

BYLAWS OF
SKI RUN CONDOMINIUM ASSOCIATION INC.

ARTICLE I

Plan of Unit Ownership

Section 1.1 Applicability. These Bylaws provide for governance of the Ski Run Condominium, which has been created pursuant to the New Mexico Condominium Act, Section 47-7A-1 etc seq NMSA, 1978. The property, located in Angel Fire, New Mexico, Colfax County, and more particularly described in the Declaration creating the Condominium has been submitted to the New Mexico Condominium Act by recordation of the Declaration among the Land records of Colfax County.

Section 1.2 Definitions.

- (a) The term "Association" shall mean the Ski Run Condominium Association, Inc.
- (b) The term "Condominium Instruments" shall mean the Declaration for Ski Run Condominium, the Bylaws of the Ski Run Condominium Association Inc., and the Rule and Regulations of the Ski Run Condominium Association, Inc., if any hereafter amended.
- (c.) "Consent of a Majority of Owners" shall mean a vote of agreement of Owners of Units to which more than fifty percent (50%) of the aggregate votes in the Association are allocated under the Declaration and cast in person or proxy at a meeting called for the purpose of consenting to any action permitted under these Bylaws.
- (d) The term "Declarant" shall mean The Angel Fire Corporation, a New Mexico corporation, its successors and assigns.
- (e) The term "Declaration" shall mean the Condominium, Declaration for Ski Run Condominium, including any amendments thereto filed for record with the County Clerk of Colfax County, New Mexico.
- (f) The term "Mortgagees" shall mean holders of first mortgage liens on individual Unit estates.
- (g) The term "Unit Owner" or "Owner" shall mean Owners of Units in the Condominium.
- (h) Capitalized terms not otherwise defined herein or in the Declaration and any amendments thereto, shall have the meanings defined in Section 47-7A-3 of the Condominium Act.

Section 1.3. Compliance. Every Unit Owner, Tenant and all those entitled to occupy a Unit or use in any manner the Property shall comply with these Bylaws.

Section 1.4 Office. The office of the Condominium, the Association, and the Board of Directors shall be located at the property or at such other place as may be designated from time to time by the Board of Directors.

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ARTICLE II

Unit Owners' Association

Section 2.1 Composition. The Association shall consist of a New Mexico nonprofit corporation. The Association shall have the responsibility of administering the Condominium establishing the means and methods of collecting assessments and charges, arranging for the management of the Condominium and performing all of the other acts that may be required or permitted to be performed by the Association by the Condominium Act and the Declaration. Except as to amendments to the Declaration, the termination of the Condominium or election of the Board of Directors or determinations as to the qualifications, powers, duties and terms of office of the Board, other than filling vacancies in its membership for the un-expired portion of any term, and other matters which the Condominium Act specifically requires to be performed by the vote of the Association, the foregoing responsibilities shall be performed by the Board of Directors or Managing Agent as more particularly set forth in Article III of these Bylaws.

Section 2.2. Membership. Ownership of a Unit Is required in order to qualify for membership in the Association. Any person on becoming an Owner of a Unit shall automatically become a member of this Association and be subject to these Bylaws. Such membership shall terminate without any formal Association action whenever such person ceases to own a Unit but such termination shall not relieve or release any such former Owner from any liability or obligation incurred under or in any way connected with this Association during the period of such ownership and membership in the Association, or impair any rights or remedies which the Unit Owners have, either through the Board of Directors of the Association or directly, against such former Owner and member arising out of or in any way connected with ownership and membership and the covenants and obligations incident thereto.

Section 2.3. Annual Meetings. The annual meetings of the Association shall be held at least thirty-five (35) days before the beginning of each fiscal year. At such annual meetings (1) the Board of Directors shall be elected by ballot of the Unit Owners in accordance with the requirements of Section 3.4 of Article III of these Bylaws and (2) all budget changes shall be considered in accordance with Article V of these Bylaws. So long as the **Association** shall own Units representing more than fifty percent (50%) of the Units which may be created (but in no event after the expiration of the maximum time permitted by Section 47-7C-3 of the Condominium Act), the **Association** shall be entitled to designate the maximum members of the Board of Directors who shall serve for the longest term.

Section 2.4. Place of Meeting. Meetings of the Association shall be held at the principle office of the Association or at such other suitable place convenient to the Owners as may be designated by the Board of Directors.

Section 2.5. Special Meeting.

(a) The President shall call a special meeting of the Association if so directed by resolution of the Board of Directors or upon a petition signed and presented to the Secretary by Owners of not less than twenty percent (20%) of the aggregate Percentage Interests. The notice of any special meeting shall state the time, place and purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 2.6. Notice of Meetings. Unless otherwise waived, the Secretary shall mail or deliver to each Owner a notice of each meeting of the Association of at least fourteen (14) but more than sixty (60) days (or not more than thirty (30) days if the meeting is for ratification of the budget under Article V, Section 5.1 (b) (3) prior to such meeting, stating the time and place of the meeting and the items of the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes and any proposal to remove a director or officer. The mailing or e-mailing of a notice of meeting in the manner provided in this Section and Section 11.1 of Article XI of the Bylaws shall be considered service of notice.

Section 2.7. Adjournment of Meetings. If at any meeting of the Association a quorum is not present, Owners of a majority of the Percentage Interest who are present at such meeting in person or by proxy may adjourn the meeting to a time not less than forty-eight (48) hours after the time of the original meeting was called.

Section 2.8. Order of Business. The order of business of all meetings of the Unit Owners' Association shall be as follows:

- (a) Roll Call;
- (b) Proof of notice of meeting;
- (c.) Reading of minutes of preceding meeting;
- (d) Reports of officers;
- (e) Report of Board of Directors;
- (f) Reports of committees;
- (g) Election or appointment of inspections of election (When so required);
- (h) Election of members of the Board of Directors (when so required);
- (I) Unfinished business;
- (j) New Business

Section 2.9. Title to Units. Title to a Unit shall be taken in the name of one or more persons, in any manner permitted by law. The Unit Owners' Association may acquire, hold and transfer full legal title to one or more Units in the Condominium in its own name.

Section 2.10. Voting.

(a) Each Unit is allocated one (1) vote in the Association.

(b) Where the ownership of a Unit is in more than one person, the person who shall be entitled to cast the vote of such Unit shall be the person named in a certificate executed. In the absence of such named person from the meeting, and if only one of the multiple Owners are present, the vote allocated to that Unit shall be cast only in accordance with the agreement of a majority in interest of the multiple Owners pursuant to Section 47-7C-10 of the Condominium Act. There is a majority agreement if any one of the multiple Owners cast the vote allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Unit.

(c) Subject to the requirements of Section 47-7C-10 of the Condominium Act, wherever the approval or disapproval of an Owner is required by the Condominium Act, the Declaration, or these Bylaws, such approval or disapproval shall be made only by the person who would be entitled to cast the vote allocated to his Unit at any meeting of the Association. Except where a greater number is required by the Condominium Act, the Declaration, or these Bylaws, the Owners of more than fifty percent (50%) of the aggregate votes in the Association voting in person, by proxy, or by teleconference at one time at a duly convened meeting at which a quorum is present ("Majority of the Owners") is required to adopt decisions at any meeting of the Association.

(d) No Owners may vote in any meeting of the Association or be elected to or serve on the Board of Directors if the Association has perfected a lien against his Unit and the amount necessary to release such lien as not been paid sixty (60) days prior to the time of such meeting

(e) No votes allocated to a Unit owned by the Association may be cast.

Section 2.11. Proxies. A Vote may be cast in person or by proxy or by other electronic means. Such proxy may be granted by any Owner in favor of only another Owner, a Mortgagee or the Declarant. Proxies shall be duly executed in writing, shall be valid only for particular meeting or meetings designated therein and must be filed with the Secretary before the appointed time of the meeting. Such proxy shall be deemed revoked only upon actual receipt by the person presiding over the meeting of notice of revocation from any of the persons owning such unit. No proxy shall in any event be valid for a period in excess of one (1) year after the execution thereof.

Section 2.12. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of Owners entitled to cast twenty percent (20%) or more of the aggregate votes in the Condominium shall constitute a quorum at all of the meetings of the Association.

Section 2.13. Conduct of Meetings. The President shall preside over all meetings of the Association and the Secretary keep the minutes of the meeting and record in a minute book resolutions adopted at the meetings as well as a record of all transaction occurring

thereat. The President may appoint a person to serve, as parliamentarian at any meeting of the Association. The then current edition of Robert's Rules of order shall govern the conduct of all meetings of the Association when not in conflict with the Declaration, these Bylaws or the Condominium Act. Failure to follow Robert's Rules of order shall not, in itself, invalidate any action taken. Tellers appointed by the President shall tally all votes.

