

BY-LAWS
OF
THREE SEASONS CONDOMINIUM OWNERS' ASSOCIATION, INC.

ARTICLE I – NAME & LOCATION

The name of the Corporation is Three Seasons Condominium Owners' Association, Inc. hereinafter referred to as the "Association".

The principal office of the Corporation in the State of Colorado shall be located in the Town of Mt. Crested Butte, County of Gunnison. The corporation may have such other offices either within or without the State of Colorado as the Board of Directors may designate or as the business of the Corporation may require from time to time.

The registered office of the Corporation shall be designated in the Articles of Incorporation or amendments thereto.

ARTICLE II – PURPOSES AND OBJECTS

Section 1 - Purposes and Objects. The purpose for which this non-profit corporation is formed is to govern The Three Seasons Condominiums, a condominium, situate in Gunnison County, Colorado, in accordance with the terms and conditions of the Condominium Declaration for Three Seasons Condominium, 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 who 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 III – DEFINITIONS

All definitions and defined terms set forth in the Declaration shall have the same meaning for there By-Laws as if set forth in their entirety herein.

ARTICLE IV – MEMBERSHIP AND VOTING

Section 1 – Membership. There shall be one membership in the Association for each Condominium Unit (as provided in the Condominium Declarations for the Three Seasons Condominium Owners' Association, Inc., recorded in Book #547 at Page 833 through 867 and Book #548 at Page 789 through 791 of the records of the Clerk and Recorder of

Gunnison County, Colorado, which definition is used herein. No person or entity other than an owner or owner's spouse of the Condominium Unit may be a member of the Association.

Section 2 – Transfer of Membership. A membership in the Association and a sharing member of the assets of the Association shall not be assigned, encumbered or transferred in any manner except in appurtenance to a transfer of title of the Condominium Unit to which the membership pertains, provided, however, that the right to a membership may be assigned to a mortgage, Deed of Trust, or other security instrument on a Condominium Unit as further security for a loan secured by a lien on such Condominium Unit. A transfer membership shall occur automatically upon transfer of title to the Condominium Unit to which membership pertains. The Association shall be entitled to treat the person or persons in whose name or names the membership is recorded on the books and records of the Association as a member until such time as evidence of a transfer of title satisfactory to the Association has been submitted to the secretary. A transfer of membership shall not release a transferor from liability for obligations accrued incident to such membership prior to such transfer. In the event of a dispute as to ownership of a Condominium Unit and to the membership appurtenant thereto, title to the Condominium Unit, as shown in public records of Gunnison County, Colorado shall be determinative.

Section 3 – Voting. Where the voting member is allowed to vote by the Statutes of the State of Colorado, or by the Articles of Incorporation, or by these By-Laws, the voting shall be based upon each Unit Owner's percentage ownership in the General Common Elements as set forth in Exhibit C of the Condominium Declaration. If only one of several owners of a Unit is present at a meeting of the Association, the owner present is entitled to cast all the votes allocated to the Unit. If more than one of the owners is present, the votes allocated to the Unit may be cast only in accordance with the agreement of a majority of interest of the owners. There is majority agreement of the owners if any one of the owners present casts the votes allocated to the Unit without protest being made promptly to the person presiding over the meeting by another owner of the Unit. The vote of a corporation or business trust may be cast by any officer of that corporation or business trust in the absence of express notice of the designation of a specific person by the Board of Directors or By-Laws of the owning corporation or business trust. The vote of a partnership may be cast by any general partner of the owning partnership in the absence of express notice of the designation of a specific person by the owning partnership. The moderator of the meeting may require reasonable evidence that a person voting on behalf of a corporation, partnership, or business trust owner is qualified to vote. Voting by proxy shall be permitted. Proxies must be filed with the Secretary before the appointed time of each meeting. If a Unit is owned by more than one person, each owner of the Unit may vote or register protest to the casting of votes by the other owners of the Unit through a duly executed proxy. A Unit Owner may revoke a proxy given under this section only by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates one year after its date, unless it specifies a shorter term. The Association may suspend the voting rights of a member for failure to comply with rules and regulations of the Association or with any other obligations of the owners of the Condominium Units under the Condominium Declarations for the Three Seasons Condominiums referred to above. Unless otherwise

stated in the Condominium Declarations, a majority of members may adopt decisions binding upon all Unit owners.

