

BYLAWS  
OF WALTON VILLAGE CONDOMINIUMS  
OWNERS' ASSOCIATION

Revised March 5, 2002

ARTICLE I  
Offices

The principal office of the corporation (the Association) shall be at 1847 Ski Time Square Drive, Steamboat Springs, Colorado. The corporation may also have offices and may carry on its purposes at such other places within and outside the State of Colorado as the board of directors may from time to time determine. The Association is a Colorado not-for-profit corporation.

ARTICLE II  
Membership, Voting, Quorum and Proxies

1. Membership. The members of the Association shall be as set forth in the articles of incorporation from time to time.
2. Voting Rights. The voting rights of the members shall be as set forth in the articles of incorporation from time to time.
3. Quorum. Except as otherwise provided in these bylaws, the presence in person or by proxy of members entitled to vote 10% or more of the total votes of the members then entitled to vote shall constitute a quorum.
4. Proxies. Votes may be cast in person or by proxy. Every proxy must be executed in writing by the member or his duly authorized attorney-in-fact. No proxy shall be valid after the expiration of eleven months from the date of its execution, unless otherwise provided in the proxy and except as provided in Article VIII of these bylaws.
5. Majority Vote. At any meeting of members, if a quorum is present, the affirmative vote of a majority of the votes represented at the meeting, in person or by proxy, shall be the act of the members, and shall bind all Owners, unless the vote of a greater number is required by law, the articles of incorporation or the condominium declaration (the "Declaration", which includes amendments and supplements thereto) establishing the Walton Village Condominiums (the "Condominium Complex") and recorded November 18, 1977, in Book 443, Page 105, Routt County records.

ARTICLE III  
Administration

1. Annual Meeting. The annual meeting of the members shall be held at a time designated by the board of directors on or before the end of December in each year, beginning with the year 1978, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. The day so fixed for the annual meeting shall not be a legal holiday.
2. Special Meetings. Special meetings of the members, for any purpose, unless otherwise prescribed by statute, may be called by the president or by the board of directors, and shall be called by the president at the request of the members entitled to vote 30 percent or more of the total votes of the members.
3. Place of Meeting. The board of directors may designate any place, either within or outside Colorado, as the place for any annual meeting or for any special meeting called by the board of directors. If no designation is made, or if a special meeting shall be called otherwise than by the board, the place of meeting shall be the principal office of the corporation in Colorado.
4. Notice of Meeting. Written or printed notice of any meeting of the members, stating the place, day and hour of the meeting, and the purpose or purposes for which the meeting is called, shall be delivered personally or by mail to each member entitled to vote at such meeting not less than 10 nor more than 50 days before the date of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his/her address as it appears in the office of the Association, with postage thereon prepaid. If the meeting is called by a person or persons lawfully entitled to call such a meeting, the secretary shall give notice thereof at corporate expense.
5. Informal Action by Members. Any action required or permitted to be taken at a meeting of the members may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the members and may be stated as such in any articles or document filed with the Secretary of State of Colorado.

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

ARTICLE IV  
Board of Directors

1. Number, Tenure and Qualifications. The business and affairs of the Association shall be managed by a board of directors consisting of three to five directors, each of whom shall be an individual member, or a partner, trustee, officer, director, or not less than twenty-five percent shareholder of an organizational member. A person shall become disqualified to be or remain a director at such time as he/she ceases to be an individual member or a partner, trustee, officer, director or twenty-five percent shareholder of an organizational member. All directors shall be elected annually by the members at the annual meeting. Each director shall hold office until the election and qualification of his/her successor. The number of directors may be changed by amendment of these by-laws in the manner set forth herein.
2. Resignations; Vacancies. Any director may resign at any time by giving written notice to the president or to the secretary of the Association. Such resignation shall take effect at the time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any vacancy occurring in the board of directors (by reason of resignation, death, or by disqualification of a director, or by an increase in the number of directors) may be filled by the affirmative vote of a majority of the directors then in office though less than a quorum. A director elected to fill a vacancy shall be elected to serve until the next annual meeting of the members.
3. General Powers. The board of directors shall have and may exercise all the powers of the Association except such as are expressly conferred upon the members, either in their capacity as members of the Association or as owners (Owners) of condominium units (the Units), by law, or by the articles of incorporation, the Declaration or these by-laws.
4. Additional Powers and Responsibilities. In addition to its general powers, the board of directors shall have the authority and the responsibility, acting directly or through the Association's officers:
  - A. To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration submitting the

property to the provisions of the Condominium Ownership Act of the State of Colorado.

