

(j) New business.

(k) Adjournment.

Section 7. First Board of Managers:

Until 16 Units are sold in Building A by Declarant as described in Section 34(b) of the Declaration for Mountain Stream Condominium Association, the designation and election of the Board of Managers of the Association shall, at the option of Declarant, its successors or assigns, be exercised by Declarant, its successor or assigns. When 16th Unit has been sold or January 1, 1981, whichever event occurs first, Declarant shall give written notice of same to all Unit Owners and shall call a special meeting for the purposes of electing members of the Board of Managers. Said special meeting shall be held not later than two months subsequent to the sale of the 16th Unit.

Section 8. Special Meetings:

It shall be the duty of the President to call a special meeting of the Owners as directed by resolution of the Board of Managers, or upon a petition signed by a majority of the Owners and having been presented to the Secretary. The notice of any special meetings shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice, unless one hundred percent (100%) of the persons entitled to vote are present, in person or by proxy, and all agree to transact other business as may be proposed.

A special meeting shall be called to elect additional Board Members when Buildings B and/or C are subjected to the Declaration. Said meeting shall be held within forty-five (45) days of notification of the Board by the Declarant of such event.

ARTICLE IV
BOARD OF MANAGERS

Section 1. Number and Qualifications:

The affairs of the Association shall be first managed by a Board of three (3) members all of whom must be eligible to vote at any meeting of members as stated in Section 4, Article III, hereof. When Building(s) B and C are each subjected to the Declaration, the Board shall be increased at that time by three (3) members per each building for a total of nine (9) when the Project is complete. However, Board members shall be elected "at large" and not prorated among the buildings.

Section 2. Election of Managers:

Election of managers shall be conducted at the annual member's meeting. A nominating committee of three (3) members shall be appointed by the Board of Managers not less than thirty (30) days prior to the annual members' meeting. The committee shall nominate one (1) person for each manager then serving. Additional nominations for managers may be made from the floor. The election shall be by ballot (unless dispensed with by unanimous consent) and by a plurality of the votes cast, each person voting being entitled to cast his vote for one of as many nominees as there are for each vacancy to be filled. There shall be no cumulative voting.

Section 3. Vacancies:

Except as to vacancies provided by removal of managers by

annual meetings of members shall be filled by the remaining managers.

Section 4. Removal:

Any manager may be removed by concurrence of two-thirds of the votes of the entire membership at a special meeting of the members called for that purpose. The vacancy in the Board of Managers so created shall be filled by the members of the Association at the same meeting. Any manager who is no longer eligible to vote at members' meetings as provided for in Section 4, Article III, hereof, shall immediately be removed from his position as manager. If such vacancy occurs because of loss of eligibility to vote at members' meetings, then such vacancy shall be filled by the remaining managers.

Section 5. Reservation of Declarant:

Until the Declarant has elected to terminate its control as provided in Section 7 of Article III, the first managers of the Association shall serve, and in the event of any vacancies, the remaining managers shall fill the vacancies, and, if there are no remaining managers, the vacancies shall be filled by Declarant.

Section 6. Term:

The term of each manager's service shall extend until the next annual meeting of the members, and thereafter until his successor is duly elected and qualified, or until he is removed in the manner elsewhere provided.

ARTICLE V
BOARD OF MANAGERS

Section 1. Powers and Duties:

The Board of Managers shall have the powers and duties necessary to the administration of the affairs of the Association existing under the Colorado Condominium Act, the Declaration, the Articles of Incorporation, and these By-Laws, and the same shall be exercised exclusively by the Board of Managers, its agents, contractors or employees, subject only to approval by Unit Owners when such is specifically required. The Board of Managers may enter into contracts for the management of the project. The Board of Managers shall not enter into the business of renting condominiums or employ an agent to rent them for it.

Section 2. Other Duties:

In addition to duties imposed by these By-Laws or by resolution of the Association, the Board of Managers shall be responsible for the following:

(a) Care, upkeep and surveillance of the project, and the common areas and facilities, and the restricted common areas and facilities.

(b) Collection of assessments from the Owners.

(c) Designation and dismissal of the personnel necessary for the maintenance and operation of the Project the common areas and facilities, and the restricted common areas and facilities.

Section 3. Management Agent:

perform such duties and services as the Board shall authorize, including but not limited to, the duties listed in Section 2 of this Article. So long as the Board is controlled by the Declarant, any contract with a Management Agent must be terminable at will, with or without cause.

Section 4. Organization Meeting:

The first meeting of a newly elected Board of Managers shall be held immediately after the member's meeting if all the new Board Members are present and, if not, within ten (10) days of election at such place as shall be fixed by the managers at the meeting at which such managers were elected, and written notice shall be necessary to the newly elected managers in order legally to constitute such meeting.

Section 5. Regular Meeting:

Regular meetings of the Board of Managers shall be held at such time and place as shall be determined, from time to time, by a majority of the managers, but at least four (4) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each manager, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

Section 6. Special Meetings:

Special meetings of the Board of Managers may be called by the President on three (3) days notice to each manager, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Managers shall be called by the President or Secretary in like manner and on like notice upon the written request of at least three (3) managers.