ARTICLE III

Board of Directors

Section 3.1.

(a) Number of Members. The affairs of the Association shall be governed by a Board of Directors. The Board of Directors shall be composed of not less than three (3) nor more than seven (7) persons as determined by the Board, all of whom shall be Owners or spouses of Owners, Mortgagees (or designees of Mortgagees) or designees of the Declarant.

Section 3.2. Powers and Duties. The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by the Condominium Act, the Declaration, or by these Bylaws required to be exercised and done by the Owners. The Board of Directors shall have the power from time to time to adopt any Rules and Regulations deemed necessary for the benefit and enjoyment of the Condominium; provided, however, that such Rules and Regulations shall not be in conflict with the Condominium Act, the Declaration, or these Bylaws. The Board of Directors may delegate to one of its members, or to a person employed for such purpose, the authority to act on behalf of the Board of Directors on such matters relating to the duties of the Managing Agent (as defined in Section 3.3 of this Article), if any, which may arise between meetings of the Board of Directors as the Board of Directors deems appropriate. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall on behalf of the Association:

(a) Prepare an annual budget, in which there shall be established the assessments of each Owner for the Common Expense pursuant to Article V, herein.

(b) Make assessments against Owners to defray the costs and expenses of the Condominium, establish the means and methods of collecting such assessments from the Owners; and establish the period of the installment payment of the annual assessment for Common Expenses. Unless otherwise determined by the Board of Directors, the annual assessment against each Owner for his proportionate share of the Common Expenses shall be payable not less often than annually and at such time or times as designated by the Board of Directors.

(c) Provide for the operation, care, upkeep and maintenance of all of the Property and services of the Condominium.

(d) Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and replacement of the Common Elements and provide services for the Property and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed part of the Property.

(e) Collect the assessments against the Owners deposit the proceeds thereof in bank depositories designated by the Board of Directors and use the proceeds to carry out the administration of the Property.

(f) Make and amend the Rules and Regulations.

(g) Open bank accounts on behalf of the Association and designate the signatories thereon.

(h) Make, or contract for the making of, repairs additions and improvements or alterations of the Property, and repairs to and restoration of the Property, in accordance with Condominium Act, the Declaration, and these Bylaws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

(I) Enforce by legal means the provisions of the Declaration, these Bylaws and the Rules and Regulations and act on behalf of the Owners with respect to all matters arising out of any eminent domain proceeding.

(j) Obtain and carry insurance against casualties and liabilities, as provided in Article VI of these Bylaws, pay the premiums therefor and adjust and settle any claims thereunder.

(k) Pay cost of all authorized services rendered to the Association and not billed to Owners of individual Units or otherwise provided for in Article V, sections 5.1 and 5.2 of these Bylaws.

(l) Keeps books with detailed accounts in chronological order of the receipts and expenditures affecting the Property, and the administration of the Condominium, specifying the expenses of maintenance and repair of the Common Elements and any other expenses incurred. Such books and vouchers accrediting the entries thereupon shall be available for examination by the Owners, their duly authorized agents or attorneys, during general business hours on working days at the time and in the manner set and announced by the Board of Directors for the general knowledge of the Owners. All books and records shall be kept in accordance with good and accepted accounting practices, and the same shall be reviewed by a third party every three years prior to an annual meeting and shall be retained by the Board of Directors. The abovementioned third party shall not be a resident of the Condominium or an Owner. The cost of such audit shall be a Common Expense. ***Any other audit shall be at the requester's expense.***

(m) Notify a Mortgagee of any default hereunder by the Owner subject to such Mortgage, in the event such default continues for a period exceeding sixty (60) days.

(n) Borrow money on behalf of the Condominium (including money secured by an assignment of future income) when required in connection with any one instance relating to the operation, care upkeep and maintenance of the Common Elements, provided, however, that the Consent of a majority of Owners obtained at a meeting duly

called and held for such purpose in accordance with the provisions of these Bylaws, shall be required (\$2,500). If any sum borrowed by the Board of Directors on behalf of the Condominium pursuant to the authority contained in this paragraph (n) is not repaid by the Association, an Owner, who pays to the creditor such proportion thereof as his Percentage Interest bears to the total Percentage Interests in the Condominium, shall be entitled to obtain from the creditor shall have filed or shall have the right to file against such Owner's Unit.

(o) Acquire, hold and dispose of Units and mortgage the unit if such expenditures and hypothecations are included in the budget adopted by the Association.

(p) In its sole discretion, designate from time to time certain Common Elements as "Reserved Common Elements" and impose such restrictions and conditions on the use thereof as the Board of Directors deems appropriate.

(q) Furnish the statement required by Section 47-7D-9 of the Condominium Act, within ten (10) working days after the receipt of a written request therefor from any Owner substantially in the form set forth on Exhibit "A" to these Bylaws and designated "Resale Certificate".

(r.) Do such other things and acts not inconsistent with the Condominium Act, the Declaration, or these Bylaws, which the Board of Directors may be authorized to do by a resolution of the Association.

Section 3.3. Managing Agent. The Board of Directors may employ for the Condominium a "Managing Agent" at a compensation established by the Directors.

(a) Requirements. The Managing Agent shall be a bona fide business enterprise and shall employ persons possessing a high level of competence in the technical skills necessary to proper management of the Condominium. The Managing Agent must be able to advise the Board of Directors regarding the administrative operation of the Condominium and shall employ personnel experts in the areas of condominium insurance, accounting, labor relations and condominium regulation.

(b) Duties. The Managing Agent shall perform such duties and services as the Board of Directors shall authorize, including but not limited to the duties listed in paragraphs (a), (c), (d), (e), (h), (l), (j), (k), (l), (m), (q), and ® of Section 3.2 of these Article III. The Managing Agent shall perform the obligations, duties and services relating to management of the property, the rights of Mortgagees and the maintenance of reserve funds in compliance with the provisions of these Bylaws.

(c.) Standards. The Board of Directors shall impose appropriate standards of performance upon the Managing Agent unless the Managing Agent is instructed otherwise by the Board of Directors:

- (1) The cash method of accounting shall be employed;
- (2) Two (2) or more persons shall be responsible for handling cash to maintain adequate financial control procedures;
- (3) Cash accounts of the Association shall not be commingled with any other accounts;

(4) No remuneration shall be accepted by the Managing Agent from vendors, independent contractors or others providing goods or services to the Association whether in the form of commissions, finders' fees, service fees or otherwise; any discounts received shall benefit the Association.

(5) Any financial or other interest which the Managing Agent may have in any firm providing goods or services shall be disclosed promptly to the Board of Directors; and

(6) An annual financial report shall be prepared for the Association disclosing:

(i) All income and disbursement activity for the preceding quarter;

(ii) The status of all accounts in an "actual" versus "projected" (budget) format; and

(iii) Any actual or pending obligations which are in excess of budgeted amounts by an amount exceeding the operating reserves or ten percent (10%) of a major budget category (as distinct from a specific line item in an expanded chart of accounts).

(d) Limitations. Subject to the provisions of Section 47-7C-5 of the Condominium Act, the Board of Directors may employ a Managing Agent for a term not to exceed **three (3)** years. Should a Managing Agent be employed, the Association and the Board of Directors shall not undertake "self management" or fail to employ a Managing Agent without the consent of the Owners representing at least two-thirds (2/3) of the total allocated Units in the Association. Any contract with the Managing Agent must provide that it may be terminated with cause on no more than ninety (90) days' written notice.

Section 3.4. Election and Term of Office.

(a) At the first annual meeting of the Association, the **terms** of office of two (2) members of the Board of Directors **were set at** three (3) years, the term of office of two (2) members **were set at** two (2) years, and the term of office of any remaining members of the Board of Directors **were set at** one (1) year **each**. At the expiration of the initial term of office of each member of the initial Board of Directors, a successor shall be elected to serve for a term of three (3) years. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the Association.

(b) Persons qualified to be members of the Board of Directors may be nominated for election only as follows:

(1) Any Owner may submit to the Secretary at least thirty (30) days before the meeting at which the election is to be held a nominating petition signed by Unit Owners owning at least three (3) Units a statement that the person nominated is willing to serve on the Board of Directors and a biographical sketch of the nominee. The Secretary shall mail or hand-

deliver the submitted items to every Owner along with the notice of such meetings; or

(2) Nominations may be submitted from the floor at the meeting at which the election is held for each vacancy on the Board of Directors for which no more than one person has been nominated by petition as provided in subparagraph (1) above.

Section 3.5. Removal of Resignation of Members of the Board of Directors. At any regular or special meeting duly called, any one or more of the members of the Board of Directors may be removed without cause by a two-thirds vote of all persons present and entitled to vote at any meeting of Owners at which a quorum is present and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Owners shall be given at least seven (7) days notice of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting. A member of the Board of Directors may resign at any time and shall be deemed to have resigned upon disposition of his Unit.