- B. To establish, make, amend and enforce compliance with such reasonable rules, regulations, provisions and resolutions as may be necessary for the management, operation, use and occupancy of the Condominium Complex, the common elements thereon and all real and personal property owned or leased by the Association, including the right, power and authority to include liquidated damage sums in favor of the Association for specific violations of any regulation, provision, rule, or resolution.
- C. To maintain in good order, condition and repair all of the general and limited common elements, all property of the Association, and all items of personal property used in the enjoyment of the Condominium Complex and to designate and remove personnel necessary for the operation, maintenance, repair, and replacement of the common elements.
- D. To obtain and maintain insurance in connection with the Condominium Complex, the Owners, the Association and holders of liens on Units in the manner and the amounts provided in the Declaration.
- E. To fix, determine, levy and collect general assessments to be paid by each of the Owners to meet the common expenses as defined in the Declaration, and to create a contingency reserve therefor, and to fix, determine, levy and collect special assessments. The board may adjust the general assessment from time to time as may at the discretion of the board be deemed necessary or advisable. Special assessments may be levied and collected against an Owner of a Unit as liquidated damages for violation of any rule, regulation, provision or resolution with respect to management, operation, use and occupancy, by such Owner or his guests, invitees, agents or tenants. Special assessments may also be levied against and paid by each of the Owners whenever in the opinion of the board it is necessary or advisable to do so (i) to meet increased operation or maintenance or repair expenses or costs, (ii) to provide for additional capital expenses or for replacement or improvement of common elements or for installation or construction of additional improvements on common elements, or (iii) because of emergencies. Special assessments do not require prior approval of Owners. All general and special

assessments (other than for violating any rule, regulation, provision or resolution) shall be in itemized statement form and shall set forth the details of the various expenses for which the assessments are being made. It is acknowledged that if the board of directors shall determine to construct recreational facilities or new or additional general or limited common elements, the board may assess the expense, costs and fees therefor to the Owners as special assessments, but such special assessment does not affect Owners' ownership or voting rights or power. The board of directors may also set and determine use fees and charges for use of the recreational facilities which shall be in addition to general or special assessments, but major recreational facilities shall be available to all owners.

- F. To collect promptly all delinquent assessments by suit, by foreclosure of lien, by exercise of any power granted under Paragraph 8 of the Declaration, or otherwise, and to enjoin or seek damages from an Owner as is provided in the Declaration and these by-laws.
- G. To protect and defend the Condominium Complex from loss and damage by suit or otherwise.
- H. To borrow funds in order to pay for any expenditure or outlay authorized by these by-laws and the Declaration, to execute all such instruments evidencing such indebtedness as the board of directors may deem necessary or advisable.
- I. To enter into contracts within the scope of its duties and powers.
- J. To establish a bank account for the common treasury and for all separate funds which are required or may be deemed advisable by the board of directors.
- K. To maintain full accurate books and records showing all of the receipts, expenses or disbursements of the Association. Any member or mortgagee may inspect such records at any reasonable time, including convenient weekday business hours. Upon ten days' notice to the board or managing agent and payment of a reasonable fee established by the board to cover the cost thereof, any member shall be furnished a statement of their account setting forth the amount of any unpaid assessments or other charges due and owing from such member.
- L. To prepare and deliver annually to each member a statement showing all receipts, expenses or disbursements since the last such statement.