Section 4 – Cumulative Voting. Cumulative voting is prohibited.

Section 5 – Suspension of Voting Rights. The Association may suspend the voting rights of a member for failure to comply with the rules and regulations of the Association or for failure to comply with any other obligations of an Owner of a unit under the Declaration or these By-Laws.

ARTICLE V – MEETINGS

Section 1 – Annual Meetings. The annual meeting of the membership of the Corporation shall be held within five months after the close of the fiscal year of the Association for the purpose of electing directors and for the transaction of such other business as may come before the meeting.

Section 2 – Special Meetings. Special meetings of the members for any purpose of purposes unless otherwise prescribed by statute may be called by the Board of Directors or by the President and shall be called by the President or Secretary at the written request of ten percent (10%) of the membership entitled to vote at the meeting.

Section 3 – Place of Meetings. All meetings of members shall be held at the principal office of the Association or at such other place as shall be designated in the notices or waivers of notice of such meeting.

Section 4 – Notice of Meetings. Notice of annual and special meetings of the members must be given in writing and must state the date, hour, and place of the meeting and describe the nature of the business to be transacted. Such notices shall be delivered personally to, or deposited in the mail, postage prepaid, addressed to the last known address as shown on the books of the Association, or sent by email to the owner or any one of the co-owners of each membership, as shown on the books of the Association and shall be delivered or deposited in the mail not less than ten nor more than fifty days prior to the date of the meeting. Electronic notice of meetings will be provided to Unit Owners requesting this method of notification.

In the event of a special meeting is called by the members of the Association as aforesaid, they shall notify the Secretary of the Association, in writing, of the time, place and purpose of the meeting in sufficient time for the Secretary to give notice to all the members in accordance with these By-Laws.

Section 5 – Waiver of Notice. Written waiver of notice signed by or tendered at a meeting, by the owner or any one of the co-owners of a membership, shall constitute a waiver of notice of such meeting except for attendance for express purpose of objecting to the failure to receive such notice or objecting to defects in such notice.

Section 6 – Quorum. A majority of the members of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of members. If

less than a majority of the members are represented at a meeting, a majority of the members so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present and represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

ARTICLE VI – BOARD OF DIRECTORS

Section 1 – Number, Tenure, and Qualification. The number of the directors of the corporation shall be as many as seven (7) unless and until otherwise determined by vote of a majority of the entire Board of Directors. Directors shall be members of the Association. The number of Directors shall not be less than three, unless all of the members are less than three, in which event the number of directors shall not be less than the number of members. Each director shall hold office for three years and two (2) directors terms shall expire each year in years when there are six directors seated.

Except as may otherwise be provided herein or in the Articles of Incorporation the members of the Board of Directors of the Corporation shall be elected by a majority of the votes cast at a meeting of members entitled to vote in the election.

Section 2 – General Powers. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association, and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done by the members. The powers of the Board of Directors shall include, but not be limited to, all the rights and duties of the Board of Directors as set forth elsewhere in these By-Laws and the Articles of Incorporation and in the Declaration, and shall also include the power to promulgate such rules and regulations pertaining to such rights and duties as they be deemed property and which are consistent with the foregoing. The Board of Directors may delegate such duties as appear in the best interest of the Association and to the extent permitted by law.

Section 3 – Regular Meetings. The regular meetings of the Board of Directors shall be held without other notice than this by-law immediately after and at the same place as the annual meeting of members. The Board of Directors may provide by resolution the time and place, either within or without the State of Colorado, for the holding of additional regular meeting without other notice than such resolution; provided, however, that in case the Board of Directors shall fix or change the time or place of any regular meeting, notice of such action shall be given to each director who was absent within the time provided and in the manner set forth in Section 5 of this article IV with respect to special meeting, unless such notice shall be waived in the manner set forth in Section 5 of this Article IV.