Section 3.6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the Association shall be filled by a vote of a majority of the remaining Directors at a special meeting of the Board of Directors held for such purpose promptly after the occurrence of any such vacancy, even though the directors present at such meeting may constitute less than a quorum. Each person so elected shall be a member of the Board of Directors for the remainder of the term of the member being replaced and until a successor shall be elected at the next annual meeting of the Association.

Section 3.7. Organization Meetings. The first meeting of the Board of Directors following the annual meeting of the Association shall be held within thirty (30) days thereafter at such time and place as shall be fixed by the Association at the meeting at which such Board of Directors shall have been elected, and no notice shall be necessary to the newly elected members of the Board of Directors in order to legally constitute such meeting, providing a majority of the whole Board of Directors shall be present thereat.

Section 3.8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but such meetings shall be held at least once annually during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, by mail or **fax or e-mail**, at least ten (10) business days prior to the day named for such meeting.

Section 3.9. Special Meetings. Special meetings of the Board of Directors may be called by the President on ten (10) days' notice to each director, given by mail or **fax or e-mail**, which notice shall state the time, place and purpose of the meeting. Special meetings of

the Board of Directors shall be called by the President or Secretary in like manner and in like notice on the written request of at least one (1) director.

Section 3.10. Waiver of Notice. Any director may at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board of Directors shall constitute a waiver of notice by him of the time, place and purpose of such meeting. If all directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 3.11. Quorum of Board of Directors. At all meetings of the Board of Directors a majority of the directors shall constitute a quorum for the transaction of business and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 3.12. Fidelity Bonds. As required by Article VI, Section 6.4 (a) hereof, there shall be obtained fidelity bonds in an amount not less than one and one-half times the amount of the annual budget (in such form and such greater amounts as may be required by the Mortgagees) for all officers, directors and employees of the Unit Owners' Association, including without limitation the Managing Agent handling or responsible for Condominium funds. The premiums on such bonds shall constitute a Common Expense.

Section 3.13. Compensation. No director shall receive any compensation from the Condominium for acting as such.

Section 3.14. Conduct of Meetings. The President shall preside over all meetings of the Directors and the Secretary shall keep a minute book of the Board of Directors recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings. The then current edition of Robert's Rules of order shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Declaration, these Bylaws or the Condominium Act.

Section 3.15. Action Without Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Board of Directors.

Section 3.16. Liability of the Board of Directors Officers, Unit Owners and Unit Owner's Association.

(a) To the extent authorized by Section 53-8-26 NMSA 1978 of the Nonprofit Corporation Act, the officers and members of the Board of Directors shall not be liable to the Association for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Association shall indemnify and hold harmless each of the officers and directors from and against all contractual liability to others arising out of contracts made by the officers or the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Condominium Act, the Declaration or these Bylaws. Officers and members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of Association. The liability of any Owner arising out of any contract made by the officers or Board of Directors, or out of the aforesaid indemnity in favor of the members of the Board of Directors or officers, or for the damages as a result of injuries arising in connection with the Common Elements solely by virtue of his ownership of a Percentage Interest therein or for liabilities incurred by the Association, shall be limited to the total liability multiplied by his Percentage Interest. Every agreement made by the officers, the Board of Directors or the Managing Agent on behalf of the Association shall, if obtainable, provide that the officers, the members of the Board of Directors or the Managing Agent, as the case may be, are acting only as agents for the Association and shall have no personal liability there under (except as Owners), and that each Owner's liability there under shall be limited to the total liability there under multiplied by his Common Expense Liability.

(b) The Association shall not be liable for any failure of water supply or other services to be obtained by the Association or paid for as a Common Expense, or for injury or damage to person or property caused by the elements or by any Owner, or any other person, or resulting from electricity, water, snow or ice which may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, appliance or equipment. The Association shall not be liable to any Owner for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Common Elements. No diminution or abatement of any assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Elements or from any action taken by the Association to comply with any law, ordinance or with the order of directive of any municipal or other governmental authority.

Section 3.17. Common or Interested Directors. Each member of the Board of Directors shall exercise his powers and duties in good faith and with a view to the interests of the Condominium. No contract or other transaction between the Association and any of its directors, or between the Association and any corporation, firm or association in which any of the directors of the Association are directors or officers or are pecuniarily or otherwise interested is voidable because any such director is present at the meeting of the

Board of Directors or any committee thereof which authorizes or approves the contract or transaction, or because his vote is counted for such purpose, if any of the conditions specified in any of the following subparagraphs exists:

(a) The fact of the common directorate or interest is disclosed or known to the Board of Directors or a majority thereof or noted in the minutes, and the Board of Directors authorizes, approves or ratifies such contract or transaction in good faith by vote sufficient for the purpose, or

(b) The fact of the common directorate or interest is disclosed or known to at least a majority of the Owners, and the Owners approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or

(c) The contract or transaction is commercially reasonable to the Association at the time it authorized, ratified, approved or executed.

Any common or interested directors may be counted in determining the presence of a quorum of any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote thereat to authorize any contract or transaction with like force and effect as if such directors were not such director or officer of such Association or not so interested.

Section 3.18. Covenants Committee. The Board of Directors may establish a Covenants Committee, consisting of five (5) members appointed by the Board of Directors, each to serve for a term of two (2) years, in order to assure that the Condominium shall always be maintained in a manner;

(a) Providing for visual harmony and soundness of repair;

(b) Avoiding activities deleterious to the esthetic or property values of the Condominium.

(c.) furthering the comfort of the Owners, their guests and tenants; and

(d) Promoting the general welfare of the Condominium Community.

(1) Powers. The Covenants Committee shall regulate the external design, appearance, use and maintenance of the Common Elements. The Covenants Committee shall have the power to issue a cease and desist request to an Owner, his guests, invitees, or lessees whose actions are inconsistent with the provisions of the Condominium Act, the Declaration, Bylaws, Rules and Regulations or resolutions of the Board of Directors (upon petition of any Unit Owner or upon its own motion). The Covenants Committee shall from time to time, as required, provide interpretations of the Declaration, Bylaws, Rules and Regulations and resolutions pursuant to the intents, provisions and qualifications thereof when requested to do so by any Owner or the Board of Directors. Any action, ruling or decision of the Covenants Committee may be appealed to the Board of Directors by any party deemed by the Board of Directors to have standing as an aggrieved part and a vote of a quorum of the Board of Directors may modify or reverse any such action, ruling or decision.

(2) Authority. The Covenants Committee shall have such additional duties, power and authority as the Board of Directors may from time to time provide by resolution. The Board of Directors may relieve the Covenants Committee of any of its duties, powers and authority either generally or on a case by case basis by vote of a quorum thereof. The Covenants Committee shall carry out its duties and exercise its powers and authority in the manner provided for in the Rules and Regulations or by resolution of the Board of Directors.

ARTICLE IV

Officers

Section 4.1. Designation. The principle officers of the Association shall be the President, one or more Vice-Presidents, and the Secretary and Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an assistant treasurer, an assistant secretary and such other officers as in its judgment may be necessary. The President and one of the Vice Presidents shall be members of the Board of Directors. Any other Officers may, but not be members of the Board of Directors or members of the corporation.

Section 4.2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors.

Section 4.3. Removal of Officers. Upon the affirmative vote of a majority of all members of the Board of Directors any officer may be removed, either with or without cause, and a successor may be elected at any regular meetings of the Board of Directors or at any special meetings of the Board of Directors called for such purpose.

Section 4.4. President. The President shall be the chief executive officer of the Association; preside at all meetings of the Association and of the Board of Directors; and have all of the general powers and duties which are incident to the office of President of the Corporation, including without limitation the power to appoint committees from among the Owners from time to time as the President may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 4.5. Vice-President. A Vice-President shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If neither the President nor any Vice-President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President, on an interim basis. The Vice-Presidents shall also perform such other duties as shall from time to time be imposed upon them by the Board of Directors or by the President.

Section 4.6. Secretary. The Secretary shall keep the minutes of all meetings of the Association and of the Board of Directors; have charge of such books and papers as the Board of Directors may direct; maintain a register setting forth the place to which all notices to Owners and Mortgagees hereunder shall be delivered; and, in general, perform all the duties incident to the office of Secretary of the corporation.

Section 4.7. Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data; and be responsible for the deposit of all monies and other valuable effects in the name of the Board of Directors; the Association or the Managing Agent, in such depositories as may from time to time be designated by the Board of Directors, and, in general, perform all the duties incident to the office of Treasurer of the corporation.