5. Managing Agent. The board of directors may employ a managing agent for the Association at a compensation established by the board, to have such powers and to perform such duties and services as the board may

authorize including, but not limited to the powers and duties listed in Paragraph 4 of these Articles, and in Article III of the Articles of Incorporation, and in the Declaration: however, the board when so delegating shall not be relieved of its responsibility under the Declaration.

6. Regular Meetings. Regular meetings of the board of directors may be held without formal notice at such places within the State of Colorado, and at such time as the board may from time to time by vote determine. Any business may be transacted at a regular meeting. Until further determination the regular meeting of the board of directors for the election of officers and for such other business as may come before the Board may be held without formal notice immediately after, and at the same place as, the annual meeting of members, or any special meeting of members at which a board of directors is elected.
7. Special Meetings. Special meetings of the board of directors may be held at any place within the city limits of Steamboat Springs, Colorado at any time when called by the president, or by three or more directors, at least three days' prior notice of the time and place thereof being given to each director by leaving such notice with him/her or at his/her residence or usual place of business, or by mailing or facsimile, and addressed to him/her at his/her post office address as it appears on the books of the Association, or by telephone. Notices need not state the purpose of the meeting.
8. Quorum. A majority of the number of directors fixed by the by-laws shall constitute a quorum for the transaction of business, but a lesser number may adjourn any meeting from time to time. When a quorum is present at any meeting, a majority of the directors in attendance shall, except where a larger number is required by law, by the articles of incorporation or by these by-laws, decide any question brought before such meeting.
9. Waiver of Notice. Before, at or after any meeting of the board of directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the board shall be a waiver of notice by him/her except when a director attends the meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.
10. Informal Action by Directors. Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the directors.

ARTICLE V  
Officers and Agents

1. General. The officers of the Association shall be a president (who must be a director), one or more vice presidents, a secretary and a treasurer, each of whom shall be elected by the board of directors. The board of directors may appoint such other officers, assistant officers, committees and agents, including assistant secretaries and assistant treasurers, as they may consider necessary or advisable, who shall be chosen in such manner and hold their offices for such terms and have such authority and duties as from time to time may be determined by the board of directors. One person may hold any two offices, except that no person may simultaneously hold the offices of the president and secretary. In the cases where the duties of any officer, agent or employee are not prescribed by the by-laws or by the board of directors, such officer, agent or employee shall follow the orders and instructions of the president.
2. Removal of Officers. Upon an affirmative vote of a majority of the members of the board of directors, any officer may be removed, with or without just cause, and their successor elected at any regular meeting of the board of directors, or at any special meeting of the board called for such purpose.
3. Vacancies. A vacancy in any office, however occurring, may be filled by the board of directors for the unexpired portion of the term.
4. President. The president shall be the chief executive officer of the Association. He/she shall preside at all meetings of the Association and of the board of directors. He/she shall have the general and active control of the affairs and business of the Association and general supervision of its officers, agents and employees.
5. Vice Presidents. The vice presidents shall assist the president and shall perform such duties as may be assigned to them by the president or by the board of directors. In the absence of the president, the vice president designated by the board of directors or (if there be no such designation) designated in writing by the president shall have the powers and perform the duties of the president. If no such designation shall be made all vice presidents may exercise such powers and perform such duties.
6. The Secretary. The secretary shall:
  - A. Keep the minutes of the proceedings of the members, executive committee and the board of directors;

- B. See that all notices are duly given in accordance with the provisions of these by-laws, the Declaration and as required by law;
- C. Be custodian of the corporate records and of the seal of the Association and affix the seal to all documents when authorized by the board of directors;
- D. Keep at its registered office or principal place of business within or outside Colorado a record containing the names and registered addresses of all members, the designation of the Unit owned by each member, and, if such unit is mortgaged, the name and address of the mortgagee;
- 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 them by the president or by the board of directors. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the secretary.

