportion as their interest in the general common elements.

Section 9. Salaries. Officers of the corporation may receive salary or compensation for their services in such office, if in the discretion of the board of directors, it is deemed necessary and reasonable.

ARTICLE VI.

Contract, Loans, Checks and Deposits, and Books and Records.

Section 1. Contracts. The board of directors may authorize, by resolution, any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the board of directors. Such authority may be general or confined to specific instances.

Section 3. Checks, Drafts, etc. All checks, drafts or other orders for payment of money, notes, or other evidences of indebtedness issued in the name of the corporation shall be signed by any two of the following officers of the corporation:

President
Vice President
Secretary-Treasurer

Section 4. Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board of directors may elect.

Section 5. Books and Records. The books and records of the Association shall be open to inspection by the members, and their mortgagees, at convenient weekday business hours at the office of the Association.

ARTICLE VII.

Fiscal Year

The fiscal year of the corporation shall begin on the 1st day of ~~January~~ and terminate on the 31st day of ~~December~~ ^{June} of each year. 1878

ARTICLE VIII.

Seal

The board of directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the corporation and the state of incorporation and the word, "SEAL".

Section 2. Tenure. The officers set forth in Section 1 of this Article shall be elected at the annual meeting of the board of directors of the corporation and shall hold office until the next annual meeting of the board of directors and until their successors have been elected and qualified.

Section 3. Qualifications. The officers, president, vice president and secretary-treasurer shall be members of the board of directors. Any additional officers elected or appointed by the board of directors need not be members of the board of directors of the corporation.

Section 4. Election. The officers of the corporation shall be elected by the board of directors by ballot, oral or written, with the person receiving the majority of the ballots cast for such office being declared elected.

Section 5. Vacancy. A vacancy in any office because of the death, resignation, removal, disqualification or inability to act shall be filled by the board of directors for the unexpired portion of the term of that office.

Section 6. President. The president shall be the principal executive officer of the corporation and, subject to the control of the board of directors, shall in general supervise and control all of the business and affairs of the corporation. He shall, when present, preside at all meetings of the members and of the board of directors. He may sign, with the secretary or any other proper officer of the corporation thereunto authorized by the board of directors, deeds, mortgages, contracts or other instruments, and in general, shall perform all duties incident to the office of the president and such other duties as may be prescribed by the board of directors from time to time.

Section 7. Vice President. In the absence of the president, or in the event of his death or inability or refusal to act, the vice president shall perform the duties of the president, and when so acting, shall have all of the powers of and be subject to all the restrictions upon the president and shall perform such other duties as from time to time may be assigned to him by the president or by the board of directors.

Section 8. Secretary-Treasurer. The secretary-treasurer shall:

(a) keep the minutes of the members' meetings and of the board of directors' meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws; (c) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents, the execution of which on behalf of the corporation under its seal, is duly authorized; (d) if required by the board of directors, the secretary-treasurer shall give bond for the faithful discharge of his duties in such sum and with such surety or sureties, as the board of directors shall determine; (e) be responsible for all funds of the corporation, receive and give receipts for monies due and payable to the corporation from any source whatsoever; deposit all such monies in the name of the corporation in such banks as shall be selected in accordance with the provisions of Article VI of the Bylaws, sign checks and drafts for the payment of corporate funds and (f) in general, perform all of the duties as from time to time may be assigned to him by the president or by the board of directors.

Section 8. Removal. Whenever it appears to the membership to be in the best interests of the Association that a director be removed from office, such removal can be effected in the manner set forth in the statutes of the State of Colorado.

Section 9. Compensation. No director shall be entitled to receive any compensation as a director of the corporation; provided, however, that he may be reimbursed for any actual expenses incurred in the performance of his duties as such director.

Section 10. Chairman and Secretary-Treasurer. The president of the corporation shall be the chairman of the board of directors and the secretary-treasurer of the corporation shall be the secretary-treasurer of the board of directors.

Section 11. Regular Meetings. The regular annual meeting of the board of directors shall be held without other notice than this bylaw immediately after, and at the same place as, the annual meeting of the members of the corporation. Additional regular meetings shall be held quarterly at a time and place to be designated in the notice of said meeting.

Section 12. Special Meetings. Special meetings of the board of directors may be called by the president or any two directors. Such special meeting shall be held at a time and place designated in the notice of such meeting.

Section 13. Quorum. A majority of the board of directors, as provided in Section 1 of this Article, shall constitute a quorum for the transaction of business at any meeting of the board of directors. The act of the majority of the directors present at a meeting which a quorum is present shall be the act of the board of directors, unless the act of a greater number of directors is required by the Articles of Incorporation, the statutes of the State of Colorado or the Condominium Declaration of The Aspens Condominiums.

