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By-Laws of
Woodrun Five Community Association, Inc.

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By-Laws of
Woodrun Five Community Association, Inc.

ARTICLE I

GENERAL

1.1 Purpose. The purpose for which this non-profit corporation, herein referred to as the "Association", is formed is to own and govern certain community facilities located on real property in Pitkin County, Colorado, as described on Exhibit A attached hereto (the "Association Property"). The Association Property, and certain other real property and improvements thereon, in Pitkin County, Colorado, as described on Exhibit B attached hereto, has been subjected to the provisions of the Declaration of Covenants, Conditions and Restrictions for Woodrun Five dated _____, 19__ and recorded _____, 19__, in the office of the Clerk and Recorder, Pitkin County, Colorado, in Book ____ at Page ____ (the "Declaration"). Additional property may be added thereto from time to time by a Supplemental Declaration filed with the Clerk and Recorder, Pitkin County, Colorado. Terms which are defined in the Declaration shall have the same meaning when used in these By-Laws, unless the context clearly requires otherwise.

1.2 Binding Effect. All present and future Owners, lessees or any other person who might reside in a Unit or Residential Lot or use the Association Property in any manner are subject to the regulations set forth in these By-Laws. The mere acquisition, rental or occupancy of any Condominium Unit or Residential Lot will signify that these By-Laws are accepted, ratified and will be complied with.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS

2.1 Membership. All Owners are automatically Members of the Association. Such membership shall automatically cease upon termination of an ownership interest in a Condominium Unit or Residential Lot. Membership is appurtenant to a Condominium Unit or Residential Lot and may not be separately conveyed, encumbered or abandoned.

2.2 Voting Rights. The Association shall have two classes of voting membership, as set forth in the Association's Articles of Incorporation.

2.3 Cumulative Voting. Cumulative voting shall not be permitted in the election of Managers.

2.4 Majority Vote. Unless otherwise expressly provided in these By-Laws or the Declaration, any action which may be taken by the Association may be taken by a majority vote of a quorum of the Membership.

2.5 Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Members of the Association representing at least 25% of the total votes of the Association then entitled to be cast, shall constitute a quorum of the Membership. Members present at a duly called and held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

2.6 Proxies. Votes may be cast in person or by proxy. All proxies shall be in writing and must be filed with the Secretary before the appointed time of each meeting. Each proxy shall be revocable and shall automatically cease to be effective on the earlier of one year from the date of the proxy, or if applicable after completion of the particular meeting for which the proxy was filed, or upon conveyance by the Member of title to his Condominium Unit or Residential Lot.

ARTICLE III

ADMINISTRATION

3.1 Place of Meetings. Meetings of the Members shall be held at such suitable place in the Town of Snowmass Village, Pitkin County, Colorado as may be designated by the Board of Managers.

3.2 Regular Meetings. The first regular meeting of the Association shall be held on _____. Thereafter, the regular meetings of the Association shall be held on a date selected by the Board of Managers between _____ and _____ of each year.

3.3 Special Meetings. It shall be the duty of the President to call a special meeting of the Members, as directed by resolution of the Board of Managers or upon a petition stating the purpose for the meeting and signed by 10% of the voting power of the Association and presented to the Secretary.

3.4 Attendance. Each first priority Mortgagee of Association Property which is real property may designate a representative to attend all special and regular meetings of Members. Meetings shall be open to attendance by all Members and any persons holding currently valid voting proxies of Members.

3.5 Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each regular or special meeting to each Member of record and to each first priority Mortgagee of Association Property if such Mortgagee has filed a written request for such notice with the Secretary at least 10 days prior to any such meeting. The notice shall state the purpose of the proposed meeting, as well as the day, hour and place where it is to be held. Each notice must be sent by first class mail, postage prepaid, at least 10 days prior to the date of the proposed meeting. If no other address has been furnished the Secretary, notice shall be deemed to have been given to a Member if mailed to his Unit. The notice may set forth time limits for speakers and nominating procedures for the meeting. No business shall be transacted at a special meeting except as stated in the notice, unless by consent of Members present, either by person or by proxy, representing at least 50% of the votes of the Association.

3.6 Adjournment. If any meeting cannot be organized because a quorum has not attended, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is obtained. Adjourned meetings may be reconvened only upon the giving of further notice as above provided.

3.7 Action Without Meeting. Any action which, under the provisions of the Colorado Non-Profit Corporation Act, may be taken at a meeting of the Members, may be taken without a meeting if such action is authorized by a writing signed by all of the Members who would be entitled to vote at a meeting and filed with the Secretary.