Section 4.8. Execution of Documents. All amendments to the Declaration and to laws, required to be signed by the Association, and all agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of ***Two Thousand, Five Hundred Dollars*** (2,500) shall be executed by any two persons designated by the Board of Directors. All such instruments for expenditures or obligations of ***Two Thousand, Five Hundred Dollars*** (2,500) or less may be executed by any one person designated by the Board of Directors.

Section 4.9. Compensation of Officers. No officer who is also a director shall receive any compensation from the Association for acting as such officer.

ARTICLE V

Operation of the Property

Section 5.1. Determination of Common Expenses and Assessments Against Owners.

(a) Fiscal Year. The fiscal year of the Unit Owners' Association shall be the calendar year unless otherwise determined by the Board of Directors.

(b) Preparation and Approval of Budget.

(1) At least eighty (80) days before the beginning of the fiscal year, the Board of Directors shall adopt a budget for the Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements (including Common Furnishings, if any) and those parts of the Units as to which it is the responsibility of the Board of Directors to maintain, repair and replace, and the cost of wages, materials, insurance premiums and services, supplies and other expenses that may be

declared to be Common Elements by the Condominium Act, the Declaration, these Bylaws or a resolution of the Association and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the Owner of all related services.

(2) Such budget shall also include such reasonable amounts as the Board of Directors considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements. At least sixty-five (65) days before the beginning of the fiscal year and not less than fourteen (14) nor more than thirty (30) days before the annual meeting scheduled under Article II, Section 2.3 and subparagraph (3) below, the Board of Directors shall send to each Owner a copy of the budget in a reasonably itemized form which sets forth the amount of the Common Expenses and any special assessment payable by each Owner. Such budget shall constitute the basis for determining each Unit Owner's assessment for the Common Expenses of the Association, if ratified pursuant to Section 47-7C-3 of the Condominium Act.

(3) The Board of Directors shall set a date for a meeting of the Unit Owners to consider ratification of the budget not less than fourteen (14) nor more than thirty (30) days after the mailing of the copy of the budget. The budget may be ratified upon a majority vote of the Owners at the meeting whether or not a quorum is present. In the event the proposed budget is rejected, the periodic budget last ratified by the Owners shall continue until such time as the Owners ratify a subsequent budget proposed by the Board of Directors.

(4) Within sixty (60) days after the creation of any additional Units, Common Elements or the addition of any additional land by **The Association** by the recordation of an amendment to the Declaration submitting such Units, Common Elements or Land to the Condominium, the Board of Directors shall send to each Owner a copy of the budget revised to reflect the proportionate liability of such Units for Common Expenses for the remainder of the fiscal year in which such Units, Common Elements or Land were added to the condominium. The Board shall follow the procedure for ratification of the budget set forth in subparagraphs (b) (2) and (b) (3) above. The amount of assessments attribute to each Unit shall thereafter be the amount specified in the adjusted budget, until a new budget shall have been adopted by the Board of Directors and ratified by the Owners.

(c.) Assessment and Payment of Common Expenses. Subject to the provisions of Article IX hereof, the total amount of the estimated funds required for the operation of the Property set forth in the budget adopted by the Board of Directors and ratified by the Owners shall be assessed

against each Owner in proportion to his respective Common Expense Liability as defined in the Declaration and shall be a lien against each Owner's interest as provided in Article IX, Section 9.2 of these Bylaws. On or before the first as provided in Article IX, Section 9.3 of these Bylaws. On or before the first day of each fiscal year or on other's date as determined by the Board of Directors each Owner shall be obligated to pay his annual assessment. The Board shall authorize the payment of such annual assessment in semi-annual installments. Within sixty (60) days after the end of each fiscal year, the Board of Directors shall supply to all Owners an itemized accounting of the Common Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Board of Directors for each fiscal year, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall, if the Board of Directors deems advisable, be credited according to each Owner's Common Expense Liability to the next annual assessment due from Owner's under the current fiscal year's budget, until exhausted. Any net shortage shall be assessed promptly against the Owners after preparation of a revised budget ratified as provided above in subsection 5.1 (b)(2) and 5.1(b)(3). The shortage shall be assessed in accordance with their Common Expense Liability and shall be payable either: (1) in full with payment of the next annual assessment due; or (2) in not more than six (6) equal monthly installments, as the Board of Directors may determine.

(d) Reserves. The Board of Directors shall maintain 25% of the annual budget in reserves at a minimum for working capital, operations, contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves if the reserves are inadequate for any reason, including non-payment of any Owner's assessment. Upon ratification by the Owners of an adjusted budget, the Board of Directors may at any time levy a further assessment, which shall be assessed against the Unit Owners according to their respective Common Expense Liabilities, and which may be payable in a lump sum or in installments as the Board of Directors may determine. The Board of Directors shall serve notice of any such further assessment on all Owners by a statement in writing giving the amount and reasons therefor, and time of payment. All Owners shall be obligated to pay the adjusted assessment amount and, if such further assessment is not payable in installments, such assessment shall be a lien as of the effective date as set forth in the preceding subsection 5.1(c).

(e) Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Board of Directors to prepare or adopt for any fiscal year shall not constitute to waiver or release in any manner of any Owner's obligation to pay his allocable share of the Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Owner shall continue to pay each semi-annual assessment at the rate established for the previous fiscal year.

(f) Accounts. All sums collected by the Board of Directors with respect to assessments against the Owners or from any other source may be commingled into a single fund, but shall be held for each Owner in accordance with his Common Expense Liability.

Section 5.2. Payment of Common Expenses. Each Owner shall pay the Common Expenses assessed by the Board of Directors pursuant to the provisions of Section 5.1 of this Article V. No Owner may exempt himself from liability for his contribution toward Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of part of the Common Expenses assessed against his Unit subsequent to the date of recordation of a conveyance by him, in fee of such Unit provided notice is given to the Association prior to conveyance by him, in fee of such Unit provided notice is given to the Association prior to conveyance. Prior to or at the time of any such conveyance, all lien, unpaid charges and assessments shall be paid in full and discharged. The purchaser of a Unit shall be jointly and severally liable with the selling Owner for all unpaid assessments against the latter for his proportionate share of the Common Expenses up to the time of such recordation, without prejudice to the purchaser's right to recover from the selling Owner amounts paid by the purchaser. Any such purchaser shall be entitled to a statement setting forth the amount of the unpaid assessments against the selling Owner within ten (10) working days following a written request therefor to the Board of Directors or Managing Agent and such purchaser shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments in excess of the amount therein set forth.

Section 5.3. Collection of Assessments. The Board of Directors or the Managing Agent, at the request of the Board of Directors, shall take prompt action to collect any assessments or Common Expenses due from any Owner which remain unpaid for more than thirty (30) days from the due date for payment thereof. Any assessment, or installment thereof, not paid within thirty (30) days after due shall accrue a late charge in the amount of **the prime rate as established by International State Bank, Raton, New Mexico plus 5% of the overdue assessment** or installment for each month the assessment or installment is unpaid. After an additional fifteen (15) day period, in which the owner can make payment arrangements with the Association, a third party collection agency may be employed to collect the debts.

Section 5.4. Statement of Common Expenses. The Board of Directors shall promptly provide any Owner, contract purchaser or Mortgagee so requesting the same in writing with a written statement of all unpaid assessments for Common Expenses due from such Owner. Such statement shall be furnished within ten (10) business days after receipt of the request and is binding on the Board of Directors and every Owner. The Board of Directors may impose a reasonable charge for the preparation of such statement to cover the cost of preparation to the extent permitted by the Condominium Act.

Section 5.5 Repair, Replacement and Other Common Expenses.

(a) By the Board of Directors. The Board of Directors shall be responsible for the maintenance, repair and replacement (unless, if in the opinion of not less than fifty percent (50%) of the Board of Directors such expense was necessitated by the intentional or negligent act or omission of any Owner, his family, guest, invitees or lessees, in which event the cost of repair or deficiency shall be paid by such Owner) of all of the Common Elements and Common Furnishings, including the Limited Common Elements as defined herein or in the Declaration whether located inside or outside of the Units, the cost of which shall be charged to all Owners as a Common Expense, provided, however, that Unit Owners shall perform normal maintenance on the Limited Common Elements which the Board of Directors pursuant to the Rules and Regulations has given him permission to utilize, including without limitation the items enumerated in subsection 5.5(b) hereof. The Board of Directors may impose a reasonable monthly charge upon such Unit Owner to whose Unit a Limited Common Element parking space is appurtenant for the upkeep of such parking space; such charges may differ in amount but shall be uniform for different grades or levels of parking spaces.

(b) By the Unit Owner.