Section 7. Waiver of Notice:

Any manager may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

Section 8. Board of Managers Quorum:

A quorum at managers' meetings shall consist of the majority of the entire Board of Managers. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Managers, except where approval by a greater number of managers is required by the Declaration, the Articles of Incorporation or these By-Laws. If, at any meeting of the Board of Managers, less than a quorum is present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a manager in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such manager for the purpose of determining a quorum.

Section 9. Fidelity Bonds:

The Board of Managers shall require that all officers and employees of the Association handling or responsible for Association funds furnish adequate fidelity bonds as set forth in Section 25(a)(iii) of the Declaration. The premium on such bonds shall be paid by the Association.

Section 10. Presiding Officer:

The presiding officer of managers' meetings shall be the President. In the absence of the presiding officer, the managers present shall designate one of their number to preside.

Section 11. Order of Business:

The order of business at managers' meetings shall be:

- (a) Calling of roll.
- (b) Proof of due notice of meeting.
- (c) Reading and disposal of any unapproved minutes.
- (d) Reports of officers and committees.
- (e) Election of officers.
- (f) Unfinished business.
- (g) New business.
- (h) Adjournment..

ARTICLE VI
OFFICERS

Section 1. Designation:

The principal officers of the Association shall be a President, a Vice-President, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Managers. The Managers may appoint an Assistant Treasurer, and an Assistant Secretary, and such other officers as in their judgment may be necessary.

Section 2. Election of Officers:

The officers of the Association shall be elected annually by the Board of Managers at the organization meeting of each new Board and shall hold office at the pleasure of the Board. Any person may hold two (2) or more offices except that the President shall not also be the Secretary or an Assistant Secretary. The Board of Managers may from time to time elect other officers to exercise such powers and duties as the Board shall find to be required to manage the affairs of the Association. No officer shall be entitled to compensation but direct expenses, such as long distance telephone calls for Association purposes shall be reimbursed as determined by the Board of Managers.

Section 3. Removal of Officers:

Upon an affirmative vote of the majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Managers, or at any special meeting of the Board called for such purpose.

Section 4. President:

The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Managers. He shall have all of the general powers and duties which are usually vested in the office of president of an association, including but not limited to the

his discretion decide is appropriate to assist in the conduct of the affairs of the Association

Section 5. Vice-President:

The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Managers shall appoint some other member of the Board to so do on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Managers.

Section 6. Secretary-Treasurer:

The Secretary-Treasurer shall keep the minutes of all proceedings of the managers and the members. He shall attend to the giving and service of all notice to the members and managers and other notice required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring its seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of secretary of an association and as may be required by the managers or the President. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.

Section 7. Treasurer:

The Treasurer shall have custody of all property of the Association, including funds, securities, and evidence of indebtedness. He shall keep the books of the Association in accordance with good accounting practice and shall perform all other duties incident to the office of Treasurer.

ARTICLE VII
ACCOUNTING

Section 1. Accounts:

The funds and expenditures of the Association shall be credited and charged to account under the following classifications as shall be appropriate:

(a) "Current common expenses", as the same is defined in Section 19 of the Declaration as the cash requirements within the year to provide for payments of all estimated expenses growing out of or connected with the maintenance and operations of the General Common Elements, which shall include, but not be limited to:

- (1) Expenses of Management.
- (2) Premiums for fire insurance with extended coverage and other coverages in the amount of the maximum replacement value of the respective Units.
- (3) Casualty and public liability insurance.
- (4) Cost of care of grounds and landscaping.
- (5) Care of the entire premises or project.
- (6) Repairs and renovation.
- (7) Trash and garbage collection.

- (9) Snow removal.
- (10) Legal and accounting fees.
- (11) Payment of any deficit remaining from a previous period.
- (12) Reasonable contingencies or reserve funds.

(b) "Limited common expense", as the same can arise under the provisions of Section 14 of the Declaration as the result of damage to the interior of any part of a Condominium Unit resulting from the maintenance, repair, emergency repair, or replacement of any of the General Common Elements in the building.

(c) "Deficiency common expenses", as the same is defined in Section 27 as an expense assessed only to the Unit Owners in the building when it has been partially destroyed or damaged.

(d) "Real and personal property", as the same is defined in Section 32 of the Declaration and which shall include the funds collected for the acquisition thereof and the expenditures thereon.

(e) "Sinking fund", as the same is defined in Section 19(b) of the Declaration which shall include the funds collected to establish sufficient reserves for the estimated capital improvements and repairs to the General and Limited Common Elements.

Section 2. Budget:

The Board of Managers shall adopt a budget for each calendar year which shall include the estimated funds required to defray common expenses and Unit common expenses, as the same is set out in Paragraph (a) in Section 1 of this Article, and to the extent necessary for "limited common expenses"; "deficiency common expenses"; "sinking fund", and if the same have been established, for a "real and personal property". The budget shall take into account the following:

- (a) "Current common expenses".
- (b) "Limited common expenses", the amount of which shall be determined as the circumstances arise as defined in Section 14 of the Declaration and which shall not be part of the general budget, but shall be a common expense against the individual Unit Owners in the building involved and which shall be due and payable at such time and in such manner as determined by the Board of Managers.
- (c) "Deficiency common expense", which shall not be part of the general budget, but shall arise only in those circumstances as described in Section 27 of the Declaration and which, when established, shall be due and payable within thirty (30) days after written notice thereof is delivered to the Unit Owners involved.
- (d) The "Sinking fund" shall be a part of the budget for the coming year.