Section 4 – Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either

within or without the State of Colorado, as a place for holding any special meeting of the Board of Directors called by them.

Section 5 – Notice. Notice of any special meeting shall be given at least (2) days previously thereto by written notice delivered personally or mailed to each director at his business address, email address or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail so addressed with postage thereon prepaid. If notice is given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. If notice is given by email, such notice shall be deemed to be delivered when the announcement is sent from the announcing party's computer. 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 express purpose of objection to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted nor the purpose of any special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 6 – Quorum. The majority of the number of directors fixed by Section 2 of this Article IV shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 7 – Manner of Acting. The action of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors and at all meetings of the Board of Directors, each director present shall have one vote.

Section 8 – Action without a Meeting. Any action required or permitted to be taken by the Board of Directors in a meeting may be taken without a meeting if consent in writing setting forth the action so taken shall be signed by all of the directors.

Section 9 – Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship filled by reason of an increase in the number of directors may be filled by election by the Board of Directors for a term of office continuing only until the next election of directors by the members.

Section 10 – Compensations. No compensation shall be paid to directors for their services as directors. No remuneration shall be paid to a director for services performed by him for the association in any other capacity, unless a resolution authorizing such remuneration shall have been adopted by the board of directors before services are undertaken and in compliance with federal, state and local regulations.

Section 11 – Removal. Any director may be removed, with or without cause at any time by the members at a special meeting of the members called for that purpose.

Section 12 – Presumption of Assent. If a director is present at a meeting of the Board of Directors at which action on any corporate matter is taken, he shall be presumed to have assented to the action taken unless the dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 13 – Chairman; Committees. At a meeting of the Board of Directors, the Chairman of the Board, if any, and if present, shall preside. If there shall be no Chairman or he shall be absent, then the President shall preside, and in the absence of the President, the Chairman chosen by the directors shall preside.

The Board of Directors, by resolution adopted by a majority of the entire Board, may from time to time designate from among its members an executive committee and such other committees, and alternate members thereof, as they deem desirable, each consisting of three or more members, with such powers and authority (to the extent permitted by law) as may be provided in such resolution. Each such committee shall serve at the pleasure of the Board.

Section 14 – Contracts. No contract or other transaction between this Corporation and any other corporation shall be impaired, affected, or invalidated, nor shall any director be liable in any way by reason of the fact that any one or more of the directors of this Corporation is or are interested in, or is a director or officer, or are directors or officers, of such other corporation, provided that such matters are disclosed or made known to the Board of Directors.

Any director, personally and individually, may be a party to or may be interested in any contract or transaction of this Corporation, and no director shall be liable in any way by reason of such interest, provided that the fact of such interest be disclosed or made known to the Board of Directors, and provided that the Board of Directors shall authorize, approve or ratify such contract or transaction by the vote (not counting the vote of any such director) of a majority of a quorum, notwithstanding the presence of any such director at the meeting at which such action is taken. Such director or directors may be counted in determining the presence of a quorum at such meeting. This section shall not be construed to impair or invalidate or in any way affect any contract or other transaction which would otherwise be valid under the law (common, statutory or otherwise) applicable thereto.

Section 14 – Telephonic Participation. Members of the Board or any committee designated by the Board may participate in a meeting of the Board or any committee by means of telephone conference call or similar communication equipment, by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

ARTICLE VII – POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1 - 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, use and occupancy of this condominium project with the right to amend the same from time to time. A copy of such rules and regulations shall be delivered or mailed to each member promptly upon the adoption thereof.
- (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 general common 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 and by majority vote of the board of managers to adjust, decrease or increase the amount of the monthly assessments over expenses and cash reserves due the owners at the end of the each operating year. To levy and collect special assessments whenever in the opinion of the board of managers 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. All monthly or other assessments shall be in itemized statement form and shall set forth the detail of the various expenses for which the assessments are being made.
- (f) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an owner as is provided in the Declaration and these Bylaws.
- (g) To protect and defend the entire premises from loss and damage by suit or otherwise.
- (h) 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 managers may deem necessary and such indebtedness shall be the several obligation of all the owners in the same proportion as their interest in the general common elements.
- (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 managers.

