

BYLAWS
OF
SUNRIDGE AT AVON II CONDOMINIUM ASSOCIATION
Amended September 23, 1989

ARTICLE I
Voting Rights

Section 1. Members' Voting Rights. Sunridge at Avon II Condominium Association (herein the "Association") shall have one class of voting membership. All Condominium Owners shall be Members entitled to one vote for each Condominium Unit in which they hold the interests required for membership. When more than one person holds such interest, the vote for such Condominium Unit shall be exercised by one of them designated by written instrument to be the sole voting Member, but in no event shall more than one vote be cast with respect to any such Condominium Unit. In the absence of such designation, the Board may designate such a sole voting Member.

Section 2. Right to Vote. The right to vote upon Association matters shall be vested in the Board of Directors and the Members as set forth in the Articles of Incorporation. Member's voting rights are suspended for any period during which any assessment against the Member's Unit remains unpaid. The Board may suspend a Member's voting rights for a period not to exceed thirty (30) days for any infraction of the Rules.

Section 3. Proxies. Members may vote by proxy provided that all proxies shall be filed in writing with the Secretary of the Association at least 48 hours prior to the time of any meeting. The proxy must state the occasion and purpose for which the proxy is being issued. No proxy shall be valid after the date of the stated occasion.

Section 4. Quorum. A quorum shall consist of twenty-five (25) (Members entitled to vote) in good standing. Good standing means that all amounts due and owing the Association have been paid, plus such other definitions otherwise found within the Bylaws.

Section 5. Adoption of Resolutions. A vote of not less than the majority of the Members present at a meeting, in person or by proxy, shall constitute adoption of a resolution presented at a membership meeting. Any such resolution shall be binding on all Members and Unit Owners.

ARTICLE II
Membership Meetings

Section 1. Annual Meetings. The annual meetings of the Association shall be held at such date, time and place as directed by the Board of Directors.

Section 2. Special Meetings. Special meetings of Members of the Association may be called by the President, or by resolution of the Board of Directors, or upon a petition signed by not less than 25% of the Members entitled to vote, the same having been presented to the Secretary. A notice of any special meeting shall state the time and place of the meeting and the purpose thereof. No business shall be transacted at any special meeting except as stated in such notice, unless by agreement of more than 50% of the Members present entitled to vote, either in person or by proxy. Special meetings shall be held at such time and place as may be designated by the Board of Directors.

Section 3. Notice of Meeting. Notice of the annual or any special meeting of Members of the Association shall be mailed to Members at least fifteen (15) days prior to the date fixed for such meeting. All such notices shall be considered to be delivered when mailed by the Association, postage prepaid, addressed to the Member at the Member's last known address as shown on the records of the Association. Notice of all meetings shall be sent in a similar manner to all beneficiaries of first deeds of trust of Condominium Units upon written request therefor.

Section 4. Adjourned Meetings. If any meeting of the Members cannot proceed because a quorum is not present, either in person or by proxy at said meeting, the President may adjourn the meeting to a later date which shall not be more than thirty (30) days from the time of the original meeting.

Section 5. Order of Business. The order of business at the annual meeting of the Members shall be as follows:

- A. Roll call of members present;
- B. Inspection and verification of proxies;
- C. Reading of minutes of the preceding annual meeting and any other special meetings since such time;
- D. Report of officers;
- E. President's report;
- F. Committee reports;
- G. Appointment of inspectors to examine the ballots when cast;
- H. Election of members to the Board of Directors;
- I. Unfinished business;

J. New business.

ARTICLE III
Board of Directors

Section 1. Number and Qualifications. The affairs and business of the Association shall be conducted by a Board of Directors consisting of seven members who shall be elected from the Owners of Condominium Units at the annual meeting by Members of the Association. Members of the Board shall serve until their successors are duly elected and qualified.

Section 2. Election and Term of Office. At annual meetings of the membership of the Association to be held as herein provided, the terms of office of the Directors shall be staggered, so that the terms of at least one-third of the members of the Board shall expire annually. Each Director shall be elected to serve for three (3) years, and shall hold office until their successor has been elected and holds the first meeting.