The amount of each budgeted item may be increased over the foregoing limitations after once established when approved by a majority of the Unit Owners entitled to cast votes at any meeting of members of the Association. Copies of the budget and proposed

assessments shall be transmitted to each member on or before October 1 for the fiscal year beginning on January 1 of the following year. If the budget is subsequently amended, a copy of the amended budget shall be furnished to each member.

Section 3. Real and Personal Property for Common Use:

The Association may contract for services or may acquire and hold for the benefit of the Unit Owners any real, tangible and intangible personal property. If the cost of an item of property exceeds \$2,000.00 or a contract for services exceeds \$2,000.00 per month, then upon written notice from the Board of Managers to the Unit Owners that any such service or property and its costs is contemplated as being necessary for the beneficial interests and enjoyment of the Unit Owners, and upon written approval of a majority of the Unit Owners entitled to cast votes at any meeting of members of the Association being received by the Board of Managers in such manner as shall have been established in the notice thereof, the Association may contract for, acquire, build, hold and maintain for the benefit of all Unit Owners, any service, real, tangible and intangible personal property or improvement as the Unit Owners have approved. Thereafter, an amount shall be established in the budget for such care, maintenance, upkeep and other necessary expenses for the newly acquired property and shall become a part of the current common expense.

The initial cost of such service or property shall be assessed against the Unit Owners as a common expense and shall be paid in such manner and at such time as is determined by the Board of Managers not inconsistent with Section 4 and 6 of this Article.

Section 4. Assessments:

Assessments against the Unit Owners for their share of the items of the budget shall be made on or before the second Sunday in December preceding the year for which the assessments are made. Such assessments shall be due, in advance, in quarterly installments on the 1st day of each quarter of the year for which the assessments are made. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment. In the event the annual assessment proved to be insufficient, the budget and assessments therefore may be amended at any time by the Board of Managers if the items of the amended budget do not exceed the limitations thereon for that year. Any item which does exceed such limitations shall be subject to the approval of the membership of the Association as provided in Section 2 Article VII of the By-Laws. The unpaid assessments for the remaining portion of the calendar year for which the amended assessment is made shall be due upon the date of the assessment.

Section 5. Emergencies:

Assessments for common expenses or emergencies which cannot be paid from the annual assessments for common expenses shall be made only after notice of the need therefor to the Unit Owners concerned. After such notice and on approval in writing by persons entitled to cast more than one-half of the votes of the Unit Owners concerned, the assessment shall become effective, and it shall be due after thirty (30) days notice thereof in such manner as the Board of Managers may require.

Section 6. Depository:

The depository of the Association shall be such bank or

Withdrawal of monies from such accounts shall be only by check signed by such persons as are authorized by the managers.

Section 7. Audit:

An audit (to an accounting standard determined by the Board of Managers) of the accounts of the Association may be made annually by a Certified Public Accountant and a copy of the auditor's report shall be furnished to each member who shall request a copy.

ARTICLE VIII
ASSESSMENTS

Section 1. Delinquent Assessments:

(a) Interest on delinquent assessments shall be one and one-half percent (1-1/2%) per month.

(b) When the maintenance assessment is delinquent, a late charge for such delinquency in the amount of \$30.00 per quarter shall be automatically added to the assessment.

(c) When the maintenance assessment is delinquent twice during any calendar year, the maintenance assessment for the succeeding twelve (12) months, based on the current assessment, shall immediately come due and payable and the total amount may be collected as any other delinquent assessment. Payment of such a sum shall not relieve the Owner from any assessment increases during the prepaid twelve (12) month period.

(d) "Delinquent" means an assessment not received, in the form of cash or a check, by the Association or Managing Agent within ten (10) days, inclusive, from the date payment thereof is due.

ARTICLE IX
LEGAL FEES

In the event an Owner or tenant violates any provision of the Declaration, By-Laws or Rules and Regulations and the Association must employ an attorney to enforce same through whatever means are deemed appropriate, including suit for damages or injunction and the Association prevails in such case, the Owner shall pay all costs and reasonable attorney fees and such amount shall be added to and become part of the Owner's assessment or reduced to judgment as the case may be.

ARTICLE X
OBLIGATIONS OF OWNERS

Section 1. Use and Occupancy of Units:

In order to provide for congenial occupancy and to protect the values of the various buildings and Units, Section 31 of the Declaration is hereby supplemented.

(a) A Unit shall not be occupied on other than a permanent basis by more than four (4) individuals in two-bedroom Units and six (6) individuals in three-bedroom Units.

(b) Occupancy on a permanent basis means either occupancy for more than fifteen (15) consecutive days by a greater number of individuals than authorized or occupancy for periods of fifteen (15) or less consecutive days which are not interrupted by periods of occupancy by the authorized number or a

(c) The occupants of a Unit may own and harbor no more than one (1) dog or one (1) cat. Such dog or cat may be owned and harbored only so long as they are prevented from becoming a nuisance and the Owner's monthly assessment for common expenses shall be increased \$10.00 per month so long as the animal is harbored within the Unit. At night, such animals must be constrained to sleep within the Unit. No other animals over the weight of two pounds may be owned or harbored.

