

BYLAWS  
OF  
MEADOW CREEK  
CONDOMINIUM ASSOCIATION

ARTICLE I

Offices

The principal office of the corporation (the "Association") shall be located at Third Floor Crossroads, 143 East Meadow Drive, Vail, Colorado 81657. The corporation may also have offices and may carry on its purposes at such other places within and outside the State of Colorado as the board of directors may from time to time determine.

ARTICLE II

Membership, Voting, Quorum and Proxies

1. Membership. The members of the Association shall be as set forth in the articles of incorporation from time to time.

2. Voting Rights. The voting rights of the members shall be as set forth in the articles of incorporation and in these bylaws from time to time.

3. Quorum. Except as otherwise provided in these bylaws, the presence in person or by proxy of members entitled to vote more than 30 percent of the total votes of the members shall constitute a quorum.

4. Proxies. Votes may be cast in person or by proxy. Every proxy must be executed in writing by the member or his duly authorized attorney-in-fact. No proxy shall be valid after the expiration of eleven months from the date of its execution unless otherwise provided in the proxy.

5. Majority Vote. At any meeting of members, if a quorum is present, the affirmative vote of more than 50 percent of the votes represented at the meeting, in person or by proxy, shall be the act of the members, unless the vote of a greater number is required by law, the articles of incorporation, the condominium declaration (the "Declaration") establishing the condominium project at Meadow Creek Condominiums (the "Premises"), or these bylaws.

### ARTICLE III

#### Administration

1. Annual Meeting. The annual meeting of the members shall be held at a time designated by the board of directors or the third Friday in the month of April, beginning with the year 1980, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in Colorado, such meeting shall be held on the next succeeding business day.

2. Special Meetings. Special meetings of the members, for any purpose, unless otherwise prescribed by statute, may be called by the president or by the board of directors, and

shall be called by the president at the request of the members entitled to vote 25 percent or more of the total votes of the members.

3. Place of Meeting. The board of directors may designate any place, either within or outside Colorado, as the place for any annual meeting or for any special meeting called by the board of directors. A waiver of notice signed by all members entitled to vote at a meeting may designate any place, either within or outside Colorado, as the place for such meeting. If no designation is made, or if a special meeting shall be called otherwise than by the board, the place of meeting shall be the principal office of the corporation in Colorado.

4. Notice of Meeting. Written or printed notice of any meeting of the members, stating the place, day and hour of the meeting, and the purpose or purposes for which the meeting is called, shall be delivered personally or by mail to each member entitled to vote at such meeting not less than 10 nor more than 50 days before the date of the meeting. 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 in the office of the Association, with postage thereon prepaid. For the purpose of determining members entitled to notice of or to vote at any meeting of members, the board of directors may set a record date for such determination of members, in accordance with the laws of Colorado. If requested by the person or persons lawfully calling such meetings, the secretary shall give notice thereof at corporate expense.

5. Informal Action by Members. Any action required or permitted to be taken at a meeting of the members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the members, and may be stated as such in any articles or document files with the Secretary of State of Colorado.

6. Voting. In the election of directors each member shall have the right to vote the number of votes to which he is entitled for as many persons as there are directors to be elected, and for whose election he is entitled to vote. Cumulative voting shall not be allowed.

#### ARTICLE IV

##### Board of Directors

1. Number, Tenure and Qualifications. The business and affairs of the Association shall be managed by a board of directors consisting of three directors, until the first annual meeting and thereafter consisting of five directors, each of whom shall be an individual member, or a partner, trustee, officer, director or 25 percent shareholder of an organizational member, one of the initial directors named in the articles of incorporation, or a person designated by Declarant (as defined in the Declaration). A person other than an initial director or a director designated by Declarant shall automatically cease to be a director at such time as he ceases to be an individual member or a partner, trustee, officer, director or 25 percent shareholder of an organizational member. The

initial directors shall serve until the first annual meeting; otherwise directors shall be elected trustee annually by the members at the annual meeting. Each director shall hold office until the election and qualification of his successor.

2. Election of Directors. Declarant shall have the right to elect three directors for as long as it owns any land described on Exhibit B of the Declaration (which right expires May 1, 1986). Such directors are designated Class B directors. All directors not to be elected by Declarant shall be designated Class A directors and shall be elected by a majority vote of the Owners entitled to vote at a meeting at which directors are to be elected. At such time as Declarant is no longer entitled to elect Class B directors, there shall be only one class of directors and all such directors shall be elected by a majority vote of all members who are entitled to vote at a meeting which directors are to be elected. As long as any land described in Exhibit B of the Declaration can be subjected to the Declaration, this Section 2 of Article IV shall not be amended unless Declarant consents in writing to such amendment.