Section 3. Vacancies. Vacancies in the membership of the Board of Directors caused by any reason shall be filled by a vote of a majority of the remaining Directors even though they may constitute less than a quorum; and each person so elected shall be a Director until his successor is elected at the next annual meeting of the membership.

Section 4. Removal of Directors. The term of office of any Director shall be deemed vacant when such Director ceases to be a Member of the Association. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members voting in person or by proxy at an annual or special meeting of the members.

Section 5. Compensation. Directors shall not be paid any compensation for their services performed as Directors unless a resolution authorizing such remuneration shall have been adopted by a majority vote of the Members voting. Directors may be reimbursed for actual expenses incurred in connection with their duties as such Directors.

Section 6. Organization Meeting. Within a period of thirty (30) days following the election of two or more Board members, an organization meeting shall be held at a time and place fixed by the Board of Directors during which officers of the Association shall be elected as provided for in Article IV hereof.

Section 7. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time and place as shall be determined from time to time by the President of the Association or by a majority of its Board of Directors. Notice of regular

meetings of the Board of Directors shall be given each Director personally or by mail, telephone or telegraph, at least three (3) days prior to the time named for such meeting.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called by the President or Secretary on 48-hours notice to each Director given personally, by mail, telephone or telegraph, which notice shall state the time and place of the meeting and the purposes thereof.

Section 9. Electronic Participation. One or more members of the Board of Directors may participate in a meeting of the Board by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

Section 10. Action without a Meeting. Any action taken at a meeting of the Members or Directors of a corporation or any action which may be taken at a meeting of the Members or Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Members or of the Directors entitled to vote with respect to the subject matter. This consent shall have the same force and effect as a unanimous vote.

Section 11. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof except when a director attends a meeting for the express purpose of objecting to the transaction of any business in accordance with Colorado Revised Statutes, Section 7-24-106. If all the Directors are present at a meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. Quorum. A majority of the Board of Directors then in office shall constitute a quorum for the transaction of any business of the Association, and the acts of the majority of the Directors present at a meeting at which time a quorum was present shall be the act of the Board of Directors. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting. At any adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.

Section 13. Duties. The Board of Directors shall carry on the duties and manage the affairs of the condominium project known as "Sunridge at Avon II Condominiums," pursuant to and in accordance

with the Declaration of Condominium for Sunridge at Avon II as filed of record with the Clerk and Recorder for the County of Eagle, State of Colorado. The Board may exercise for the Association all powers, duties and authority authorized by Colorado statutes and not specifically reserved to the membership by other provisions of the Bylaws, Articles of Incorporation or the Declaration. The Board shall keep complete records of all its acts and corporate affairs, and shall present a statement thereof to the Members at the annual meeting of the Members or at any special meeting when requested by at least 25% of all voting Members. The Board may designate and remove personnel necessary for the operation, maintenance, repair and replacement of the General Common Elements. The Board also shall supervise all officers, agents and employees of the Association and see that their duties are properly performed.

Section 14. Manager. The Board of Directors may employ the services of a Manager, and may delegate to such Manager any of the duties, powers or authority of the Board.

Section 15. Rules. The Board of Directors may adopt or amend rules and regulations governing the General Common Elements and the Limited Common Elements as set forth in the Declaration at any time, and may impose fines for the violation thereof.

Section 16. Indemnification. The Manager, employees of the Association, and each Director and officer of the Association, shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon them in connection with any proceeding to which they may be a party, or in which they may become involved, by reason of being or having acted as such upon behalf of the Association, provided that this indemnification shall not apply if the said person is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided further that in the event of a settlement, the indemnification herein shall apply only when the Board approves such settlement and reimbursement as being for the best interest of the Association. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such person may be entitled.

ARTICLE IV Officers

Section 1. Designation. The principal officers of the Association shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by and from the Board of Directors. The offices of the Association may be combined, except that the President and Secretary shall not be the same person. Other officers may be elected by the Board of Directors from time to time.

Section 2. Election of Officers. The officers shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board of Directors.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and the successor may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board called for such purpose.

Section 4. Duties. The duties of the officers are as follows:

President

A. The President shall preside at all meetings of the Board of Directors and Members; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds of trust, deeds and other written instruments; and shall co-sign all promissory notes and shall have all of the general powers and duties which are generally vested in the chief executive officer of a corporation.