(d) All balconies and patios which are appurtenant Limited Common Elements to a Unit must be kept clean, neat, and presentable and not used for the storage of animals, motorized vehicles, tools or other "garage type" items.

(e) All Unit interior floors, with the exception of kitchens and bathrooms, must be carpeted with adequate padding.

Section 2. Maintenance and Repair:

(a) Every Owner must perform promptly all maintenance and repair work within his own Unit which, if omitted, would affect the Project in its entirety or in any part belonging to other Unit Owners. Every Owner shall be expressly responsible for the damage and liabilities that may result from his failure to so maintain or repair.

(b) All repairs of internal installations such as water, light, power, sewage, telephone, heat, air conditioners, sanitary installations, doors, windows, lamps, and all other accessories belonging to the Unit area shall be at the Owner's expense.

(c) An Owner shall reimburse the Association for any expenditures incurred in repairing or replacing any Common Element and facility damaged through his negligence or fault.

Section 3. Internal Changes:

An Owner shall not make structural modifications or alterations in his Unit or to the outside of the building in which the same is located without previously obtaining written permission of the Association and the Eagle-Vail Architectural Control Committee.

Section 4. Use of Common Elements and Facilities and Limited Common Elements and Facilities:

(a) An Owner shall not place or cause to be placed in or on any of the Common Elements any furniture, package, object or obstruction of any kind except currently licensed motor vehicles on designated parking spaces.

(b) An Owner shall not modify or change any of the Limited Common Elements without first obtaining the written permission of all of the other Unit Owners in the building in which such modification is proposed to be made and such proposal receives the additional approval of the Board of Managers and Eagle-Vail Architectural Control Committee as set forth in Section 3 of this Article.

Section 5. Right of Entry:

(a) An Owner shall grant the right of entry to the Management Agent or to any other person authorized by the Board of Managers of the Association in case of any emergency originating in or threatening his Unit, whether the Owner is present at the time or not.

(b) An Owner shall permit other Owners, or their representatives, when so required, to enter his Unit for the purposes of installing or performing installations, alterations or repairs to mechanical or electrical services, provided that the requests for such entry are made in advance and that such entry is at a time convenient to the Owner. In case of emergency, such right of entry shall be immediate.

Section 6. Rules of Conduct:

(a) No resident of the Project shall post any advertisements or posters of any kind in or on the Project except as are authorized by the Association.

(b) Residents shall exercise extreme care not to make noise or to use musical instruments, radios, televisions, and amplifiers in a manner that may disturb other residents.

(c) It is prohibited to hang garments, rugs, and the like from the windows, balconies, stairs, or from any of the facades of the project.

(d) It is prohibited to dust rugs, etc., from the windows or to clean rugs, etc. by beating on the exterior part of the project.

(e) Garbage or trash shall be disposed of only in the disposal installations provided for such purposes in the service areas.

(f) No Owner, resident, or lessee shall install wiring for electrical or telephone installations, television antenna, machines or air conditioning Units, etc. on the exterior of the Project or that protrude through the walls or roof of the Project except as authorized by the Association and Eagle-Vail Architechtural Control Committee.

(g) It is prohibited to maintain automobiles, snowmobiles, trail bikes, motorcycles or any other motor driven vehicles on the project.

(h) It is prohibited to keep motor driven vehicles other than street authorized motorcycles, mopeds and automobiles on the project.

(i) The Owner(s) of a Unit may not personally occupy more than two parking spaces on the Project.

ARTICLE XI
COMMITTEES, RULES AND REGULATIONS
AND ENFORCEMENT THEREOF

Committees

Section 1. Standing Committees:

The Association shall appoint the following Standing Committees: an Architectural Control Committee to work with the Eagle-Vail Architectural Control Committee, a Rules Committee and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

Section 2. Rules Committee, Structure, Amendment, Procedures, Enforcement.

(a) Committee Structure:

(1) The Rules Committee shall consist of six (6) members appointed by the Board of Directors of Mountain Stream Condominium Association. These members shall agree to serve a minimum term of one (1) year.

(2) The Rules Committee shall elect annually from within its ranks, a Chairman, Vice-chairman, Secretary, two (2) regular members and one (1) alternate member.

(3) The Chairman, Vice-chairman, Secretary and two (2) regular members shall have voting rights on the Committee. The alternate member shall have voting rights only when one of the following is met:

(a) the Chairman, Vice-chairman, Secretary or a regular member is absent;

(b) a complaint has been filed against the Chairman, Vice-chairman, Secretary or a regular member;

(c) the Chairman, Vice-chairman, Secretary or regular member has filed a complaint against a homeowner, resident or tenant.

(4) A minimum of four (4) members of the Rules Committee must be present to take action on a complaint or amendment.

(5) Any member who is absent from three (3) consecutive meetings may be requested to submit his/her resignation from the Rules Committee.

(6) Vacancies shall be filled by submitting to the Board of Directors the names of homeowners who have expressed a desire to serve on the Rules Committee. The Board of Directors shall select the individual to fill the vacancy. This individual will become the alternate member and the previous alternate member will become a regular member. In the event that the Chairman, Vice-chairman, or Secretary has resigned, the Committee shall elect, from within its ranks, a member to fill the vacant position.