3. Resignations; Vacancies. Any director may resign at any time by giving written notice to the president or the secretary of the Association. Such resignation shall take effect at the time specified therein; and unless otherwise specified therein; the acceptance of such resignation shall not be necessary to make it effective. Any vacancy occurring in the board of directors (by reason of resignation, death, or an increase in the number of directors) may be filled by

the affirmative vote of a majority of the directors of the same class as the resigning or dead director, or of the entire board in the case of an increase in the number of directors, then in office though less than a quorum. A director elected to fill a vacancy shall be elected to serve until the next annual meeting of the members. As long as any land described in Exhibit B of the Declaration can be subjected to the Declaration, this Section 3 of Article IV shall not be amended unless Declarant consents in writing to such amendment.

4. General Powers. The board of directors shall have and may exercise all the powers of the Association except such as are expressly conferred upon the members, either in their capacity as members of the Association or as owners ("Owners") of condominium units (the "Units") located on the Premises, by law, or by the articles of incorporation, the Declaration or these bylaws.

5. Additional Powers and Responsibilities. In addition to its general powers, the board of directors shall have the authority and the responsibility, acting through the Association's officers:

(a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration submitting the property to the provisions of the Condominium Ownership Act of the State of Colorado.

(b) To establish, make, amend and enforce compliance with such reasonable house rules as may be necessary for the operation, use and occupancy of the Premises.

(c) To maintain in good order, condition and

repair all of the general and limited common elements, as defined in the Declaration, and all items of personal property used in the enjoyment of the Premises.

(d) To obtain and maintain insurance in connection with the Premises, the Owners, the Association and holders of liens on Units in the manner and the amounts provided in the Declaration.

(e) To fix, determine, levy and collect annual and special assessments to be paid by each of the Owners to meet the common expenses (as defined in the Declaration) and to create a contingency reserve therefor, all as specifically provided for in Paragraph 8 of the Declaration.

(f) To collect promptly all delinquent assessments by suit or otherwise and to enjoin or seek damages from an Owner as is provided in the Declaration and these bylaws.

(g) To protect and defend the Premises from loss and damage by suit or otherwise.

(h) To borrow funds in order to pay for any expenditure or outlay authorized by these bylaws and the Declaration, to execute all such instruments evidencing such indebtedness as the board of directors may deem necessary or advisable.

(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 directors.

(k) To maintain full and accurate books and records showing all of the receipts, expenses or disbursement of the Association. Any member or his first lienor, as defined in the Declaration may inspect such records at any reasonable time, and upon ten days' notice to the managing agent or board of directors and payment of a reasonable fee, any member, first lienor or prospective member or first lienor shall be furnished a statement of such present members account setting forth the amount of any unpaid assessments or other charges due and owing from such present member.

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

(m) To take any action or enter into any agreement that may be required as a condition to allow any first lienor to sell his interest in any Unit to the Federal Home Mortgage Corporation (FHLMC), which shall include, but not be limited to, giving written notice to FHLMC of any loss to, or taking of, general or limited common elements if such loss or taking exceeds \$10,000 or damage to a Unit covered by a mortgage or deed of trust purchased in whole or in part by FHLMC exceeds \$1,000. Such notice shall be sent in care of the party servicing such mortgage or deed of trust.

6. Managing Agent. The board of directors may employ a managing agent for the Association at a compensation established by the board to perform such duties and services as the board shall authorize including, but not limited to, the duties listed in Section 5 of this Article IV.

7. Regular Meetings. Regular meetings of the board of directors may be held without call or formal notice at such places within the State of Colorado, and at such times as the board may from time to time by vote determine. Any business may be transacted at a regular meeting. Until further determination, the regular meeting of the board of directors for the election of officers and for such other business as may come before the meeting may be held without call or formal notice immediately after, and at the same place as, the annual meeting of members, or any special meeting of members at which a board of directors is elected.

8. Special Meetings. Special meetings of the board of directors may be held at any place within Colorado at any time when called by the president, or by two or more directors, at least three days' prior notice of the time and place thereof being given to each director by leaving such notice with him or at his residence or usual place of business, or by mailing or telegraphing it prepaid, and addressed to him at his post office address as it appears on the books of the Association, or by telephone. Notices need not state the purposes of the meeting. No notice of any adjourned meeting of the directors shall be required.

9. Quorum. A majority of the number of directors fixed by the bylaws shall constitute a quorum for the transaction of business, but a lesser number may adjourn any meeting from time to time. When a quorum is present at any meeting, a majority of the directors in attendance shall, except where a larger number is required by law, by the articles of incorpo-

ration or by these bylaws, decide any question brought before such meeting.