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

## ARTICLE VI



## Obligation of the Members

1. Assessments. Each owner shall promptly pay their share of all general assessments imposed by the Association to meet the common expenses, all assessments for a contingency reserve to meet common expenses, and all special assessments duly made and levied, including all special assessments constituting liquidated damage sums for violation of any rule, regulation, provision or resolution of the Association. At the discretion of the board of directors, general assessments and assessments for a contingency reserve to meet common expenses may be made as a periodic (not less often than quarterly) billing of an annual budget. Each annual budget shall be determined by reference to the previous year's actual income and expenses, together with reasonable estimates of other expenses or modifications of expenses expected to occur in the ensuing year. Each general assessment, each assessment (other than as liquidated damage sum for violation of rule, regulation, provision or resolution) shall be allocated among the Owners in proportion to their respective percentage ownership interests in the general common elements, or as otherwise set out in the Declaration. Notwithstanding the foregoing, the Declarant in the Declaration shall not at any time be liable for nor be required to pay any common expenses or general or special assessments or management fees by virtue of the Undeclared Percentage ownership of common elements, but only shall pay assessments chargeable against the Units owned from time to time by the Declarant. If a Unit is owned by two or more Owners, each of such co-Owners shall be jointly and severally liable for each assessment against and attributable to such Unit, except as otherwise provided in the Declaration. Assessments shall be made not less frequently than quarterly and shall be due and payable by the end of the calendar month in which such assessment is made. An assessment shall be deemed mailed when in writing, placed in an envelope addressed to the Owner at his last address shown on the Secretary's books, postage prepaid, and deposited in the U.S. Mails. Payments of assessments shall be in cash. All assessments not paid by the end of the calendar month in which such assessment is made shall bear interest after such end of such month at the rate of one and a half percent (1.5%) per month. The board of directors or its managing agent, is empowered to take any and all actions for collection of assessments as are provided for in the Declaration, the articles of incorporation or these bylaws or permitted at law or in equity.
  
2. Maintenance and Repair.

- A. Every owner shall perform or cause to be performed at their own expense all maintenance and repair work within their own Unit necessary to maintain the Unit in a good and habitable state of repair.
  - B. All repairs of internal installations in a Unit such as water, light, gas, power, sewage, telephone, air conditioners, sanitary installations, doors, windows, electrical fixtures and all other accessories, equipment and fixtures belonging to an apartment Unit shall be at the Owner's expense.
  - C. Each Owner shall reimburse the Association promptly upon receipt of its statement for any expenditures incurred by it in repairing or replacing any general or limited common element damaged by the negligence or intentional acts of such Owner or their tenants, invitees, agents or guests.
3. Compliance with Declaration, Articles, By-Laws and Rules. Each member shall comply with all of the provisions of the Declaration, the articles of incorporation and bylaws of the Association and any rules, regulations provisions, resolutions and decisions issued by the board of directors. If a member fails to comply, The Association shall have all powers provided for in the Declaration, including the power during the period of any failure of compliance, (a) to revoke the right of such delinquent members and their guests and invitees and tenants to use general common elements, (b) to cause utility service to a delinquent member's Unit to be suspended, and (c) to suspend a member's voting privileges. However, no suspension of voting rights shall affect the rights of first mortgagees to vote pursuant to a proxy granted in connection with a mortgage recorded in Routt County, Colorado.

#### ARTICLE VII

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

1. Proof of Ownership. Except for those Owners who initially contracted to purchase a Unit from the Declarant, any person on becoming an Owner shall furnish to the Association a photocopy of the recorded instrument vesting that person with an interest of ownership, together with such Owner's current mailing address and the name and address of all mortgagees of such unit.
2. Registration of Mailing Address. Each Owner, or if a unit is owned by two or more Owners, each co-Owner shall designate their address as the registered address required by the Declaration. The registered address of each Owner shall be furnished to the secretary within five days after transfer of title, or after a change of address, and such registration shall be in written form and signed by such Owner or by such person as is authorized by law to represent the interest of such Owner.