(b) Amendment Procedures

(1) Any homeowner, resident or tenant who considers that an amendment to the rules is warranted may submit a request for such a change, in writing, to the Rules Committee. The request must indicate the present rule, the proposed amendment or change, and the reason for the amendment or change.

(2) The Rules Committee, at its next regularly scheduled meeting, will weigh the merits of the proposed change. If the proposal is disapproved, the Rules Committee will notify the originator of the proposal, in writing, of its decision and the reason for disapproval.

(3) The originator may again present his/her proposal, in person, at the next regularly scheduled meeting if he/she feels that further discussion is warranted. The Rules Committee will hear such further arguments and another vote will be taken. If the proposal is again disapproved, the originator

(4) If the Rules Committee approves a proposed amendment (either written or, at a later meeting, verbal), the proposal will be sent to the Board of Directors for action. The Board of Directors shall notify the homeowners by any appropriate means, at least fifteen (15) days in advance of the fact that discussion of a proposed amendment to the rules will be an agenda item at the next regularly scheduled meeting of the Board of Directors.

Enforcement

(1) The rules and regulations contained herein, the By-Laws Rules, and those contained in the Declaration will be enforceable by the Rules Committee which operates with the approval and sanction of the Board of Directors of Mountain Stream Condominium Association.

(2) Complaints against violators of these rules and regulations will be initiated in one of two ways: complaints from a homeowner or resident submitted to the Rules Committee, or a complaint initiated by the Committee itself.

(3) Complaints from a homeowner, resident or tenant must be in writing, signed, and must clearly indicate the nature of the violation, the date, time and location of the violation, and the name(s) of the violator(s). This written complaint must be mailed or hand-carried to a member of the Rules Committee. Under no circumstances will the name of the homeowner, resident or tenant making the complaint be divulged to persons outside the Rules Committee.

(4) Complaints initiated by a member of the Rules Committee must be in written form and signed. The violations, including nature, date, time and location, and name(s) of violator(s), will be read by the Committee at the next regularly scheduled meeting, or, when warranted, at a special meeting.

(5) After a written complaint, either by a homeowner, resident or tenant or from a member of the Rules Committee is received, the Committee will discuss the complaint considering all aspects, causes, seriousness and/or extenuating circumstances. The presence of a minimum of four members of the Rules Committee will be necessary to vote on action being taken. This action may take the form of the complaint being dismissed, the complaint being recorded with no corrective action taken, or the violator being cited (if the violator is a tenant the record Owners of the Unit shall also be cited) for failure to comply with the published rules and regulations.

(6) If the complaint is dismissed, the homeowner, resident or tenant who made the complaint will be notified in writing as to why this action was taken. The homeowner, resident or tenant may request reconsideration of the complaint if necessary at a special meeting of the Committee. The homeowner, resident or tenant shall be required to attend this meeting.

(7) If the complaint is recorded, the homeowner, resident, or tenant (in the case of a tenant, the record Owners of the lot will also be notified) making the complaint will be so notified and an explanation will be given as to why no further action is being taken. The homeowner, resident or tenant accused of the violation will also be notified, in writing, that a complaint has been filed and that no further action will be taken at this time. The tenant's landlord will also be notified.

(8) If, in the opinion of the majority of

been committed, the accused individual(s) will be notified, (in case of tenant violation, the record Owners of the Unit will also be notified) in writing, by certified, return receipt letter, of the nature, date, time and location of the violation. The accused individual(s) shall have fifteen (15) days from receipt of this notification to respond by explaining, in writing, to the Rules Committee why the complaint is unjustified, or by requesting in writing a hearing on the matter. Failure to respond to such a notification will be construed as an admission of the violation.

(a) if the accused elects to abide by his written explanation the Committee members will discuss the complaint and response and, if a majority of the Rules Committee decides that the accused individual(s) has violated a rule, shall render judgment.

(b) if the accused elects to have a hearing on the matter, a hearing date shall be set not less than twenty (20) days or more than forty-five (45) days subsequent to the election and the complainant and accused notified in writing of the date, time and place of the hearing. The hearing of all cases shall be informal, the object being to dispense justice promptly and economically between the parties. The parties may testify and offer evidence and testimony of witnesses at the hearing; however, all constitutional and statutory privileges shall be observed and the proceedings recorded electronically and the tapes preserved.

(c) at the end of the hearing, the Rules Committee by majority shall immediately state its findings and decision and render judgment.

~~(9) Upon such an admission or finding of guilt by the Rules Committee, the violator (in the case of a violator, tenant, the record Owners of the Unit) will be fined the sum of twenty dollars (\$20.00), payable to the Mountain Stream Condominium Association. This fine will be due and payable ten (10) days thereafter and shall be an additional assessment and shall be collected as set forth in Section 20 and 21 of the Declaration.~~

~~(10)~~ The accused found guilty may appeal the decision of the Rules Committee by mailing or hand delivering a written Request for Review to any one of the members of the Board of Directors of Mountain Stream Condominium Association within nine (9) days subsequent to the finding of guilt. Such a request shall stay the fine until final determination by the Board.