(1) Each Unit Owner shall keep his Unit and its equipment, appliances and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of his Unit. In addition, each Unit Owner shall be responsible for all damage to any other Units or to the Common Elements resulting from his failure to make any of the repairs required by this Section. Each Unit Owner shall perform his responsibility in such manner as shall not unreasonably disturb or interfere with the other Unit Owners. Each Unit Owner shall promptly report to the Board of Directors or the Managing Agent any defect or need for repairs for which the Board of Directors is responsible. Each Unit Owner is responsible ensuring that they or a representative of theirs physically shut off the water, prior to times of non-occupancy. The Ski Run HOA will not cover water damage caused by a Unit Owners' lack of compliance or negligence.

(2) The Unit Owner of any Unit to which a patio, terrace or balcony is appurtenant shall perform the normal maintenance for such

patio, terrace or balcony including keeping it in a clean and sanitary condition, free and clear of snow, ice and any accumulation of water and shall also make all repairs thereto caused or permitted by his negligence, misuse or neglect. All structural repair or replacement shall be made by the Board of Directors as a Common Expense, as provided in subsection (a) above.

(3) Any Unit Owner permitted by the Board of Directors to use a specific portion of the Common Elements for storage is responsible for the maintenance and care of such portion and shall use such portion in a safe and sanitary manner.

(c.) Manner of Repair and Replacement. All repairs and replacements shall be of first-class quality. The method of approving payment vouchers for all repairs and replacements shall be determined by the Board of Directors.

Section 5.6. Alterations or improvements by Board of Directors. Whenever in the judgment of the Board of Directors alterations or improvements estimated to cost in excess of Five Thousand Dollars (\$5,000) during any period of five (5) consecutive months are considered necessary, the making of such alterations or improvements shall first be approved by a majority of the Owners, and the Board of Directors shall proceed with such alterations or improvements and shall assess all Owners for the cost thereof as a Common Expense. Any alterations or improvements estimated to cost Five Thousand Dollars (\$5,000) or less during any period of five (5) consecutive months may be, made by the Board of Directors without approval of the Owners and the cost thereof shall constitute a Common Expense. Notwithstanding the foregoing, if, in the opinion of not less than fifty percent (50%) of the members of the Board of Directors, such alterations or improvements are exclusively or primarily for the benefit of the Owner or Owners requesting the same, such requesting Owners shall be assessed therefor in such proportion as they jointly approve or, if they are unable to agree thereon, in such proportions as may be determined by the Board of Directors.

Section 5.7. Alterations or Improvements by Unit Owners.

(a) No Unit Owner shall make any structural alterations or improvement in or to his Unit, nor shall any Unit Owner paint or alter the exterior appearance of his Unit, the exterior of the Common Elements or any portion of the Condominium without prior written consent of the Board of Directors. The Board of Directors shall be obligated to answer any written request by a Unit Owner for the approval of a proposed structural addition, alterations or improvements in such Unit Owner's Unit within thirty (30) days after such request, and failure to do so within stipulated time shall constitute a consent by the alteration or improvement. If any application to any governmental authority for a permit to make any such structural addition, alteration or improvement in or to any Unit requires execution by the Association, and provided consent has been given by

the Board of Directors, then the application shall be executed on behalf of the Association by the Board of Directors only, without, however, incurring any liability on the part of the Board of Directors or any of them to any contractor, subcontractor or material men on account of such addition, alteration or improvement, or to any person having claim for injury or damage to property arising therefrom.

(b) The relocation of boundaries between Units and subdividing of Units is prohibited.

Section 5.8. Restrictions on Use of Units; Rules and Regulations. Each Unit and the Common Elements shall be occupied and used as follows:

(1) Except as provided in the Declaration, no Unit shall be used for other than housing and the related common purposes for which the Property was designed.

(2) Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance for the Property or any part thereof applicable for residential use without the prior written consent of the Board of Directors. No Unit Owner shall permit anything to be done or kept in his unit or in the Common Elements which will result in the cancellation of insurance on the Property or any part thereof or which would be in violation of any law, regulation or administrative ruling. No waste will be committed in the Common Elements.

(3) No immoral, improper, offensive or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof relating to any portion of the Property shall be complied with, by and at the sole expense of the Owner or the Board of Directors, whichever shall have the obligation to maintain or repair such portion of the Property, and, if the latter, then the cost of such compliance shall be a Common Expense.

(4) No Owner shall obstruct any of the Common Elements nor shall any Owner store anything upon any of the Common Elements without the written approval of the Board of Directors. Vehicular parking upon the Common Elements may be regulated or assigned by the Board of Directors as provided in the Declaration. Nothing shall be altered or constructed in or removed from the Common Elements except upon the prior written consent of the Board of Directors or the Covenants Committee, as appropriate.

(5) The Common Elements shall be used only for the furnishing of the services and facilities (including recreational amenities and/or restaurant facilities if available) for which the same are reasonably suited and which are incident to the use and occupancy of the Units. Walkways shall be used only for pedestrian use.

(6) No Unit Owner shall lease a Unit other than on a written form of lease or contract with a licensed property manager, requiring the lessee to comply with the Condominium Instruments and Regulations, and proving that failure to comply constitutes a default-under the lease. The Board of Directors may provide a suggested standard form lease for use by Unit Owners. Each Unit Owner shall promptly following the execution of any such lease, forward a conformed copy thereof to the Board of Directors. The foregoing provisions of this subsection 5.8(6) shall not apply to a Mortgagee in possession of a Unit as a result of foreclosure or any proceeding in lieu of foreclosure, during the period of such Mortgagee's possession.

(7) No trailers, campers, recreational vehicles or boats may be parked on the Property without prior written approval of the Board of Directors. No junk or derelict vehicle or other vehicle on which the current registration plates are not displayed shall be kept upon any of the Common Elements.

(8) The use of motorcycles, motorbikes, snowmobiles, dune buggies, or any motorized off-road vehicle or similar vehicles is prohibited on the Property. Motorcycles and motorbikes may be used only for transportation to and from a Unit. Each Vehicle shall be equipped so as to maximize muffling of engine noise during use for transportation to and from a Unit. Such vehicles may be kept on the Property but only in accordance with the Rules and Regulations of the Board.

(9) The maintenance, keeping, boarding, and/or raising of animals, livestock, poultry or reptiles of any kind, regardless of number, shall be and is prohibited within any Unit or upon the Common Elements. The keeping of small, orderly domestic pets (e.g., dogs, cats or caged birds) not to exceed one per Unit without the approval of the Board of Directors, is permitted subject to the Rules and Regulations adopted by the Board of Directors; provided, however, that such pets are not kept or maintained for commercial purposes or for breeding and provided further, that any such pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the Property upon ten (10) days' written notice from the Board of Directors. Such pets shall not be permitted upon the Common Elements unless accompanied by an adult and unless carried or leashed. Any Unit Owner who keeps and maintains any pet upon any portion of the Property shall be deemed to have indemnified and agreed to hold the Condominium, each Unit Owner and the Declarant free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Condominium. All pets shall be registered with the Board of Directors and shall otherwise be registered and inoculated as required by law.

(10) No signs of any character shall be erected, posted or displayed upon, in, from any Unit or Common Elements without prior written approval of the Board of Directors. The provisions of this subparagraph shall not be applicable to the institutional holder of any first; mortgage which comes into possession of any

Unit by reason of any remedies provided for in the mortgage, foreclosure of any mortgage of any deed of trust or other proceeding in lieu of foreclosure.

(b) Each Unit and the Common Elements shall be occupied and used in compliance with the Rules and Regulations which may be promulgated and amended by the Board of Directors. Copies of the Rules and Regulations shall be furnished by the Board of Directors to each Owner. Amendments to the Rules and Regulations shall be conspicuously posted prior to the time when the same shall become effective and copies thereof shall be furnished to each Owner upon request.

Section 5.9. Right of Access. By acceptance of his deed of conveyance, each Owner hereby grants a right of access to his Unit, as provided by Section 47-7C-7 of the Condominium Act and the Declaration, to the Board of Directors or the Managing Agent or any other person authorized by the Board of Directors or the Managing Agent, or any group of the foregoing, for the purpose of enabling the exercise and discharge of their respective power and responsibilities, including without limitation making inspections, correcting any condition originating in this Unit, and threatening another Unit or the Common Elements, performing installations alterations or repairs to the mechanical or electrical services to the Common Elements in his Unit or elsewhere in the Property or to correct any condition which violates any mortgage; provided, however, that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Owner. In case of emergency, such right of entry shall be immediate, whether the Owner is present at the time or not.

Section 5.10. Utility Charges. The cost of utilities, unless separately metered at each Unit, serving the Condominium shall be a Common Expense. If metered separately, the cost shall be allocated based upon shared or individual meters depending upon the location of the Unit and shall be paid by the Unit Owner(s).