3. Liens. Any Owner who mortgages or grants a deed of trust covering their Unit or their ownership interest in such Unit shall notify the Secretary of the name and address of the mortgagee or beneficiary of the deed of trust and shall file a photocopy of the recorded security instrument with the Secretary. The Secretary shall maintain such information in a book entitled "Liens on Units." The board of directors, when giving notice to an Owner of default in paying an assessment or other default, shall send a copy of such notice to each mortgagee or beneficiary of a deed of trust covering such Owner's Unit or ownership interest whose name and address has theretofore been furnished to the board of directors. Other than mortgage liens, mechanic's liens and liens for assessments, judgments and taxes, obtained by or against an Owner's interest in their Unit and their appurtenant interest in the common elements, no additional liens may be obtained against the general or limited common elements then existing in which the Unit Owner has a percentage ownership.
4. Address of the Association. The address of the Association shall be 1847 Ski Time Square Drive, Steamboat Springs, Colorado. Such address may be changed from time to time upon written notice to all members.

#### ARTICLE VIII Security Interest in Membership

Any owner shall have the right irrevocably to constitute and appoint the mortgagee or the beneficiary of a trust as their true and lawful attorney-in-fact to vote for such Owner in the Association at any and all meetings of the Association and to vest in the mortgagee or the beneficiary any and all rights, privileges and powers that such Owner has under the articles of incorporation and these by-laws or by virtue of the Declaration. No such proxy or power-of-attorney shall be effective until the same is executed and subscribed and sworn to by the Owner and is filed with the secretary of the Association, and further, such proxy or power-of-attorney shall be effective only on written notice by the mortgagee or beneficiary to the Association that such mortgagee or beneficiary deems its security in jeopardy. A release of the mortgage or the beneficiary's deed of trust shall operate automatically to revoke such proxy or power-of-attorney. Nothing herein contained shall be construed to relieve any Owner, as mortgagor, of their duties and obligations as an Owner or to impose upon the mortgagee or the beneficiary of the deed of trust the duties and obligations of an Owner.

#### ARTICLE IX Amendments

1. By Directors. Except as prohibited by law, the articles of incorporation, the Declaration or these by-laws committed to action by the members, the board of directors shall have the power to make, amend and repeal the by-laws of the Association at any regular meeting of the board or at any

special meeting called for that purpose at which a quorum is represented. However, if the members shall make, amend and repeal any by-law the directors shall not thereafter amend the same in such manner as to defeat or impair the objective of the members in taking such action.

2. Members. The members may, by vote of at least 67 percent of all the members, unless expressly made subject to a higher voting requirement by law, amend the articles of incorporation or the Declaration or make, alter, amend or repeal the by-laws of the Association at any annual meeting or at any special meeting called for that purpose at which a quorum shall be represented.

ARTICLE X  
Miscellaneous

1. Seal. The corporate seal of the Association shall be circular in form and shall contain the name of the corporation and the words "Seal, Colorado."
2. Right of Entry. The manager and any person authorized by the board of directors shall have the right to enter each Unit to inspect for any necessary maintenance or repair of Common Elements, to perform maintenance and repair to Common Elements, or in case of emergency originating in or threatening such Unit whether or not the Owner or occupant is present at the time.
3. Fiscal Year. The fiscal year of the Association shall be such as may from time to time be established by the board of directors.

AMENDMENT OF THE BYLAWS OF WALTON VILLAGE  
CONDOMINIUM OWNERS' ASSOCIATION

(Approved on 12-27, 2005)

The Bylaws of the Walton Village Condominium Owners' Association, revised March 5, 2002, and approved on March 5, 2002, are hereby amended as follows:

The following shall be added at the end of ARTICLE III, Section 4:

In addition to first class mail or hand delivery, notices of member/owner meetings shall be provided as follows: The Association will post notices on its website when the website is available and email owners who request email notice at the email addresses they provide to the Association. Notices of meetings of members/owners will be physically posted in a conspicuous place, if feasible.