(11) The Board shall, within thirty (30) days of such request, review all evidence previously presented and affirm by a majority or otherwise reverse the decision of the Rules Committee. The Board's decision shall be in writing and shall be mailed or hand delivered to the accused within five (5) days of the Board's finding.

(a) If the finding of guilt is affirmed, the previously levied fine shall be due and payable ten (10) days subsequent to the Board's finding.

~~(12) Subsequent violations of the same rule or regulation will result in fines of thirty-five dollars (\$35.00) for the second offense and fifty dollars (\$50.00) for the third offense and successive offenses.~~

~~(13)~~ The Board of Directors may take appropriate legal action against a homeowner, resident or tenant for failure

Rules and Regulations; or for failure to pay such fines as may be levied by the Rules Committee.

14 Any and all monies collected from such fines will be placed in the general fund of Mountain Stream Condominium Association.

(15) The nature of the violation and the amount of the fine levied as well as the name(s) of the violator(s) may be made public at the discretion of the Rules Committee.

16 Flagrant or consistent violation of any rule or rules, as published herein, may result in the matter being turned over to Eagle County law enforcement authorities by the Rules Committee through the Board of Directors if such violations are deemed to be contrary to ordinances and/or regulations of Eagle County, Colorado.

(17) Any member of the Board of Directors or of a Standing Committee who, in the opinion of the majority of the members of the Rules Committee, has committed two violations of these rules and regulations or the provisions of the Covenants, Conditions and Restrictions may be requested to submit his/her resignation from said Board of Directors or Committee.

ARTICLE XII MORTGAGES

Section 1. Notice to Association:

Any Owner who mortgages or otherwise encumbers his Unit shall notify, pursuant to Section 23 of the Declaration, the Association through the Management Agent, if any, or the President of the Board of Managers in the event there is no Management Agent, of the name, address and telephone number of his mortgagee or other lien holder; and the Association shall maintain such information in a book entitled "Mortgagees of Units".

ARTICLE XIII LEASES AND TENANTS

Section 1. Duties and Obligations:

Any Owner who rents or leases his Unit for a term greater than three (3) months during any consecutive twelve (12) month period to the same party shall have a written rental agreement, and

(a) As a provision of the agreement with a tenant require the tenant to agree to abide by the Condominium Declaration of Mountain Stream Condominium Association, By-Laws, and Rules and Regulations of Mountain Stream Condominium Association and require the tenant as part of the rental agreement to acknowledge receipt of a copy of the Declaration, By-Laws and current Rules and Regulations which the Owner shall provide the tenant. The rider is attached hereto as Exhibit A may be attached to the lease agreement.

(b) Within ten (10) days of entering into a rental agreement deposit a copy of same with the President of the Association or his designate and, if the rental agreement is silent thereto, set forth the unit number rented, address, and the name, mailing address and telephone number of both the landlord and the tenant.

(c) In the event a fine is levied against a tenant for

Regulations, the fine shall be added to the monthly assessment of the Owner and shall be paid by the Owner notwithstanding the failure of the tenant to reimburse the Owner therefore.

(d) As a further provisions of an Owner's rental agreement with a tenant, the Owner shall provide that the tenant, upon written notice from the Association that (1) the Owner's maintenance assessments are delinquent and (2) the amount of the delinquency, that the tenant shall deduct said amount from tenant's next due rental payment and pay over such amount to the Association.

(e) As a further provision of an Owner's rental agreement with a tenant, the Owner shall empower the Association as his agent and attorney in fact to terminate the rental agreement in the event the tenant violates any of the provisions as set forth in Paragraphs (a), (c) and (d) of Section 1 of this By-Law after ten (10) days written notice of such a violation and failure to cure same within the allotted time period. The Owner further authorizes the Association to bring such actions at law and in equity in his name, or as agent for the Owner, as are necessary to enforce the provisions of this paragraph (e) and the Owner shall indemnify and save harmless the Association from any and all costs and reasonable attorney fees incurred pursuant thereto. The Owner shall also waive any damages he may sustain by the result of such actions unless same were undertaken in bad faith or with gross negligence.

Section 2. Association Records:

The Association shall maintain such information in a book entitled "Landlords and Tenants of Units".

ARTICLE XIV AMENDMENT

Section 1. By-Laws:

These By-Laws may be amended in the following manner:

(a) Notice of the subject matter of the proposed amendment shall be included in the notice of the meeting at which a proposed amendment is to be considered.

(b) A resolution adopting a proposed amendment may be proposed either by the Board of Managers or by the members of the Association. Managers and members not present in person or by proxy at the meeting considering such amendment may express their approval in writing, providing such approval is delivered to the Secretary at or prior to the meeting. Except as elsewhere provided, such approval must be by at least 50 percent of the membership of the Board of Managers and by not less than 70 percent of the votes of the entire membership of the Association. A resolution adopting a proposed amendment may be adopted, without the approval of the Board of Managers, by at least 80 percent of the votes of the entire membership of the Association.

(c) No amendment shall discriminate against any Unit Owner or against any Unit or class or group of Units unless the Unit Owner so affected shall consent. No amendment shall (1) change any Unit or the undivided share in the General Common Elements appurtenant to it; (2) increase the Owner's share of the Common Expenses, or (3) change the voting rights of the members unless the record Owners of first liens thereon shall join in the

(d) A copy of each amendment shall be certified by the President and Secretary of the Association as having been duly adopted.