10. Waiver of Notice. Before, at or after any meeting of the board of directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the board shall be a waiver of notice by him except when a director attends the meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

11. Meetings by Telephone. Unless otherwise provided by the articles of incorporation, members of the board of directors or any committee thereof may participate in a meeting of the board or committee by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

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

## ARTICLE V

### Officers and Agents

1. General. The officers of the Association shall be a president (who shall be chosen from the members of the board of directors), one or more vice presidents, a secretary and a treasurer. The board of directors may appoint such other officers, assistant officers, committees and agents, including assistant secretaries and assistant treasurers, as they may consider necessary or advisable, who shall be chosen in such manner and and hold their offices for such terms and have such authority and duties as from time to time may be determined by the board of directors. One person may hold any two offices, except that no person may simultaneously hold the offices of president and secretary. In all cases where the duties of any officer, agent or employee are not prescribed by the bylaws or by the board of directors, such officer, agent or employee shall follow the orders and instructions of the president.

2. 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 his successor elected at any regular meeting of the board of directors, or at any special meeting of the board called for such purpose.

3. Vacancies. A vacancy in any office, however occurring, may be filled by the board of directors for the unexpired portion of the term.

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 the general and active control of the affairs and business of the Association and general supervision of its officers, agents and employees.

5. Vice Presidents. The vice presidents shall assist the president and shall perform such duties as may be assigned to them by the president or by the board of directors. In the absence of the president, the vice president designed by the board of directors or (if there be no such designation) designated in writing by the president shall have the powers and perform the duties of the president. If no such designation shall be made, each and every vice president may exercise such powers and perform such duties.

6. The Secretary. The secretary shall:

(a) Keep the minutes of the proceedings of the members, executive committee and the board of directors;

(b) See that all notices are duly given in accordance with the provisions of these bylaws, the Declaration and as required by law;

(c) Be custodian of the corporate records and of the seal of the Association and affix the seal to all documents when authorized by the board of directors;

(d) Keep at its registered office or principal place of business within or outside Colorado a record containing the names and registered addresses of all members, the designation

of the Unit owned by each member, and, if such Unit is encumbered by a mortgage or a deed of trust, the name and address of the party who holds the promissory note secured by such mortgage or deed of trust;

(e) In general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the board of directors. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the secretary.

7. Treasurer. The treasurer shall be the principal financial officer of the Association and shall have the care and custody of all funds, securities, evidences of indebtedness and other personal property of the Association and shall deposit the same in accordance with the instructions of the board of directors. He shall receive and give receipts and acquittances for moneys paid in on account of the Association, and shall pay out of the funds on hand all bills, payrolls and other just debts of the Association of whatever nature upon maturity. He shall perform all other duties incident to the office of the treasurer and, upon request of the board, shall make such reports to it as may be required at any time. He shall, if required by the board, give the Association a bond in such sums and with such sureties as shall be satisfactory to the board, conditioned upon the faithful performance of his duties and for the restoration to the Association of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Association. He shall have such other

powers and perform such other duties as may be from time to time prescribed by the board of directors or the president. The assistant treasurers, if any, shall have the same powers and duties, subject to the supervision of the treasurer.

## ARTICLE VI

### Obligations of The Members

1. Assessments. Each Owner shall pay his share of all assessments imposed by the Association to meet the common expenses. Each assessment shall be allocated among the Owners on the basis of their Sharing Ratios, as defined in the Declaration, except that with respect to unoccupied Units owned by Declarant, the Association shall assess Declarant only 50 percent of such pro rata share. If a Unit is owned by two or more Owners, each of such co-Owners shall be jointly and severally liable for the portion of the assessment attributable to such Unit. Assessments shall be due and payable on the date or dates specified in the assessment notice. All unpaid assessments may bear interest at a rate determined by the board of directors from time to time and shall be secured by a lien on the Unit owned by the defaulting Owner, in accordance with the provisions of the Declaration.

2. Maintenance and Repair.

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

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

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

3. Compliance With Declaration, Articles, By-Laws and Rules. Each member shall comply with all of the provisions of the Declaration, the articles of incorporation and bylaws of the Association and any rules and regulations issued by the board of directors. If a member fails to comply, the Association shall have the power, during the period of such delinquency, (a) to revoke a delinquent member's right to use general common elements designed for recreational purposes, if any, and (b) to suspend a member's voting privileges.