Section 5.11. Parking Spaces. Each of the parking spaces located on the Property shall be subject to designation as Limited Common Elements appurtenant to certain designated Units pursuant to the reservation set forth in Article III of the Declaration. All other parking spaces designated as such on the Plats and Plans shall be used by the Owners for self-service parking purposes on a "first come, first-served" basis, provided, however, that no Owner shall park more than two (2) vehicles (owned or leased by such Owner, a member of his family or a tenant residing in his Unit) on the common Element parking spaces without the prior written consent of the Board of Directors. The cost of maintenance and repair of all parking areas shall be a Common Expense, provided, however, that the Board of Directors may impose a reasonable charge upon Owners to whose Units a Limited Common Element parking space is appurtenant pursuant to Article V. Section 5.5(a) hereof. Such charge may be increased yearly by resolution of

the Board of Directors only in proportion to the increase in the total budget for Common Expenses from year to year.

Section 5.12. Use of Common Elements. No Unit Owner shall place or cause or permit to be placed on the Common Elements (other than Limited Common Elements) any furniture, packages or objects of any kind.

ARTICLE VI

Insurance

Section 6.1. Authority to Purchase.

(a) Except as otherwise provided in 6.5 of this Article VI, all insurance policies relating to the Property shall be purchased by the Board of Directors. In the event the insurance described herein is not reasonably available, the Board of Directors shall promptly cause notice of that fact to be hand-delivered or sent pre-paid by United States Mail to all Unit Owners. Neither the Board of Directors nor the Managing Agent shall be liable for failure to obtain any coverages required by this Article VI or any loss or damage resulting from such failure if such failure is due to the unavailability of such coverages from reputable insurance companies, or if such coverages are so available only at a demonstrably unreasonable cost.

(b) Each such policy shall provide that:

(1) The insurer waives any right to claim by way of subrogation against, the Association, the Board of Directors, the Managing Agent or the Owners, and their respective agents, employees, guests and, in the case of the Owners, the members of their households;

(2) No act or omission by any Owner (unless acting within the scope of his authority on behalf of the Association) shall void the policy or be a condition to recovery under the policy;

(3) Such policy shall not be substantially modified or suspended due to the act or omission of any Owner (including his invitees, agents and employees) or of any member (acting within the scope of his authority for the Association), officer or employee of the Board of Directors or the Managing Agent without a prior demand in writing that the Board of Directors or the Managing Agent cure the defect and neither shall have so cured such defect within thirty (30) days after such demand.

(4) Such policy may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days' prior written notice to the Board of Directors and the Managing Agent and, in the case

of physical damage insurance, to all Mortgagees registered with the Association as provided in Section 8.1.

(c) All policies of insurance shall be written by reputable companies licensed to do business in the State of New Mexico. Physical damage policies shall be in form and substance acceptable to the Mortgagees.

Section 6.2. Physical Damage Insurance.

(a) The Board of Directors shall obtain and maintain a blanket "all-risk" form policy of fire insurance with extended coverage, vandalism, malicious mischief, windstorm, sprinkler leakage, debris removal, cost of demolition and water damage endorsements, insuring the entire Property, (including all of the Units and the floor coverings, the bathroom and kitchen fixtures initially installed therein by the Declarant and replacements thereto installed by the Association but excluding furniture, wall coverings, furnishings or other personal property supplied or installed by Unit Owners), together with other service machinery contained therein, and covering interests of the Association the Board of Directors and all Owners and their Mortgagees, as their interest may appear (subject, however, to the loss payment and adjustment provisions in favor of the Board of Directors and the Insurance Trustee contained in Sections 7.6 and 7.7 of this Article VI), in an amount equal to one hundred percent (100%) of the then current replacement cost of the Property (exclusive of the land, excavations, foundations and other items normally excluded from such coverage), without deduction for depreciation (such amount to be re-determined annually by the Board of Directors with the assistance of the insurance company affording such coverage).

(b) Such policy shall also provide:

(1) A waiver of any right of the insurer to repair, rebuild or replace any damage or destruction, if a decision is made pursuant to these Bylaws not to do so and, in such event, that the insurer shall pay on the basis of the agreed amount endorsement as though a total loss had occurred;

(2) The following endorsements (or equivalent): "no control;" (ii) "contingent liability from operation of building laws or codes;" (iii) "increased cost of construction" or "condominium replacement cost;" and (iv) "agreed amount" or elimination of co-insurance clause; and

(3) That any "no insurance" clause expressly exclude individual Owners' policies from its operation so that the physical damage policy purchased by the Board of Directors shall be deemed primary coverage and any individual Owners' policies shall be deemed excess coverage, and in no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder provide for or be brought into contribution with insurance purchased by individual Owners or their Mortgagees unless otherwise required by law.

(c) A duplicate original of the policy of physical damage insurance, all renewals thereof, and any sub policies or certificates and endorsements issued thereunder together with proof of payment of premiums shall be delivered by the insurer to any Mortgagee so requesting at least thirty (30) days prior to expiration of the then current policy. Prior to obtaining any policy of physical damage insurance or any renewal thereof, the Board of Directors shall obtain an appraisal from an insurance company or such other sources as the Board of Directors shall obtain an appraisal from an insurance company or such other sources as the Board of Directors may determine, of the current replacement cost of the Property (exclusive of the land, excavations, foundations and other items normally excluded from such coverage), without deduction for depreciation, for the purpose of determining the amount of physical damage insurance to be secured pursuant to this Section 6.2. All Mortgagees shall be notified promptly of any event giving rise to a claim under such policy.

Section 6.3 Liability Insurance. The Board of Directors shall obtain and maintain comprehensive general liability (including libel, slander, false arrest and invasion of privacy coverage and errors and omissions coverage for directors) and property damage insurance in such limits as the Board of Directors may from time to time determine, insuring each member of the Board of Directors may from time to time determine, insuring each member of the Board of Directors, the Managing Agent, and each Owner against any liability to the public or to the Owners (and their invitees, agents and employees) arising out of, or incident to the ownership and/or use of the Common Elements. Such insurance shall be issued on a comprehensive liability basis and shall contain: (i) a cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to his action against another named insured; (ii) hired and non-owned vehicle coverage; (iii) host liquor liability coverage with respect to events sponsored by the Association; (iv) deletion of the normal products exclusion with respect to events sponsored by the Association and (v) a "severability of interest" endorsement which shall preclude the insurer from denying liability to an Owner because of negligent acts of the Association or of another Unit Owner. The Board of Directors shall review such limits once each year, but in no event shall such insurance be less than one Million Dollars (\$1,000,000) covering all claims for bodily injury or property damage arising out of one occurrence. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits shall also be obtained.

Section 6.4. Other Insurance. The Board of Directors shall obtain and maintain:

(a) adequate fidelity coverage to protect against dishonest acts on the part of officers, directors, trustees and employees of the Association and all others who handle, or are responsible for handling, funds of the Association, including the Managing Agent. Such fidelity bonds shall: (1) name the Association as an obligee; (2) be written in an amount not less than the estimated annual operation expenses of the Condominium,

including reserves; and (3) contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression;

(b) if required by any governmental or quasi-governmental agency including without limitation the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, flood insurance in accordance with the then applicable regulations of such agency;

(c) workmen's compensation insurance if and to the extent necessary to meet the requirements of law;

(d) if considered necessary, broad form machinery and pressure vessel explosion insurance; and

(e) such other insurance as the Board of Directors may determine or as may be requested from time to time by a Majority of the Unit Owners.

Section 6.5. Separate Insurance. Each Owner shall have the right, at his own expense, insurance for his own Unit and for his own benefit and to obtain insurance coverage upon his personal property and for his personal liability as well as upon any improvements made by him to his Unit normally called "tenants; improvements and betterments coverage"; provided, however, that no Owner shall be entitled to exercise his right to acquire or maintain such insurance coverage so as to decrease the amount which the Board of Directors, on behalf of all Owners, may realize under any insurance policy maintained by the Board of Directors or to cause any insurance coverage maintained by the Board of Directors to be brought into contribution with insurance coverage obtained by an Owner. All such policies shall contain waivers of subrogation. Unit Owners shall provide proof of liability insurance with Ski Run HOA as co-insurer. No Owners shall obtain separate insurance policies except as provided in this Section 6.5.

Section 6.6. Insurance Trustee.

(a) All physical damage insurance policies purchased by the Board of Directors shall be for the benefit of the Association, the Owners, their Mortgagees and the Declarant, as their interests may appear, and shall provide that, with respect to any single loss, if the proceeds thereof exceed one Hundred Thousand Dollars (\$100,000), then all such proceeds shall be paid in trust to such lending institution with trust powers as may be designated by the Board of Directors (which trustee is herein referred to as the Insurance Trustee). If such proceeds do not exceed One Hundred Thousand Dollars (\$100,000), then all such proceeds shall be paid to the Board of Directors to be applied pursuant to the terms of Article VII.