3.8 Order of Business. The order of business at all meetings of the Members shall be as follows:

- (a) Roll call;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading of minutes of the preceding meeting;

- (d) Report of officers;
- (e) Report of committees;
- (f) Election of Managers;
- (g) Unfinished business; and
- (h) New business.

Meetings of the Members shall be conducted by the officers of the Association.

3.9 Waiver. The transaction of business at any regular or special meeting of the Members, however called and noticed, shall be valid as though transacted at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the Members not present in person or by proxy signs a written waiver of notice, a consent to the holding of such meeting or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

3.10 Minutes. Minutes or a similar record of the proceedings of meetings of Members, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE IV

BOARD OF MANAGERS

4.1 Managers. The affairs of the Association shall be governed by a Board of Managers composed of three persons, all of whom, except for those appointed and serving on the initial Board as named in the Association's Articles of Incorporation, either must be Members or must be agents of a Member which is a corporation, a partnership, a trust, or other legal entity. The Board may increase, by resolution, the authorized number of Managers, but only Members shall have the right to elect the new Managers. Managers shall not receive any salary for their services as Managers, but any Manager may serve the Association in some other capacity and receive compensation therefor, and any Manager may be reimbursed for his actual expenses incurred in the performance of his duties as a Manager.

4.2 General Powers. The Board has the powers and duties necessary for the administration of the affairs of the Association and may do all acts which are not by law, the Declaration or these By-Laws directed to be exercised exclusively by the Members. The Board shall not enter into any service contract for a term exceeding two years without the approval of the Members, except for any contract with a public utility company which requires a term in excess of two years or any maintenance contract with the seller or entity related to the Seller of an asset which the Association has purchased or leased.

4.3 Specific Powers. Without limitation on the general powers stated in Section 4.2, the Board is vested with, and responsible for, the following powers and duties:

(a) To select, appoint and remove all officers, agents and employees of the Association, to prescribe such powers and duties for them as may be consistent with law, the Articles of Incorporation, the Declaration and these By-Laws, to fix their compensation and to require from them security for faithful service when and in the amount deemed advisable by the Board;

(b) to conduct, manage and control the affairs and business of the Association;

(c) to change the principal office for the transaction of the business of the Association from one location to another within Snowmass Village, Colorado, to designate any place within Snowmass Village, Colorado for the holding of any regular or special meeting of Members and to adopt and use a corporate seal and to alter the form of such seal from time to time, as the Board in its sole judgment may deem best and in compliance with the provisions of law;

(d) to borrow money and to incur indebtedness for the Association, but only upon approval of the Members if the debts outstanding at any one time exceed \$15,000 and to cause to be executed and delivered therefor, in the Association's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefor;

(e) to prepare the Association's annual budget for approval of the Members, to fix and levy from time to time assessments upon the Owners, as provided in the Declaration, to determine and fix the due date for the payment of such assessments and the

date upon which the same shall become delinquent and to hold all funds collected by reason of such assessments for the Owners and in accordance with the purpose for which the assessments were collected;

(f) to enforce the provisions of the Declaration, these By-Laws, its rules and regulations, deed restrictions and covenants or other agreements of the Association;

(g) to contract for and pay the premiums for insurance coverage in accordance with provisions of the Declaration and to review, not less frequently than annually, all insurance policies and bonds obtained by the Board;

(h) to contract for and pay maintenance, gardening, snow removal, utilities, materials and supplies and services relating to the Association Property and to employ personnel necessary for the operation of the Association Property, including legal and accounting services, to contract for and pay for alterations, improvements and maintenance and to procure bids from at least two firms for any work estimated to cost in excess of \$5,000, which work shall be submitted to the Members for their consideration at a regular or special meeting;

(i) to delegate, subject to the approval of the Members, its powers according to law;

(j) to adopt these By-Laws;

(k) to grant easements to and over the Association Property;

(l) to take and hold by purchase, gift or otherwise real and personal property for the Association, to exercise all of the rights, powers and privileges of ownership to the same, and to use, manage, mortgage, sell, transfer, lease, license or otherwise dispose of any such property or any interest therein, provided that the Managers procure bids from at least two firms for any contract which will likely produce more than \$5,000 revenue to the Association;

(m) to adopt such rules and regulations consistent with the Declaration, the Articles of Incorporation and these By-Laws as the Board may deem necessary for the management and operation of the Association Property, which rules and regulations shall become effective and binding after they are adopted by

a majority of the Board at a regular or special meeting, and they are posted in a conspicuous place on the Association Property;

(n) to engage the services and set the compensation of a manager or managing agent to perform such duties and services as the Board shall authorize, including but not limited to the duties listed in Section 4.3 other than this subparagraph (n); and

(o) to establish orderly procedures for an impartial hearing upon notice to any Owner who is alleged to be in default in paying his assessments or to have violated the Declaration, Articles of Incorporation, these By-Laws or the Association's rules and regulations.