## ARTICLE VII

### Evidence of Ownership, Registration of Mailing Address and Lien Holders

1. Proof of Ownership. Except for those Owners who initially contracted to purchase a Unit from the Declarant, any person on becoming an Owner shall furnish to the Association a photocopy or a certified copy of the recorded instrument vesting that person with an interest or ownership. Such copy shall

remain in the files of the Association. A member shall not be deemed to be in good standing and shall not be entitled to vote at any annual or special meeting of members unless this requirement is first satisfied. The Association may issue membership certificates to its members; however, such certificates shall not be deemed to be shares of stock in the Association.

2. Registration of Mailing Address. If a Unit is owned by two or more Owners, such co-Owners shall designate one address as the registered address required by the Declaration. The registered address of an Owner or Owners shall be furnished to the secretary within five 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 or by such persons as are authorized by law to represent the interest of the Owners thereof.

3. Liens. Any Owner who mortgages or grants a deed of trust covering his Unit shall notify the board of directors of the name and address of the mortgagee or beneficiary of the deed of trust and shall file conformed copies of the note and security instrument with the board of directors. The board of directors shall maintain such information in a book entitled "Liens on Units." The board of directors, when giving notice to an Owner of default in paying an assessment or other default, shall send a copy of such notice to each mortgagee or beneficiary of a deed of trust covering such Owner's Unit whose name and address has theretofore been furnished to the board of directors. First lienors, as shown in the Liens on Units, shall have the right to examine the books and records of the Association at any reasonable time.

4. Address of the Association. The address of the Association shall be Third Floor Crossroads, 143 East Meadow Drive, P.O. Box 388, Vail, Colorado 81657. Such address may be changed from time to time upon written notice to all members and all mortgages or beneficiaries of deeds of trust listed in Liens on Units.

## ARTICLE VIII

### Security Interest In Membership

Owners shall have the right irrevocably to constitute and appoint the mortgagee or the beneficiary of a trust deed their true and lawful attorney-in-fact to vote their Unit membership in the Association at any and all meetings of the Association and to vest in the mortgagee or the beneficiary any and all rights, privileges and powers that they as Owners under the articles of incorporation and these bylaws or by virtue of the Declaration. Such proxy shall become effective upon the filing of notice by the mortgagee or the beneficiary with the secretary of the Association at such time or times as the mortgagee or the beneficiary shall deem its security in jeopardy by reason of the failure, neglect or refusal of the Association, the board of directors or the Owners to carry out their duties as set forth in the Declaration. A release of the mortgage or the beneficiary's deed of trust shall operate to revoke such proxy. Nothing herein contained shall be construed to relieve Owners, as mortgagors, of their duties and obligations as Owners or to impose upon the mortgagee or the beneficiary of the deed of trust the duties and obligations of an Owner.

## ARTICLE IX

### Amendments

1. By Directors. Except as by law, the articles of incorporation, the Declaration or these bylaws limited, or committed to action by the members, the board of directors shall have power to make, amend and repeal the bylaws of the Association at any regular meeting of the board or at any special meeting called for that purpose at which a quorum is represented. However, if the members shall make, amend and repeal any bylaw the directors shall not thereafter amend the same in such manner as to defeat or impair the object of the members in taking such action.

2. Members. The members may, by the vote of the holders of at least 50 percent of the votes of the members, unless expressly made subject to a higher voting requirement by law, the articles of incorporation, the Declaration or these bylaws, make, alter, amend and repeal the bylaws of the Association at any annual meeting or at any special meeting called for that purpose at which a quorum shall be represented.

3. Notwithstanding anything contained herein to the contrary, these bylaws shall not be amended to bring any provision herein into conflict with any provision of the Declaration, these bylaws, as amended from time to time, shall remain subject to the Declaration and this Section 3 of Article IX shall not be amended or deleted except by a vote of 100 percent of the votes of the members and 100 percent of the first lienors, as defined in Section 3 of Article VII herein.

## ARTICLE X

### Miscellaneous

1. Seal. The corporation seal of the Association shall

be circular in form and shall contain the name of the corporation, the year of its organization and the words "Seal, Colorado."

2. Right of Entry. The manager and any person authorized by the board of directors shall have the right to enter each apartment unit in case of any emergency originating in or threatening such unit whether or not the Owner or occupant is present at the time.

3. Fiscal Year. The fiscal year of the Association shall be such as may from time to time be established by the board of directors.

4. Services. Attached hereto as Schedule A is a list of services provided by the Association, which are paid for out of the periodic assessment.

5. Assessments, Debts, Obligations. Attached hereto as Schedule B is a statement indicating what assessments, debts, or other obligations are assumed by an Owner on his Unit.