ARTICLE XV
COMPLIANCE

The foregoing were adopted by the By-Laws of Mountain Stream Condominium Association, a non-profit corporation under the laws of the State of Colorado, at the first meeting of the Board of Managers on _____, 1980.

Secretary

APPROVED:

MOUNTAIN STREAM CONDOMINIUM ASSOCIATION
CONDOMINIUM UNIT RENTAL AGREEMENT RIDER

THIS RENTAL AGREEMENT RIDER made and entered into this _____ day of _____, 19____, by and between _____, hereinafter referred to as "Landlord", and _____, hereinafter referred to as "Tenant".

W I T N E S S E T H:

WHEREAS, Landlord is the owner of a Mountain Stream Condominium Unit described as follows:

Building _____, Unit _____, County of Eagle, State of Colorado, commonly known as: _____.

and

WHEREAS, Landlord has a residence address and telephone number of _____;

_____ ; and

WHEREAS, Landlord desires to lease said Mountain Stream Condominium Unit to Tenant and has entered into a Rental Agreement with Tenant for said purpose;

NOW THEREFORE, in addition to the rights, duties and obligations as set forth in said Rental Agreement, Landlord and Tenant mutually agree as follows:

1. Tenant agrees to abide by the Condominium Declaration of Mountain Stream Condominiums, By-Laws and Rules and Regulations of Mountain Stream Condominium Association during the continuation of his tenancy, hereby acknowledges that he has received a copy of said Declaration, By-Laws and Rules and Regulations.

2. Tenant acknowledges that he is utilizing said Condominium Unit as his residence, and can be contacted at said address, with a telephone number of _____.

3. Landlord and Tenant agree that in the event Tenant is fined for failure to abide by said Declaration, By-Laws or Rules and Regulations, said fine shall be added to Landlord's monthly assessment to Mountain Stream Condominium Association and shall be paid by Landlord notwithstanding Tenant's failure to reimburse Landlord therefor. Landlord and Tenant agree that Tenant shall be personally liable to Landlord to reimburse Landlord for such fine.

4. In the event that the Landlord is delinquent in his quarterly assessment payments to Mountain Stream Condominium Association, the Association is hereby given the right to give written notice that said assessments are delinquent and the amount of the delinquency to both Landlord and Tenant, and the Tenant, upon receipt of such notice, shall deduct said amount of delinquent assessments from Tenant's next due rental payment and shall pay over such amount to the Association.

5. Landlord hereby appoints Mountain Stream Condominium Association as his lawful and authorized agent and attorney in fact to terminate the Rental Agreement between Landlord and Tenant in the event Tenant violates any of the provisions of this Condominium Rental Agreement Rider after ten (10) days' written notice of such violation and failure to cure said violation within said ten (10) day period. Landlord further authorizes and empowers the Association to bring such actions at law and in equity in his name, or as his agent, as may be necessary to enforce the provisions of this paragraph 5. Landlord agrees to indemnify and hold harmless the Association from any and all costs and reasonable attorney's fees incurred pursuant to this paragraph.

6. Landlord hereby waives any damages he may sustain as a proximate result of the actions of Mountain Stream

Condominium Association pursuant to paragraph 5 hereof unless said actions are taken by the Association in bad faith or with gross negligence.

EXECUTED the day and year first above written.

LANDLORD:

TENANT:

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ARTICLES OF INCORPORATION
OF
MOUNTAIN STREAM CONDOMINIUM ASSOCIATION

I, the undersigned, in order to form a corporation, for the purposes hereinafter stated, under and pursuant to the provisions of the laws of the State of Colorado, do hereby certify as follows:

ARTICLE I

The name of the Corporation shall be MOUNTAIN STREAM CONDOMINIUM ASSOCIATION, a Colorado non-profit corporation.

ARTICLE II

The duration of this Corporation shall be perpetual.

ARTICLE III

This Corporation shall be a non-profit corporation and has been organized for the following purpose and shall operate upon the following conditions:

1. Provide as a Condominium Management Association, management, maintenance and care of the Association property commonly known as MOUNTAIN STREAM CONDOMINIUMS pursuant to the CONDOMINIUM DECLARATION FOR MOUNTAIN STREAM CONDOMINIUMS.
2. The Association operation shall be pursuant to the Internal Revenue Code of 1954 (as amended) Section 528 and shall meet the income and expenditure test as set forth therein.
3. The Association shall not carry on more than an insubstantial part of the organization's activities for any non-exempt purposes.
4. The Association shall require distributions at such times and in such manner so as not to subject the Association to tax under Section 4942 of the Internal Revenue Code as amended.
5. The Association shall be prohibited from engaging in any act of self-dealing (as defined in Code Section 4941), from retaining any excess business holdings [as defined in Code Section 4943(6)].
6. No part of the net earnings of such Association shall inure (other than by acquiring, constructing, or providing management, maintenance, and care of association property, and other than by rebate of excess membership dues, fees or assessments) to the benefit of any private shareholder or individual.

ARTICLE IV

This Corporation is a non-profit corporation and no capital stock is authorized or shall any be issued.