Section 14. Notice. Notice of any regular quarterly meeting or any special meeting of the board of directors shall be given at least three days previous thereto by written notice delivered personally to a director or mailed to each director by United States mail at his address as shown on the membership roll of the corporation. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the expressed purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors need be specified in a waiver of notice of such meeting.

ARTICLE V.

Officers

Section 1. Number. The officers of the corporation shall be a president, a secretary and a secretary-treasurer. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the board of directors. Any such officers may be held by the same person, except the offices of president and secretary.

(j) To enter into contracts within the scope of their duties and powers.

(k) 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 directors.

(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 of the books and accounts by a competent certified public accountant once a year.

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

~~(n) To meet at least once each quarter.~~

(o) (p) To designate and remove the personnel necessary for the maintenance and operation of the general and limited common elements, including the power to engage a managing agent and to delegate to such agent the powers of the board of directors to manage the Association on a day to day basis.

(q) (r) In general, to carry on the administration of this corporation and to do all of those things necessary and reasonable in order to carry out the communal aspect of condominium ownership.

Section 3. Tenure. Each director shall hold office for a term of three years from the date of his election and until his successor shall have been elected and qualified to office, subject only to the provisions of Article II, Section 5.

Section 4. Qualification. The directors shall be members of the corporation, except for the initial board of directors, which need not be members of the corporation.

Section 5. Term of Office. Directors shall be elected at each annual meeting and shall serve for a term of three years, as above provided. Provided, however, that at the organization meeting of the corporation, one director shall be elected for a term of three years; one director shall be elected for a term of two years and one director shall be elected for a term of one year. Thereafter, one director shall be elected at each annual meeting to fill the vacancy of the director whose term expires in that year.

Section 6. Elections. Elections for the board of directors shall be by ballot, either oral or written, with the person receiving the highest number of ballots cast for such director vacancy being declared elected.

Section 7. Vacancies. The board of directors is empowered to fill any vacancy that may occur in its own body, or among the officers of the corporation, and the person so appointed to such office shall hold that office until the expiration of the term of the person he succeeds.

ARTICLE IX.

Waiver of Notice

Whenever any notice is required to be given to any member or director of the corporation under the provisions of these Bylaws or under the provisions of the laws of the State of Colorado, or the Condominium Declaration for The Aspens Condominiums a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE X.

Indemnification of Officers and Directors

The corporation shall indemnify every officer or director, his heirs, executors and administrators, against all loss, costs and expense, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been an officer or director of the corporation, except as to matters as to which he 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 corporation 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 duties as such officer or director in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such officer or director may be entitled. All liability, loss, damage, costs and expenses incurred or suffered by the corporation by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the corporation as common expenses; provided, however, that nothing in this Article shall be deemed to obligate the corporation to indemnify any member or owner of a condominium unit who is or has been an officer or director of the corporation with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Condominium Declaration for The Aspens Condominiums as a member or owner of a condominium unit covered thereby.

ARTICLE XI.

Obligation of the Owners

Section 1. Assessments. Except as is otherwise provided in the Condominium Declaration for The Aspens Condominiums all owners shall be obligated to pay the monthly assessments imposed by the corporation to meet the common expenses. The assessments shall be made pro rata according to percentage interest in and to the general common elements and shall be due monthly in advance. A member shall be deemed to be in good standing and entitled to vote at any annual meeting or at a special meeting of members, within the meaning of these Bylaws, if and only if he shall have fully paid all assessments made or levied against him and the condominium unit owned by him.

The assessments of the Association shall be computed and determined on a fiscal year basis, and shall be payable monthly in advance on or before the tenth day of each month by the owners of the condominium units. The Association shall give written notice to the owners of the condominium units of the annual assessments and shall further prepare and deliver to each owner itemized monthly statements as to the monthly assessments, setting forth in detail the various expenses and services for which the assessments are being made, and, where applicable, the division of the assessment charge between general and limited common elements and the amount or percentage of such division. Such notice of assessment shall be made available to any prospective purchaser, on request.

Section 2. Statement of Accounts. Upon ten days written request to the Association, any condominium unit owner or prospective purchaser, shall be entitled to a statement of account as set forth in the Condominium Declaration for The Aspens Condominiums.

Section 3. Statement Regarding Facilities. In addition to the notice of assessment, any unit owner or prospective purchaser, upon request, shall be provided a statement listing all major recreational facilities at The Aspens Condominiums and to whom they are available, clearly indicating whether or not fees for use thereof shall be charged in addition to the regular monthly assessment.

ARTICLE XII.

Amendments

These Bylaws may be altered, amended or repealed and new Bylaws adopted by the board of directors at any regular meeting upon an affirmative vote of not less than two-thirds of the entire membership of the board of directors.

ARTICLE XIII.

Liens On Common Elements

All rights to file or establish liens against the common elements shall be as set forth in the Condominium Declaration and pursuant to applicable Colorado law.

Ann E. Wright
Secretary-Treasurer