4.4 Election of Managers. There shall be no cumulative voting for the election of the Managers. At the first regular meeting of the Association, new Managers shall be elected by secret written ballot, the three candidates receiving the highest number of votes cast being elected. The term of office of one Manager shall be fixed for three years, the term of office of one Manager shall be fixed at two years, and the term of office of one Manager shall be fixed at one year. At the expiration of the initial term of office of each respective Manager, his successor shall be elected to serve a term of three years. Each Manager shall hold office until his successor has been elected. The intent and purpose of this Section is that the term of office of the Managers shall be staggered over a three year period on as equal a basis over those three years as is reasonably possible. Any Member serving as Manager may be re-elected, and there shall be no limitation on the number of terms during which he may serve. Any person desiring to be a candidate for Manager shall submit a written statement to that effect to the Secretary, signed by the candidate, or be nominated orally by another Member at the meeting at which the voting is to occur, at any time prior to the election.

4.5 Vacancies. Vacancies on the Board caused by any reason other than the removal of a Manager by a vote of the Members shall be filled by a vote of the majority of the remaining Managers, even though they may constitute less than a quorum, and each person so elected shall be a Manager until a successor is elected at the next regular meeting of the Members or at a special meeting of the Members called for that purpose. A successor shall be elected to serve for the remaining term of office of the departing Manager. A vacancy shall be deemed to exist in the case of death, resignation, removal, or an adjudication of the incompetence

of any Manager, or in the case the Members fail to elect the full number of authorized Managers at any meeting at which such election is to take place.

4.6 Removal. At any regular or special meeting of the Members duly called, if the prior notice of the meeting states this as one of its purposes, any one or more of the Managers may be removed with or without cause by a vote of the majority of the Members present in person or by proxy then entitled to vote at an election of Managers, and a successor may then and there be elected to fill the vacancy thus created. A successor shall be elected to serve for the unexpired term of his predecessor in office. Any Manager whose removal has been proposed by any Member shall be given an opportunity to be heard at the meeting, if he is present. If any one or all of the Managers are removed, the new Managers may be elected at the same meeting.

4.7 Board Meetings. The first meeting of a newly elected Board shall be held as soon as practicable following the meeting at which the Board is elected. Other regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a resolution adopted by the majority of the Managers, but at least one such meeting shall be held during each fiscal year. Notice of regular meetings of the Board (other than the first meeting of the newly elected Board) shall be given by the Secretary to each Manager, personally or by mail, telephone or telegraph, at least two days prior to the date set for such meeting.

4.8 Special Board Meetings. Special meetings of the Board may be called by the President or, if he is absent or refuses to act, by the Vice President or by any two Managers. At least two days' notice shall be given by the Secretary to each Manager, personally or by mail, telephone or telegraph. Such notice shall state the time, place and purpose of the meeting. If service is by mail, each such notice shall be sent, postage prepaid, to the address reflected on the records of the Association and shall be deemed given, if not actually received earlier, at 5:00 p.m. of the second day after it is deposited in a regular depository of the United States mail. Whenever any Manager has been absent from any special meeting of the Board, an entry in the minutes to the effect that notice has been duly given shall be conclusive evidence that due notice of such meeting was given to such Manager.

4.9 Waiver of Notice. Before, at or after any meeting of the Board of Managers, any Manager may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving and receipt of such

notice. Attendance by a Manager at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Managers are present at a meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.

4.10 Quorum. At all meetings of the Board, a majority of the Managers shall constitute a quorum for the transaction of business, and the acts of the majority of the Managers present at a meeting at which a quorum is present shall be the acts of the Board. If at any meeting of the Board there is less than a quorum, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, which shall be reconvened only upon the giving of notice as above provided, any business which might have been transacted at the meeting as originally called may be transacted.