- (k) 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.
- (l) To prepare and deliver annually to each owner a statement showing all receipts, expenses or disbursements since the last such statement.
- (m) To designate the personnel necessary for the maintenance and operation of the general and limited common elements, including the power to engage a managing agent and the delegate to such agent the powers of the board of managers to manage the Association on a day to day basis.
- (n) In general, to carry on the administration of this corporation and do all the things necessary and reasonable in order to carry out the communal aspect of condominium ownership.
- (o) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.

ARTICLE V - OFFICERS

Section 1 – Enumeration of Officers. The officers of the corporation shall be a President, a Vice President, a Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 2 – Election and Term of Office. The officers of the corporation to be elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have been duly elected and shall have qualified, or until his death, or until he shall resign or shall have been removed in the manner hereinafter provided.

Section 3 – Removal. Any officer or agent may be removed by the Board of Directors whenever in its judgment the best interest of the Corporation will be served thereby. Such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not in and of itself create contract rights.

Section 4 – Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or other wise may be filled by the Board of Directors for the unexpired portion of the term.

Section 5 – President. The President shall be 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 affairs of the Corporation, and shall be elected from the Board of Directors. 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 any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by the By-Laws to some other officer or agent of the Corporation or shall be required by law to be otherwise signed and executed and, in general, shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time. The President, from time to time, may engage the services of a manager and/or managing agent for performance of any powers and duties delegated to him by the Board of Directors, including the specific duties listed herein above upon approval of the Board of Directors.

Section 6 – Vice President. In the absence of the President or in the event of his death, inability or refusal to act, the Vice President (or in the event there is more than one Vice President, the Vice President in the order designated at the time of their election, or in the absence of any designation, then in the order of their election) shall perform the duties of the President, and when so acting shall have all of the powers of and be subject to all of the restrictions upon the President. Any Vice President shall perform such duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 7 – Secretary. The Secretary shall: (a) keep the minutes of the proceedings of the members and of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; (c) be the 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 are duly authorized; (d) keep a register of the post office address of each member which shall be furnished to the Secretary by such member; (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.

Section 8 – Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) receive and give receipts for monies due and all such monies in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VI of these By-Laws; and (c) in general, perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors. If required by the Board of Directors to do so, the 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.

Section 9 – Assistant Secretaries and Assistant Treasurers. The Assistant Secretary and the Assistant Treasurer shall, respectively if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties as assigned to them by the Secretary or the Treasurer, respectively, or by the President or the Board of Directors.

Section 10 – Compensation. No compensation shall be paid to officers for their services as officers unless a resolution authorizing such remuneration shall have been adopted by the Board of Directors before the services are undertaken.

ARTICLE VI – CONTRACTS, LOANS, AND DEPOSITS

Section 1 – Contracts. The Board of Directors may authorize 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 loan shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in name unless authorized by resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3 – Check, Drafts, etc. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4 – Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the corporation at such banks, trust companies, or other depositories as the Board of Directors may select.

ARTICLE VII – FISCAL YEAR

The fiscal year of the Corporation shall be fixed by the Board of Directors from time to time subject to applicable law.

ARTICLE VIII – CORPORATE SEAL

The Corporate seal shall be in such form as shall be approved from time to time by the Board of Directors.

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 By-Laws or under the provisions of the Articles of Incorporation or under the provisions of the statutes of the State of Colorado, 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 – AMENDMENTS

Section 1 – By Members. All By-Laws of the Corporation shall be subject to alteration or repeal, and new By-Laws may be made by a majority vote of the members at any regular or special meeting, provided, however, specific By-Law requirements set forth in C.R.S. 38-33-106 (1973) must be contained in these By-Laws.