ARTICLE V

The initial registered office of the Corporation shall be located at 1700 Broadway, Suite 1211, Denver, Colorado. The registered agent for service of process at such address shall be George M. Straw.

ARTICLE VI

The initial Board of Directors shall consist of three members, which initial Board shall be constituted by:

STUART A CANADA	P.O. BOX 1908 Vail, Colorado 81657
JAMES C. POTTER	P. O. Box 1908 Vail, Colorado 81657
JAMES CRAIG	P. O. Box 1908 Vail, Colorado 81657

ARTICLE VII

In the event of dissolution of this Corporation, or in the event it shall cease to carry out the objects and purposes herein set forth, all the business, property, and assets of the Corporation shall, after paying or making provision for the payment of all corporate liabilities, be distributed in accordance with the CONDOMINIUM DECLARATION FOR MOUNTAIN STREAM CONDOMINIUMS.

ARTICLE VIII

The incorporator of the Corporation is:

JORDAN HOCHSTADT	1700 Broadway, Suite 1211 Denver, Colorado 80290
------------------	---

Executed this _____ day of _____, 1979.

JORDAN HOCHSTADT

STATE OF COLORADO)	
)	ss.
CITY AND COUNTY OF DENVER)	

I, _____, a Notary Public, hereby certify that on the _____ day of _____, 1979, personally appeared before me JORDAN HOCHSTADT, who being by me first duly sworn, declared that he was the person who signed the foregoing document as incorporator and that the statements contained therein are true to the best of his knowledge and belief.

WITNESS my hand and official seal.

Notary Public

My Commission expires:

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BY-LAWS
OF
MOUNTAIN STREAM CONDOMINIUM ASSOCIATION
(A Colorado Non-Profit Corporation)

ARTICLE I
PLAN FOR UNIT OWNERSHIP

Section 1. By-Laws Applicability:

The provisions of these By-Laws are applicable to the entire project. (The term "project" as used herein shall include the lands described on Exhibits A and B appended to the Mountain Stream Condominium Declaration herein referred to as the Declaration.

Section 2. Personal Application:

All present or future Owners, tenants, future tenants, or their employees, or any other persons that might use the facilities of the Project in any manner, are subject to the regulations set forth in these By-Laws.

The mere acquisition or rental of any of the Units of the Project or the mere act of occupancy of any of said Units will signify that these By-Laws are accepted, ratified, and will be complied with.

ARTICLE II
OFFICES AND SEAL

Section 1. Offices:

The office of the Association shall be at Eagle-Vail, Colorado. The fiscal year of the Association shall be the calendar year.

Section 2. Seal:

The seal of the corporation shall bear the name "MOUNTAIN STREAM CONDOMINIUM ASSOCIATION" and the word "Colorado, - encircling the word SEAL.

ARTICLE III
MEMBERS' MEETINGS, VOTING,
MAJORITY OF OWNERS, QUORUM, PROXIES

Section 1. Annual Meeting:

The annual meeting of members shall be held at Eagle-Vail, Colorado at 3:00 p.m., on the 3rd Saturday in January of each year for the purpose of electing managers and transacting any other business authorized by the members. If that day is a legal holiday, the meeting will be held at the same hour on the next day.

Section 2. Notice:

Notice of all members' meetings, stating the time and place, the objects for which the meeting is called, shall be given by the President or Vice President or Secretary unless waived in writing. Such notice shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed not less than thirty (30) days nor more than sixty (60)

shall be given by the affidavit of the person giving the notice. Notice of meeting may be waived before or after meetings.

Section 3. Quorum:

A quorum shall be constituted by those members present, in person or by proxy and who own 20 percent or more of the Available Votes. An affirmative vote of a majority of the members present, either in person or by proxy, shall be required to transact business.

Section 4. Voting:

In any meeting of members, the Owner of each Unit shall be entitled to cast one vote notwithstanding the undivided interest of the Unit in the General Common Elements.

If a Unit is owned by one person, his right to vote shall be established by the record title to his Unit. If a Unit is owned in co-tenancy, the person entitled to cast the vote for the Unit shall be designated by a certificate of appointment signed by all of the co-tenants and filed with the Secretary of the Association. Such certificates shall be valid until revoked, until suspended by a subsequent certificate or until a change in the ownership of the Unit concerned.

If a Unit is owned by a corporation, the person entitled to cast the vote for the Unit shall be designated by a certificate of appointment signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the corporation and filed with the Secretary of the Association. Such certificates shall be valid until revoked, or until suspended by a subsequent certificate, or until a change in the ownership of the Unit concerned. No person or entity other than an Owner of a Unit may be a regular member of the corporation. Cumulative voting is prohibited.

Section 5. Proxies:

Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote. They shall be valid only for the particular meeting designated and must be filed with the Secretary before the appointed time of the meeting.

Section 6. Order of Business:

The order of business at annual members' meetings, and as far as practical at all other members' meetings, shall be:

- (a) Election of chairman of the meeting.
- (b) Calling of the rolls and certifying of proxies.
- (c) Proof of notice of meeting or waiver of notice.
- (d) Reading and disposal of any unapproved minutes.
- (e) Reports of officers.
- (f) Reports of committees.
- (g) Election of inspectors of elections.
- (h) Election of managers (if necessary).