The following Section shall be added after ARTICLE III, Section 6:

7. Conduct of Meetings of Members.

A. Order of Business. The order of business at all meetings of the Association members is as follows:

- (1) Roll call (or check-in procedure) of members attending in person and by proxy;
- (2) Proof of notice of meeting;
- (3) Determination of quorum;
- (4) Reading of minutes of preceding meeting;
- (5) Reports;
- (6) Establish number and terms of memberships on the Board (when there is an election);
- (7) Selection of inspectors of election or tellers (when there is an election);
- (8) Election of Directors to serve on the Board (when there is an election)(by secret ballot if more candidates are running than there are vacancies on the Board);
- (9) Ratification of budget (if required);
- (10) Unfinished business;
- (11) New business.

B. Member/Owner meeting proxies, votes, and ballots

- (1) Proxies are not valid if obtained through fraud;
- (2) The Association may reject votes, ballots, or proxies if the person tabulating votes has reasonable basis to doubt their validity;
- (3) The person who rejects a vote, ballot, or proxy is not subject to damages;
- (4) All actions of the Association regarding such rejections are valid unless a court determines otherwise;
- (5) On any motion before the meeting, if one member requests a secret ballot, then the vote on the motion shall be by secret ballot.

The following Sections shall be added after ARTICLE IV, Section 10:

11. Conduct of Board Meetings.

A. The Order of Business of Board meetings is as follows:

- (1) Roll call of Board members attending;
- (2) Proof of notice of meeting;
- (3) Determination of quorum;
- (4) Reading of minutes of preceding meeting;
- (5) Election of officers (when required);
- (6) Members'/owners' forum and comments on agenda items (with reasonable time limits and allocation of spokespersons, as determined by the presiding officer of the Board);
- (7) Reports of officers;
- (8) Report of managing agent;
- (9) Unfinished business;
- (10) New business.

12. Conflicts of Interest. If any contract, decision, or other action taken by or on behalf of the Board would financially benefit any member of the Board or any person who is a parent, grandparent, spouse, child, or sibling of a member of the Board or a parent or spouse of any of these persons, that member of the Board shall declare a conflict of interest for that issue. The member of the Board shall declare the conflict of interest in an open meeting, prior to any discussion or action on that issue. After making such declaration, the member of the Board may participate in the discussion but shall not vote on that issue. Any contract entered into in violation of this Bylaw provision is void and unenforceable.

13. Open Meetings. Meetings of the Association members (sometimes referred to as owners) and the Board are open to all members of the Association or to any person designated in writing by the Association member as the member's representative, subject to such reasonable restrictions for cause on voting, such as an Association member's failure to pay assessments, as may be stated in the governing documents.
- A. Association members or their representatives are allowed to listen to Board meetings and are allowed to speak before the Board takes formal action on an item under discussion, at the designated time in the Board meeting agenda, in accordance with reasonable time restrictions set by the Board.
  - B. Association members shall not interrupt or participate in the Board's deliberations during the actual Board meeting among the members of the Board (sometimes referred to as Directors).
  - C. The Board may hold an executive or closed-door session and may restrict attendance to Board members and such other persons requested by the Board during a regular or specially announced meeting or part thereof. The matters to be discussed at such an executive session shall include only the matters enumerated in the following subparagraphs:
    - (1) Matters pertaining to employees of the Association or the managing agent's contract or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the Association;
    - (2) Consultation with legal counsel concerning disputes that the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
    - (3) Investigative proceedings concerning possible or actual criminal misconduct;
    - (4) Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;
    - (5) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy.
    - (6) Review of or discussion relating to any written or oral communication from legal counsel.
  - D. Prior to the time the members of the Board or any committee thereof convene in executive session, the chair of the body shall announce the general matter of discussion as enumerated in subparagraphs C(1) to (6) above.
  - E. No rule or regulation of the Board or any committee shall be adopted during an executive session. A rule or regulation may be validly adopted

only during a regular or special meeting or after the body goes back into regular session following an executive session.

- F. The minutes of all meetings at which an executive session was held shall indicate that an executive session was held and the general subject matter of the executive session.

This amendment to the Bylaws was approved and adopted by a majority vote of a quorum of the Board of Directors on 12-21, 2003.