(b) The Board of Directors shall enter into an Insurance Trust Agreement with the Insurance Trustee which shall provide that the Insurance Trustee shall not be liable for payment of premiums, the renewal of the policies, the correctness of any amounts received on account of the proceeds of any insurance policies nor for the failure to collect

any insurance proceeds. The sole duty of the Insurance Trustee shall be to receive such proceeds as are paid to it and to hold the same in trust for the purposes elsewhere stated in these Bylaws, for the benefit of the insureds and their beneficiaries thereunder.

Section 6.7. Board of Directors as Agents. The Board of Directors is hereby irrevocably appointed the agent for each Owner, each Mortgagee, other named insureds and their beneficiaries and any other holder of a lien or other interest in the Condominium or the Property to adjust and settle all claims arising under insurance policies purchased by the Board of Directors and to execute and deliver releases upon the payment of claims.

ARTICLE VII

Repair and Reconstruction After Fire or other Casualty

Section 7.1. When Repair and Reconstruction are Required. Except as otherwise provided in Section 7.4 of this Article, in the event of damage to or destruction of all or any of the buildings as a result of fire or other casualty, the Board of Directors, under the direction of the Insurance Trustee, shall arrange for and supervise the prompt repair and restoration of the Buildings and Common Elements (including any damaged Units, and the floor coverings, kitchen or bathroom fixtures and appliances initially installed thereby by the Declarant or Association, and replacement thereof installed by the Declarant or Association, but not including any furniture, furnishings, fixtures, equipment or other personal property supplied or installed by the Owners in the Units). Notwithstanding the foregoing, each Owner shall have the right to supervise the redecorating of his own Unit.

Section 7.2. Procedure for Reconstruction and Repair.

(a) Cost Estimates. Immediately after a fire or other causality causing damage to any building, the Board of Directors shall obtain reliable and detailed estimates of the cost of repairing and restoring the Property and Common Furnishings (including any damaged Units, the floor coverings, kitchen or bathroom fixtures and appliances initially installed by Declarant, and the replacements thereof, but not including any other furniture, furnishings, fixtures or equipment installed by the Unit Owner in the Unit) to a condition as good as that existing before such casualty. Such costs may also include professional fees and premiums for such bonds as the Board of Directors determines to be necessary.

(b) Assessments. If the proceeds of insurance are not sufficient to defray such estimated costs of reconstruction and repair or if upon completion of reconstruction and repair and funds for the payment of the costs thereof are insufficient, the amount necessary to complete such reconstruction and repair may be obtained from the appropriate reserve for replacement funds and/or shall be deemed a Common Expense and a special assessment therefor shall be levied.

(c.) Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the original construction of the Property.

Section 7.3. Disbursements of Construction Funds.

(a) Construction Funds and Disbursement. The proceeds of insurance collected on account of casualty, and the sums received by the Board of Directors from collections of assessments against Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner:

(1) If the estimated cost of reconstruction and repair is less than ***One Hundred, Fifty Thousand Dollars (\$150,000)***, then the construction fund shall be disbursed in payment of such costs upon order of the Board of Directors.

(2) If the estimated costs of reconstruction and repair is ***One Hundred, Fifty Thousand Dollars (\$150,000)*** or more, then the construction fund shall be disbursed in payment of such costs upon approval of an architect qualified to practice in New Mexico and employed by the Insurance Trustee to supervise such work, payment to be made from time to time as the work progresses. The architect shall be required to furnish a certificate giving a brief description of the services and materials furnished by various contractors, subcontracts, material men, the architect and other persons who have rendered services or furnished materials in connection with the work and stating that: (i) the sums requested by them in payment are justly due and owing and that such sums do not exceed the value of their services and materials furnished (ii) there is no other outstanding indebtedness known to such architect for the services and materials described; and (iii) the cost as estimated by such architect for the work remaining to be done subsequent to the date of such certificate does not exceed the amount of the construction fund remaining after payment of the sum so requested.

(b) Surplus. It shall be presumed that the first monies disbursed in payment of the cost of reconstruction and repair shall be from insurance proceeds and, if there is a balance in the construction fund after the payment of all the costs of the reconstruction and repair for which the fund is established, such balance shall be divided among all Unit Owners in proportion to their Percentage Interests and shall be distributed in accordance with the priority of interests at law or in equity in each Unit.

(c) Common Elements. When the damage is to both Common Elements and Units, the insurance proceeds shall be applied first to the cost of repairing those portions of the Common Elements which enclose and service the Units, then to

the cost of repairing the other Common Elements and thereafter to the cost of repairing the Units.

(d) Certificates. The Insurance Trustee shall be entitled to rely upon certificate executed by the President or Vice President, and the Secretary, certifying:

(1) Whether the damaged Property is required to be reconstructed and repaired;

(2) The name of the payee and the amount to be paid with respect to disbursement from any construction fund or whether surplus to disbursement from any construction fund or whether surplus funds to be distributed are less than the assessments paid by the Unit Owners; and

(3) All other matters concerning the holding and disbursing of any construction fund. Any such certificate shall be delivered to the Insurance Trustee promptly after request.

Section 7.4. When Reconstruction Is Not Required. In the event of insubstantial damage to the Common Elements and if the Board of Directors shall elect not to repair the same then in such event any insurance proceeds received on account of such damage shall be distributed among all Owners in proportion to their respective Percentage Interest. If the Condominium shall be terminated pursuant to Section 47-7B-18 of the Condominium Act, the net assets of the Condominium together with the net proceeds of insurance policies, if any, shall be divided by the Board of Directors or the Insurance Trustee, as the case may be, among all Owners in proportion to their respective interests, after first paying out of the share of each Owner, to the extent sufficient therefor, the amount of any unpaid liens on his Unit in the order of priority of such liens.

ARTICLE VII

Mortgages and Rights of Mortgagees

Section 8.1. Notice to Board of Directors. A Unit Owner who mortgages his Unit shall notify the Board of Directors of the name and address of his Mortgagee and shall file a copy of the Note and Mortgage with the Board of Directors.

Section 8.2. Notice of Default, Casualty or Condemnation. The Board of Directors when giving notice to any Owner of a default in paying an assessment for Common Expenses or any other default shall simultaneously send a copy of such notice to the Mortgagee of such Unit. Each Mortgagee shall also be promptly notified of any casualty giving rise to a possible claim under any insurance purchased under Article VI, of all actions taken under Article VII and of any taking in condemnation or by eminent domain and actions of the Association with respect thereto. For purposes of this Section only, when notice is to be given to the Mortgagee, the Board of Directors shall also give such notice to such public or private secondary mortgage market entity participating in purchasing or guaranteeing

Mortgages of Units in the Condominium of which the Board of Directors has notice, including if applicable, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Veterans Administration, the Federal Home Administration, the Government National Mortgage Association and any other public or private secondary mortgage market participating in purchasing or guaranteeing mortgages of Unit estates of which the Board of Directors has notice of such participation.

Section 8.3. Notice and Approval of Amendment of Declaration and Bylaws. The Board of Directors shall give notice to all Mortgagees thirty (30) days before the date on which the Unit Owners, in accordance with the provisions of these Bylaws, materially amend the Condominium Instruments. The consent of the Unit Owners to which at least sixty-seven percent (67%) of the votes in the Owners' Association are allocated is required to add or amend any material provisions of the Condominium Instruments in addition the consent of at least fifty-one percent (51%) of the Mortgagees is also required for amendments of a material nature. Any amendment or changes to any provision which establishes, governs, or regulates any of the following are material:

- (a) Voting;
- (b) Changes the Percentage interests of any Unit for purposes of levying assessments and proceeds of the project or otherwise changes the obligations of any Unit for assessment liens or subordination of such liens;
- (c) Reserves for maintenance, repair and replacement of the Common Elements (or Units if applicable);
- (d) Responsibility for maintenance and repairs;
- (e) Reallocation of interest in the general or Limited Common Elements, or rights to their use;
- (f) Boundaries of any unit and/or partition or subdivision of any Unit or the Common Elements;
- (g) Convertibility of Units into Common Elements or of Common Elements into Units;
- (h) Expansion or contraction of the project or the addition, annexation or withdrawal of property to or from the project;
- (I) Insurance or Fidelity Bonds;

- (j) Leasing of Units;
- (k) Imposition of any right of first refusal of similar restriction on the right of a Unit estate Owner to sell, transfers, or otherwise convey his or her Unit estate;
- (l) A decision by the Association to establish "self-management" when professional management had been required previously by any Mortgagee;
- (m) Restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than specified in the Condominium instruments;
- (n) By act or omission withdraw the submission of the Property to the Condominium Act except as provided by the Condominium Instruments of the Condominium Act in case of substantial loss to the Units and Common Elements.
- (o) Partitions or subdivides any Unit or Common Elements of the project; or
- (p) Any provisions which are for the express benefit of mortgage holders, eligible mortgage holders or eligible insurers or guarantors of first mortgages on unit estates.