Section 2 – By Directors. The Board of Directors shall have power to make, adopt, alter, amend, and repeal from time to time the By-Laws of the Corporation; provided, however, that the members entitled to vote with respect thereto (as in this Article IX above provided) may alter, amend, or repeal By-Laws made by Board of Directors, except that the Board of Directors shall have no power to change the quorum for meetings of members of the Board of Directors, or to change any provisions of the By-Laws with respect to the removal of directors and the filling of vacancies in the Board resulting from the removal by the members. If any By-Laws regulating an impending election of directors are adopted, amended, or repealed by the Board of Directors, there shall be set forth in the notice of the next meeting of members for the election of directors, the By-Law so adopted, amended, or repealed, together with a concise statement of the changes made.

Section 3 – Limitation on Amendments. No amendment of these By-Laws shall be contrary to or inconsistent on any provision of the Articles of Incorporation, and no amendment of the Articles of Incorporation or these By-Laws shall be contrary to or inconsistent with any provision of the Declaration.

Section 4 – Conflict. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

Section 5 – Execution. Amendments to the Declaration, By-Laws, or Articles of Incorporation shall be prepared, executed, and certified by the president and the secretary of the Association.

ARTICLE XI – RIGHTS AND OBLIGATIONS OF THE ASSOCIATION AND THE MEMBERS

Section 1 – Annual Assessment. Pursuant to the Declaration, each Unit and each Unit Owner shall be deemed to covenant and agree, by acceptance of their deed, whether or not it shall be so expressed in any such deed or other conveyance, to pay to the Association annual and special assessments, as imposed by the Association. Such assessments, including fees, charges, late charges, attorney fees, fines and interest charged by the Association shall be the personal obligation of the Unit Owner of such Unit at the time when the assessment or other charges become or fell due. No Unit Owner may become exempt from liability for payment of the annual common expense assessments by waiver of the use or enjoyment of the Common Elements or by abandonment of the unit against which the assessments are made. All assessments shall be payable in the amounts specified in the levy thereof, and no offsets or reduction thereof shall be permitted for any reason including, without limitation, any claim that the Association or the Board is not properly exercising its duties and powers under this Declaration. The Association's assessments shall be a charge on each Unit and shall be a

continuing lien upon the Unit against which each such assessment or charge is made. If any assessment is payable in installments, the full amount of the assessment is in a lien from the time the first installment become due.

- a) **Apportionment of Assessments.** All assessments shall be assessed against all Units in accordance with the current assessments as shown in Exhibit 1 of the By-Laws, and all future assessments shall be applied according to the approximate percentages as established from the current assessment.
- b) **Purpose of assessments.** The assessments levied by the Association through its Board shall be used exclusively for the purposes of promoting the recreation, enjoyment, health, safety, and welfare of the Owners, residents, occupants and guests of the Common Interest Community. Such purposes shall include, but not shall be limited to the following: the improvement, maintenance, repair, upkeep, and reconstruction of the Common Elements and for the painting, landscape care, snow removal, and any other maintenance obligations which may be deemed desirable for the common benefit of the Unit Owners or for the maintenance of property values. Also, a portion of the assessments may be used to provide a reserve fund for the replacement, repair, and maintenance of Common Elements of the real estate which must be replaced on a periodic basis.
- c) **Assessment Budget/Due Dates.** The annual assessment may be made on an annual basis against all Units and shall be based upon the Association's advance budget of the cash requirement needed by it to provide for the administration and performance of its duties during such assessment year. Special assessments may be made as determined by the Board of Directors, subject to the terms of paragraph 11.4 of the Declaration. Assessments shall be due and payable in monthly, quarterly, or other installments, or in any other manner, as determined by the Board. The omission or failure of the Board to levy the assessment for any period shall not be deemed a waiver, modification or a release of the Unit Owners from their obligation to pay.
- d) **Effect of Non-Payment of Assessments.** As per the approved collection policy, (Exhibit 2) approved by the Board of Directors on January 2, 2014.
- e) **Lien Priority.** The lien of the Association under the Declaration and these By-Laws is prior to all other liens and encumbrances on a Unit except: (1) a first lien security interest on the Unit (except as allowed by the Colorado Common Interest Ownership Act with regard to the limited lien priority allowed to the Association); and (2) liens for real estate taxes and other government assessments or charges against the Unit. This Section does not affect the priority of mechanics or material men's liens. The lien of the Association is not subject to the provision of any homestead exemption as allowed under State or Federal law. Sale or transfer of any Unit shall not affect the lien for said assessments or charges except that sale or transfer of any Unit pursuant to foreclosure of any first lien security interest, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or

cancellation or forfeiture shall only extinguish the lien of assessment charges as provided by applicable State law. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, nor cancellation or forfeiture shall relieve any Unit from continuing liability for any assessment charges thereafter becoming due, nor from the lien thereof.