ATTEST:

*M.G. [unclear]*  
*Managers Asst. With Village*

*[Signature]*  
Secretary



WALTON VILLAGE CONDOMINIUM OWNERS ASSOCIATION

DIRECTOR'S CONSENT IN LIEU OF SPECIAL MEETING

By consent pursuant to the authority granted by the Colorado Corporation Code, the undersigned being all of the Directors of Walton Village Condominium Owners Association, a Colorado corporation (the "Corporation"), hereby adopt the following actions and resolutions to have the same force and effect as an action taken at a special meeting of said Board of Directors:

RESOLVED, that Article X of the Corporation's Bylaws is hereby amended by the addition of the following language:

4. Use of Units. The condominium units shall be used and occupied solely for dwelling or lodging purposes and specifically, but not by way of limitation, may not be used for any retail, commercial or industrial activities or purposes. Owners of condominium units may rent or lease the units to others for dwelling or lodging purposes provided that such rental or leasing is consistent with the terms of these Bylaws, the Articles of the Corporation and the Condominium Declaration.

5. Rental of Units. (a) Condominium units within Walton Village may not be rented or leased by the owners of such units for a lease or rental term of less than 6 months without the prior approval of the Board of Directors.

(b) Upon the rental or lease of any condominium unit for a term longer than 6 months, the Owner of such unit shall, within 15 days of such rental or lease, provide the management company for Walton Village Condominiums with an exact copy of such lease. All rental agreements and leases shall specifically provide for the compliance with all Rules, the Articles of Incorporation, and the Bylaws of the Association, and with the Condominium Declaration and, further, shall not be inconsistent in any manner with such documents.

(c) The Board of Directors shall exempt a building in Walton Village from the limitations of subparagraph (a) above, and thereby shall permit any unit in such building to be rented or leased on a nightly or short-term or long-term basis, at the sole discretion of the owner of such unit in each instance, if a written request for such exemption is first made to

such Directors by all of the owners of all of the units in such building. Once so exempted from the limitations of subparagraph (a) above, such limitations shall not thereafter apply to such building regardless of subsequent changes of ownership of units in such building, unless all of the owners of all of the units in such building submit a written request to the Directors to reinstate such limitation.

6. Access to Units. No owner or guest, tenant or invitee of an owner, shall enter or exit a condominium unit by means of climbing from common area grounds to any balcony or to common area grounds from any balcony, except in the event of an emergency occurring in an adjacent unit. Rather, ingress to and egress from each unit shall be only through the hallway for and main entry door to such unit, and only if the owner or tenant of such unit invites or permits such entry.

7. Prohibition of Occupancy by Children. It is the intent of the Association to create an atmosphere in Walton Village which is peaceful, quiet and consistent with a relaxing mountain resort accommodation, and to prevent any activities or uses of the condominium units which might prove annoying to other residents or might serve to decrease the overall value of the condominium development. Therefore, as a means of achieving such goals, children under the age of 12 shall not be allowed to occupy any condominium unit in Walton Village, except for (i) children of nightly or short-term guests or tenants of Owners, whose occupancy does not exceed 14 consecutive days, (ii) children hereafter born to current Owners, and (iii) children of Owners now occupying units. The foregoing exceptions in the preceding sentence are made because (i) brief exceptions for children of short-term guests permits a balancing of the intent to limit occupancy by children and the desirability of allowing guests and short-term tenants of Owners to include their children with their visit, (ii) the Association should not attempt to regulate or interfere with family planning of Owners, and (iii) children of present Owners should be "grandfathered" and permitted, and this limitation should be prospective only.

The prohibition of this paragraph 7 shall be enforceable by restraining order or injunctive relief against the parents or guardians of children whose occupancy is prohibited.

This Consent may be executed in one or more counterparts, each of which shall be deemed to be an original for the purposes hereof.

EXECUTED by the Directors of Walton Village Condominium Association on the date set forth adjacent to each Director's signature, the same to be effective as of the date of execution by a majority of the Directors.

Date:

9/28/84

DIRECTORS

  
C. Robert Enever