6. Recreation Facilities. Attached hereto as Schedule C is a statement listing and describing all major recreation facilities.

7. New Additions of General and Limited Common Elements. Attached hereto as Schedule D is a statement relating to new additions of general and limited common elements.

SCHEDULE A

Services Provided By The Association  
Which Are Paid For Out Of The Periodic Assessment\*

1. Lawn and grounds care
2. Snow removal from roads, sidewalks and parking areas which are part of the general common areas
3. Trash removal
4. Water and sewer service
5. Lighting of general common areas
6. Administration, bookkeeping, legal, and audit
7. Insurance, as more fully described in Paragraph 9 of the Declaration
8. All other ordinary maintenance, repair work, and services related to the general common elements which may be necessary.

\* The services set forth herein are the initial services to be provided by the Association. The Association may, from time to time, add to or subtract from the list.

## SCHEDULE B

### Assessments, Debts, or Other Obligations Assumed By a Unit Owner on his Condominium Unit

1. Assessments. (a) Each Owner will be assessed by the Association his pro rata share of the common expenses attributable to each Unit owned by him. Such proration shall be on the basis of Sharing Ratios, as defined in the Declaration, on the date the common expense is assessed, except that with respect to unoccupied Units owned by Declarant, the Association shall assess Declarant only 50 percent of such pro rata share. Special assessments may be levied whenever in the opinion of the board it is necessary or advisable to do so (i) to meet increased operating or maintenance expenses or costs, (ii) to provide for additional capital expenses, or (iii) because of emergencies; however, if the proposed additional capital expenses at any given time are in excess of five percent of the maximum replacement value of the buildings, as determined by the Association pursuant to subparagraph 9(c) of the Declaration, such expenses may be incurred only after the members, by the vote of the holders of at least 75 percent of the votes of the members, approve such expenses.

2. Debts. All sums assessed but unpaid for the share of common expenses assessed to any Unit shall constitute a lien on such Unit in favor of the Association. This lien is more fully described in subparagraphs 8(e) and 8(f) of the Declaration.

3. Obligations. (a) Although Declarant does not anticipate that the Owners will purchase their Units subject to any liens, except for the lien imposed by law for real property taxes levied on the Unit for the year in which the Unit is purchased, there are liens imposed by the laws of the United States and the State of Colorado which may not appear of record. Each prospective Owner is advised to avail himself of a title insurance commitment prior to closing of title on a Unit.

(b) Each Owner may mortgage his Unit and the Mortgage may cover such Owner's interest in general and limited common elements. However, except for mechanics' liens, assessment liens, or tax liens, no other liens may be obtained against the general or limited common elements.

SCHEDULE C

Recreational Facilities

1. Recreational Facilities. There are presently no plans to construct recreational facilities on the land which is included as the initial phase of Meadow Creek Condominiums or on the land which may be made subject to the Declaration in the future. Such lands are described in Exhibits A and B of the Declaration.

SCHEDULE D

New Additions of General and Limited  
Common Elements

I. Effect on Owner in Reference to Obligation for Payment of Common Expenses. If Declarant subjects the land in Exhibit B of the Declaration to the Declaration, there will be new additions of general and limited common elements. In the event of an addition of general common elements, there will be an increase in common expenses. Of course, with the addition of general common elements, there will probably be an addition of Units, in which case the increase in common expenses will be totally or partially defrayed by the additional Owners who will be assessed their pro rata share of common expenses as set forth in Schedule B.

II. Effect on Owner in Reference to Ownership Interest in Existing General and Limited Common Elements and New General and Limited Common Elements. In the event that there are new additions of general and limited common elements, each Owner shall have the same ownership interest in the new general and limited common elements that he has in existing general and limited common elements, which interest is set forth in Exhibit C of the Declaration. His ownership interest in existing general and limited common elements shall remain unaffected. However, the addition of new Units will decrease each Owner's ownership interest in existing general and limited common elements as more fully described in subparagraph 2(b) of the Declaration. The interest

in general and limited common elements of Owners who may in the future become subject to the Declaration by virtue of subparagraph 2(b) of the Declaration shall be determined in accordance with the provisions in subparagraph 2(b) of the Declaration.

III. Effect on Owner in Reference to Voting Power in the Association. The new addition of general and limited common elements shall have no effect on an Owner in reference to his voting power in the Association. However, the addition of new Units will have the effect of decreasing each Owner's voting power. The reason for such decrease is a diminution in each Owner's Sharing Ratio, which is used to determine an Owner's voting power. (See the Articles of Incorporation of Meadow Creek Condominiums of Vail Association, Article V(c)).