- f) **Common Expenses Attributable to Fewer than all Units.** Any common expense for services provided by the Association to an individual Unit at the request of the Unit Owner may be assessed against that Unit. Any insurance premium increase attributable to a particular Unit by virtue of activities in or construction of the Unit shall be assessed against that Unit. An assessment to pay a judgment against the Association may be made only against the Units in the Common Interest Community at the time the judgments were entered, in proportion to their common expense liabilities. If a common expense is caused by the misconduct of a Unit Owner, the Association may assess that expense exclusively against that Unit Owner and their Unit.

Section 2 – Other Rights and Obligations

- a. Members of the Association and their mortgagees, if applicable, may inspect the records of receipts and expenditures pursuant to C.R.S. 38-33-107 (1973) at convenient weekday business hours.
- b. Upon payment of a reasonable fee, any member shall be furnished a statement of his account setting forth the amount of any unpaid assessments or charges due and owing the Association from such members.
- c. Other rights and obligations of the Association and membership are as set forth in the Condominium declarations and incorporated herein, as required by C.R.S. 38-33-106 (1973), as amended.

BYLAWS adopted by Three Seasons Condominium Owners' Association, Inc. a Colorado corporation and amended by a majority vote of the Board of Directors on January 2, 2014.

**EXHIBIT 1
TO THE
BY-LAWS OF THREE SEASONS CONDOMINIUM OWNERS' ASSOCIATION,
INC.**

**SCHEDULE OF CURRENT ASSESSMENTS/
ALLOCATION OF ASSESSMENT LIABILITY**

THREE SEASONS CONDOMINIUMS

Association Dues

Quarterly: June, September, December and March Beginning December 1, 2013

Residential One Bedroom

\$4,800 per year with additional capital fund assessment of \$300, totaling \$5,100 annually

Residential Two Bedroom

\$5,400 per year with additional capital fund assessment of \$600, totaling \$6,000 annually

Residential Three Bedroom

\$6,000 per year with additional capital fund assessment of \$600, totaling \$6,600 annually

Commercial Units

C2-6: \$3985.54 per year with additional capital fund assessment of \$600, totaling \$4,585.54 annually

C7-8: \$2003.57 per year with additional capital fund assessment of \$300, totaling \$2,303.57 annually

C9-12: \$7,306.82 per year with additional capital fund assessment of \$600, totaling \$7,906.82 annually

EXHIBIT 2

THREE SEASONS CONDOMINIUM OWNERS' ASSOCIATION, INC., a Colorado nonprofit corporation

COLLECTION POLICY

The following Collection Policy was adopted on the 2nd day of January, 2014, by the Board of Directors of Three Seasons Condominium Owners' Association, Inc., a Colorado nonprofit corporation ("Association") pursuant to §§ 38-33.3-209.5, 38-33.3-316 & 38-33.3-316.3, C.R.S., at a regular meeting of the Association's Board of Directors ("Board").

NOW, THEREFORE, IT RESOLVED that the Association does hereby adopt its Collection Policy, which shall be effective on the 1st day of January, 2014, as follows:

1. Assessments. For purposes of this Collection Policy, "assessments" or "regular assessments" include regular and special assessments and any associated fees, charges, late charges, attorney's fees, fines and interest. Assessments shall be paid in equal monthly, quarterly, bi-annual or annual installments, as determined by the Board, on or before the tenth day of the month when such assessment is due. If an assessment is not paid by the 10th day of the month when the assessment is due, the assessment is delinquent.