4.11 Action by Managers. The Managers shall have the right to take any action without a meeting which they could have taken at a meeting by obtaining the vote or written consent of all the Managers. Any action so approved shall have the same effect as though taken at a meeting of the Board.

4.12 Committees. The Board may, by resolution, from time to time designate such committees as it shall desire and may establish the purposes and powers of each such committee created. The resolution designating and establishing the committee shall provide for the appointment of its members, as well as a chairman, shall state the purposes of the committee and shall provide for reports, termination and other administrative matters as deemed appropriate by the Board.

ARTICLE V

OFFICERS

5.1 Officers. The Association shall have a President, one or more Vice Presidents, a Secretary and a Treasurer (who may be the Secretary). All such officers shall be elected by the Board and hold office at its pleasure. Only the President need be a Manager, although other officers may be Managers.

5.2 Removal. Upon an affirmative vote of a majority of the entire Board, any officer may be removed, either with or without cause, and his or her successor elected. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary, such resignation taking effect at the date of receipt of the

notice or at any later time specified therein, and unless otherwise specified in the notice, acceptance of such resignation by the Board shall not be necessary to make it effective.

5.3 Compensation. Officers, agents and employees shall receive such reasonable compensation for their services as may be authorized or ratified by the Board. Appointment of any officer, agent or employee shall not of itself create contractual rights of compensation for services performed by such officer, agent or employee, and no partner, officer, employee or director of Declarant may receive any compensation.

5.4 President. The President shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the Board. He or she shall have all of the general powers and duties which are usually vested in the office of the President of a corporation, including but not limited to the power to appoint committees from among the Members from time to time as he or she may deem appropriate to assist in the conduct of the affairs of the Association. The President shall be ex officio a member of all standing committees and shall have such other powers and duties as may be prescribed by the Board or these By-Laws.

5.5 Vice President. The Vice President (in order of designation at the time of appointment, if more than one) shall take the place of the President and perform his or her duties whenever the President shall be absent, disabled, unwilling or unable to act. If neither the President nor any Vice President is able to act, the Board shall appoint some member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him or her by the Board or these By-Laws.

5.6 Secretary. The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Association at the principal office of the Association or at such other place as the Board may order. The Secretary shall perform all other duties given to him or her by the Board or these By-Laws. The Secretary shall keep the seal of the Association, shall have charge of such books and papers as the Board of Managers may direct, shall give or cause to be given notices of meetings of the Members and of the Board, shall maintain a book of record Members listing the names, addresses and telephone numbers of the Members as furnished to the Association and shall ascertain, certify, record and publicize the outcome of all votes taken by the Managers or the Members, as the case may be. The

Secretary shall also be responsible for all filings required by law, except tax returns.

5.7 Treasurer. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping, or causing to be kept, full and accurate accounts, tax records and business transactions of the Association, including accounts of all assets, liabilities, receipts and disbursements and books belonging to the Association. The Treasurer's books and records shall be open to inspection by all Owners and first priority Mortgagees at convenient weekday business hours. The Treasurer shall make a report, at least once annually, to the Board containing the Association's balance sheet as of the end of the fiscal period covered by the report and a statement of the Association's income and expenses for the same period. The Board shall cause to be transmitted a summary of the Treasurer's Report to each Member. The Treasurer shall co-sign with another person designated by the Board all checks and promissory notes on behalf of the Association. The Treasurer shall be responsible for keeping the assessment roll required in the fiscal management of the Association and for filing tax returns as required by law.

ARTICLE VI

FISCAL MANAGEMENT

6.1 Assessment Roll. The Treasurer shall maintain an assessment roll which shall include a separate account for each Condominium Unit and Residential Lot. Such account shall designate the name and address of the Owner, the amount of each assessment against the Owner, the due dates of all assessment installments, the amounts paid by the Owner and all unpaid assessments.

6.2 Statement of Assessments. Upon written request of any Owner, Mortgagee or prospective purchaser of any Condominium Unit or Residential Lot to the Treasurer, and payment of a reasonable service fee established by the Association, the Treasurer shall issue a written statement of the unpaid assessment receivable or other charges due and owing from the Owner for the Condominium Unit or Residential Lot involved, and such statement shall be conclusive upon the Association if the person to whom it is given relies upon it in good faith. If the statement is not given within ten days of the making of an authorized request for it, the person making the request shall, as against the Association, be entitled to assume that no assessments or other charges are unpaid, unless the lien securing the same shall have been recorded in the land records in Pitkin County, Colorado or unless the person making the request has actual notice

that assessments or other charges are unpaid.