Notwithstanding the foregoing, the approval of all the mortgagees is required to add or amend any material provisions of the Condominium Instruments of the project which establish, govern or regulate the matters set forth in this Section 8.3 (b), (f), (l), (n) and (o).

An addition or amendment to such documents shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. The constituent documents may provide that an eligible mortgage holder who receives a written request to approve additions or amendments who does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request.

Section 8.4. Other rights of Mortgagees. All Mortgagees or their representatives shall be entitled to attend and speak at meetings of the Association. All such Mortgagees shall have the right to examine the books and records of the Condominium, and to require the submission of annual financial reports and other budgetary information.

ARTICLE IX

Compliance and Default

Section 9.1. Relief. Each Owner shall be governed by, and shall comply with, all of the terms of the Condominium Instruments and the Condominium Act as any of these instruments may be amended from time to time. In addition to the remedies provided in Section 47-7C-16 of the Condominium Act, a default by an Owner shall entitle the Association, acting through its Board of Directors or through the Managing Agent, to the following relief:

(a) Additional Liability. Each Owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or the act, neglect or carelessness of any member of his family or his employees, agents or licensees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Board of Directors. Such liability shall include any increase in casualty insurance rates occasioned by use, misuse, occupancy or abandonment of any Unit or its appurtenances.

(b) Costs and Attorneys' Fees. In any proceeding arising out of any all fault by an Owner, the prevailing party shall be entitled to recover the costs of such proceeding and such reasonable attorneys' fees as may be determined by the court.

(c) No Waiver of Rights. The failure of the Association, the Board of Directors or of an Owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Instruments or the Condominium Act shall not constitute a waiver of the right of the Association, the Board of Directors or the Owner to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Association, the Board of Directors or any Owner pursuant to any term, provision, covenant or condition of the Condominium Instruments or the Condominium Act shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such party by the Condominium Instruments or the Condominium Act or at law or in equity.

(d) Interest. In the event of a default by any Owner in paying any sum assessed against his Unit which continues for a period in excess of thirty (30) days, the principal amount unpaid shall bear interest at the rate of eighteen percent (18%) per annum from the due date until paid.

(e) Abating and Enjoining Violations by Owners. The violation of any of the Regulations adopted by the Board of Directors, the breach of any Bylaw contained herein or the breach of any provision of the Declaration or the Condominium Act shall give the Board of Directors the right, in addition to any other rights set forth in these Bylaws: (1) to enter the Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the guilty in any

manner of trespass; or (2) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity the continuance of any such breach.

(f) Legal Proceedings. Failure to comply with any of the terms of the Declaration, these Bylaws and the Rules and Regulations shall be grounds for relief, including without limitation, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, any other relief provided for in these Bylaws or any combination thereof and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Unit Owners' Association, the Board of Directors, the Managing Agent or, if appropriate, by any aggrieved Owner and shall not constitute an election of remedies.

(g) Action by the Board. In the event of a default by any Owner in payment of the semi-annual installment of the annual assessment authorized in Article V which default continues for ninety (90) days the Board shall notify the Owner of the default and interest due and issue its demand for payment *by certified mail*. If said default continues for an additional ninety (90) days the Board shall *notify owners of all other units in the association by regular mail* and institute legal proceedings to collect such assessment due together with interest and attorneys' fees authorized in this Article IX and foreclose the assessment lien against the defaulting Owner's Unit.

Section 9.2. Lien for Assessments.

(a) The total annual assessment of each Owner for Common Expenses or any special assessment made pursuant to these Bylaws is hereby declared to be a lien levied against the Condominium Unit of such Owner as provided in Section 47-7c-16 of the Condominium Act, which assessment shall be due and which lien shall be effective as of the first day of each fiscal year of the Condominium, and as to special assessments, on the first day of the next month which begins more than fifteen (15) days after delivery to the Unit Owner of notice of such special assessment. The Board of Directors or the Managing Agent may file or record such other or further notice of any such lien, or such other or further document, to conform the establishment and priority of such lien.

(b) In any case where an assessment against an Owner is payable in installments, upon a default by such Unit Owner in the timely payment of any two (2) consecutive installments, the maturity of the remaining total of the unpaid installments of such assessments may be accelerated, at the option of the Board of Directors, and the entire balance of the annual assessment may be declared due and payable in full by the service of notice to such effect upon the defaulting Owner and his Mortgagee by the Board of Directors or the Managing Agent.

(c) The lien for assessment may be enforced and foreclosed in the manner provided by the laws of the State of New Mexico by action in the name of the Board of

Directors, or the Managing Agent, acting on behalf of the Association. During the pendency of such unit the Owner shall be required to pay a reasonable rental for the Unit for any period prior to sale pursuant to any judgment or order of any court having jurisdiction over such sale. The plaintiff in such proceeding shall have the right to the appointment of a receiver, if an available under the laws of the State of New Mexico.

(d) A suit to recover a money judgment for unpaid contributions may be maintained without foreclosing or waiving the lien securing the same, and a foreclosure may be maintained notwithstanding the pendency of any suit to recover a money judgment.

Section 9.3. Supplemental Enforcement of the Lien. In addition to the proceedings at law or in equity for the enforcement of the lien established by the Declaration, these Bylaws or the Condominium Act, all of the Unit Owners may be required by the Board of Directors to execute bonds conditioned upon the faithful performance and payment of the installments of the lien established thereby.

Section 9.4. Subordination and Mortgagee Protection. Notwithstanding any other provision to the contrary, the lien of any assessment levied pursuant to these Bylaws upon an Unit (and any penalties, interest on assessments, late charges or the like) shall be subordinate to, and shall in no way affect the rights of the holder of a prior first mortgage made in good faith for value received; provided, however, that such Mortgagee secures a loan made by an institutional lender; and provided, further, that such subordination shall apply only to assessments which have become due and payable prior to a sale or transfer of such Unit pursuant to a decree of foreclosure, or any proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the purchaser of the Unit at such sale from liability from any assessment thereafter becoming due, nor from the lien of any such subsequent assessment, which lien shall have the same effect and be enforced in the same manner as provided herein.

ARTICLE X

Amendment to Bylaws

Section 10.1. Amendments. These Bylaws may not be modified or amended except by vote of agreement of Owners to which more than sixty-seven percent (67%) of the votes in the Association are allocated present at the meeting in person or by proxy or by other electronic means.

Section 10.2. Approval of Mortgagees. These Bylaws contain provisions concerning various rights, priorities, remedies and interests of Mortgagees. Such provisions in these Bylaws are to be construed as covenants for the protection of such Mortgagees on which they may rely in making loans secured by Mortgagees. Accordingly and subject to

Section 8.5 hereof, no amendment or modification of these Bylaws impairing or affecting such rights, priorities, remedies or interests of a Mortgagee shall be adopted without the prior written consent of such Mortgagees.

ARTICLE XI

Miscellaneous

Section 11.1. Notices. All notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by registered or certified mail, return receipt requested, postage prepaid (or otherwise as the Condominium Act may permit), (a) if to a Unit Owner, at the address which the Unit Owner shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Unit of such Unit Owner, or (b) if to the Unit Owners' Association, the Board of Directors or to the Managing Agent or at such other address as shall be designated by notice in writing to the Unit Owners pursuant to this Section. If a Unit is owned by more than one person, each such person who so designated an address in writing to the Secretary shall be entitled to receive all notices hereunder.

Section 11.2. Captions. The captions hereof are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provision thereof.

Section 11.3. Gender. The use of the masculine gender in these Bylaws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

IN WITNESS WHEREOF, the President and Secretary have caused these Bylaws to be executed and attested on behalf of the Unit Owners' Association.

SKI RUN CONDOMINIUM ASSOCIATION, INC.

BY: Edward Alanis

Edward Alanis, President,
Ski Run Association

Dated: 10-13-2014

ATTEST N. BEANT WOOTEN

Dated: 10-13-2014

ACKNOWLEDGEMENT

State of New Mexico)
) ss
County of Colfax)

The foregoing instrument was acknowledged before me on this 13 day of Oct 2014, by the Board of Directors of Ski Run Condominium Association.



(Seal)

OFFICIAL SEAL
PAMELA PRINDLE
NOTARY PUBLIC-State of New Mexico
My Commission Expires 3-20-2018

Pamela Prindle
Notary Public