2. Late fees, Fines & Interest. If the full amount of any assessment is not received by the Association's managing agent by the 10th day of the month in which the assessment is due, the assessment shall be considered delinquent. Delinquent assessments shall bear interest at the rate of eighteen percent (18%) per annum from the date of delinquency until paid in full. The Association may also impose a \$25.00 late fee to any unpaid assessment and charge a \$25.00 fee for any bounced or returned check.

3. Prior to Referral to Legal Counsel. Prior to referring a delinquent account to the Association's attorney or to a collection agency, the Association shall mail the delinquent owner, via certified mail return-receipt requested, at the mailing address on file with the Association's managing agent, a notice of the delinquency that specifies:

- a. The total amount due with an accounting of how the total was determined;
- b. Whether the opportunity to enter into a payment plan exists pursuant to Section 4 below and instructions for contacting the Association to enter into a payment plan;
- c. The name and contact information for the individual the unit owner may contact to request a copy of the unit owner's ledger in order to verify the amount of the debt; and
- d. That action is required to cure the delinquency and that failure to do so within thirty (30) days may result in the following:
 - i. The unit owner's delinquent account being turned over to the Association's attorney or a collection agency;
 - ii. A lawsuit being filed against the owner;
 - iii. The filing and foreclosure of a lien against the unit owner's property;
 - iv. The Association applying for a court-ordered receivership over the property; and/or
 - v. Any other remedies available under Colorado law.

4. Payment Plans.

a. *Eligibility.* A unit owner is entitled to enter into a payment plan with the Association so long as the unit owner has not already entered into a payment plan pursuant to this Collection Policy. If a unit owner has previously entered into a payment plan with the Association pursuant to this Collection Policy, it is at the discretion of the Board whether to permit such unit owner to enter into another payment plan, or whether to pursue the legal remedies permitted under Colorado law for collection of delinquent Association accounts.

b. *Terms.* Any payment plan entered into between the Association and a delinquent unit owner shall permit the unit owner to pay-off the delinquency in equal installments over a period of at least six (6) months. The unit owner must also remain current with regular assessments as they come due during the payment plan time period. A unit owner's failure to remit payment of an agreed upon payment plan installment, or to remain current with regular assessments as they come due during the payment plan period, constitutes a failure to comply with the terms of the payment plan. If a unit owner fails to comply with terms of a payment plan, the Association may pursue the legal remedies permitted under Colorado law for collection of delinquent Association accounts (see Section 6 below).

5. Application of Payments. Payments received by the Association shall be applied in the following order, as may be applicable:

- a. Attorney's fees and legal costs and expenses;
- b. Fines, late charges and interest;
- c. Returned check charges and other costs owing or incurred with respect to such owner; and
- d. Assessments due or to become due with application of the payment to the most long-standing delinquent assessment first.

6. Legal Remedies. In the event a unit owner does not comply with a payment plan or is not eligible for a payment plan, the legal remedies available to the Association to collect a unit owner's delinquent account are as follows:

- a. A lawsuit by the Association against the delinquent owner;
- b. The filing and foreclosure of a lien against the unit owner's property, but only if:
 - i. The balance of the assessments and charges secured by the lien equals or exceeds six (6) months of common expense assessments based on a periodic budget adopted by the Association; and
 - ii. The Board has formally resolved, by a recorded vote, to authorize the filing of a legal action against the specific unit on an individual basis. The Board may not delegate its duty to act under this subsection to any attorney, insurer, manager, or other person, and any legal action filed without evidence of the recorded vote authorizing the action must be dismissed.
- c. Referral of the delinquent account to the Association's attorney or a collection agency; and/or
- d. The Association may apply to be a court-appointed receiver of the subject unit.

7. Exceptions. This Collection Policy does not apply if the unit owner does not occupy the unit and has acquired the unit as a result of:

- a. A default of a security interest encumbering the unit; or
- b. Foreclosure of an Association lien.

8. Conflict of Laws. In the event of a conflict between this Collection Policy and the Association's Declaration, Bylaws, or any other policy, rule or regulation of the Association, this Collection Policy shall control.

**THREE SEASONS CONDOMINIUM OWNERS' ASSOCIATION,
INC.
a Colorado nonprofit corporation**