6.3 Budget. It shall be the responsibility of the Board to see that an orderly budgeting procedure is established as soon as practicable. Assessments shall be in an amount sufficient to pay for the Common Expenses, including a reasonable reserve for working capital, repairs and replacements. Regular assessments shall be in an amount at least sufficient to pay for the following services and expenses on a normal basis: grounds maintenance (including gardening and snow removal), upkeep of any facilities, insurance, trash removal, service and leasing contracts (including water, utilities and sewage) for the Association and the Association Property, printing supplies and postage, employees' compensation and taxes paid by the Association.

6.4 Fiscal Year. As soon as practicable, the Board shall, by resolution, fix a suitable fiscal year, which shall be the Association's budgeting and accounting period. The assessments against Owners shall be prepared, levied and collected at such times and in such manner as to insure that sufficient funds are available for budgeted expenditures and operations when needed.

ARTICLE VII

MANAGEMENT

7.1 Management Agreement. The Association shall enter into a management agreement (the "Agreement") with one or more professional managing agents which shall provide for the management of the Association Property and the Association's general operations. The initial professional managing agent may be Declarant, or a designated agent of Declarant, at a reasonable compensation to be set by the Board and Declarant, and on such terms as are set forth in the Agreement.

ARTICLE VIII

MISCELLANEOUS

8.1 Indemnity. The Association, to the extent permitted by law, agrees to indemnify and otherwise hold harmless each Manager, officer, committee member or employee of the Association against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by reason of such person's acting as such Manager, officer, committee member or employee, unless the Board (if disinterested) or otherwise the Members (in the Board's or Members' sole discretion, as the case may be) or a court of competent jurisdiction,

determines that such liability is the result of willful or gross negligence or culpability, or of actions or omissions which such person should reasonably have believed to be opposed to the best interests of the Association. Expenses (including attorneys' fees) of such person may be paid by the Association in advance of the final disposition of the matter in question in the sole discretion of the Board (if disinterested) or otherwise in the sole discretion of the Members, and upon receipt of an undertaking by or on behalf of such person to repay the amount advanced unless the Board or Members, as the case may be, ultimately determines that he or she is entitled to indemnification as above provided.

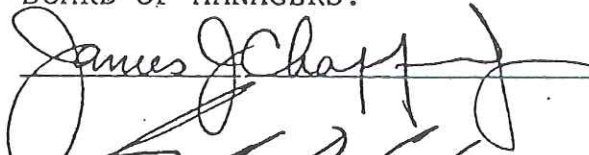
8.2 Conflicts Null and Void. In case any of these By-Laws conflict with any provisions of the laws of the State of Colorado, the Articles of Incorporation or the Declaration, such conflicting By-Laws shall be null and void, but all other By-Laws shall remain in full force and effect.

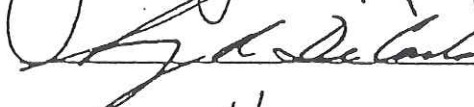
8.3 Amendment. These By-Laws may be amended by the Association in a duly constituted meeting of the Members for such purpose.

8.4 Copy of By-Laws. This Association shall keep in its office for the transaction of business the original or a copy of these By-Laws, as amended from time to time, certified by the Secretary, which shall be open to inspection by the Members and first priority Mortgagees of Association Property at reasonable times during office hours.

The foregoing By-Laws of Woodrun Five Community Association, Inc. were adopted by its Board of Managers with the approval and consent of Declarant on the 8th day of December, 1980.

BOARD OF MANAGERS:





Horn

DECLARANT:

THE SNOWMASS COMPANY, LTD., a Colorado
limited partnership

By 

General Partner

EXHIBIT A

Parcel 3, Woodrun Unit Five Subdivision, Pitkin
County, Colorado, according to the recorded plat thereof.

EXHIBIT B

Parcels 2 and 11, Woodrun Unit Five Subdivision,
Pitkin County, Colorado, according to the recorded plats
thereof.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that:

1. I am the duly elected and acting Secretary of Woodrun Five Community Association, Inc., a Colorado non-profit corporation; and

2. The foregoing By-Laws comprising 15 pages excluding this page constitute the By-Laws of the corporation duly adopted by unanimous written consent in lieu of a meeting of the Board of Managers, as of December 8th, 1980.

In Witness Whereof, I have hereunto subscribed my hand and affixed the seal of the corporation this 8th day of December, 1980.


Secretary

[SEAL]

JKL:k