Vice President

B. The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

Secretary

C. The Secretary shall be responsible for recording the votes and keeping the minutes of all meetings and proceedings of the Board and of the Members; shall keep the corporate seal of the Association and affix it on all papers requiring said seal; shall serve notice of meetings of the Board and of the Members; shall be responsible for keeping appropriate current records, including lists of the Members of the Association together with their addresses, and shall perform such other duties as required by the Board. The duties hereunder may be assigned to an employee or manager.

Treasurer

D. The Treasurer shall be responsible for receiving and depositing in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign promissory notes of the Association; shall keep proper books of account; cause an annual audit of the Association books to be made by a public accountant

at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members. When a bookkeeper or manager has been retained to perform some of the Treasurer's duties, the Treasurer's responsibility shall be to supervise said bookkeeper or manager.

E. All checks shall have two signatures. The Board shall designate the person authorized to sign checks on behalf of the Association.

ARTICLE V

Books and Records - Inspection - Budget

Section 1. Books and Records. The Board of Directors shall cause to be maintained at the principal office of the Association complete books of account of the affairs of the Association.

Section 2. Inspection. Such books of account shall be open to inspection upon the written demand of any Member or beneficiary of a first deed of trust on any Condominium Unit for a purpose reasonably related to his interest as such Owner or beneficiary and shall be exhibited to such Owner or beneficiary at reasonable business hours upon ten (10) days notice made to the Manager or Board of Directors. The Board can require that written request be made in advance, stating the purpose for an examination, allowing for approval or rejection of the request. Such inspection may be made in person, or by agent or his attorney, and the right of inspection includes the right to make copies or perform audits. All of the foregoing shall be at the expense of the inspecting party. Any Member shall be furnished a statement of the Member's account setting forth the amount of unpaid assessments or other charges by such Member, upon payment of a reasonable fee.

Section 3. Budget. The Board of Directors shall hold a meeting before the end of each fiscal year of the Association at which it shall adopt a budget for the next fiscal year. The Board of Directors shall determine the budget by estimating the expenses of the Association in carrying out its duties and rights. The budget so adopted may be used as a basis for the assessments against Owners authorized by the Declaration.

ARTICLE VI

Lease Requirements

Any Owner of a Unit shall have the right to lease his Unit upon such terms and conditions as he may deem advisable, subject to the following. Any lease shall be in writing and shall provide that the lease is subject to the terms of the Declaration, the Articles of Incorporation and Bylaws of the Association. Only an entire

Unit may be leased, not any portions thereof, and no parking space may be leased separately. Any failure of a lessee to comply with the terms of the Declaration, the Articles of Incorporation or Bylaws shall be a material default under the lease enforceable by the Association. The Board has approved a Lease Addendum which all Owners shall be required to use in cases of leases of more than thirty (30) days. Each Owner shall keep on file at the offices of the Association or its Manager: (1) a copy of any current lease between that Owner and his tenant; (2) the approved tenant and Owner information form available in the Association office; and (3) a copy of current summarized rules and regulations signed by the tenant.

Each Owner must provide to the Association the name and address of each and every rental and management agent for Owner's Units, and Association shall have the authority to deal with Owner's Agent on matters of Association's activities concerning Owner's Units.

ARTICLE VII

Seal

The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Association and the State of incorporation and the word "Seal."

ARTICLE VIII

Amendments

Section 1. Bylaws. These Bylaws may be amended by a majority vote of the Board of Directors at any regular meeting or at any special meeting called for such purpose, or by a majority of a quorum of Members. The notice of any special meeting to amend the Bylaws shall specify such purpose, and notice of any meeting wherein a material amendment to the Bylaws is contemplated shall be sent by the Secretary of the Association to all beneficiaries of first deeds of trust on Condominium Units requesting the same in writing. No Bylaw shall be amended nor shall supplemental Bylaws be added hereto which shall be in conflict with the statutes of the State of Colorado, the Declaration of Condominium for Sunridge at Avon II or the Articles of Incorporation of the Association.

Section 2. Articles of Incorporation. The Articles of Incorporation of the Association may be amended by a two-thirds (2/3) vote of the Members present, in person or by proxy, entitled to vote thereon, at any annual or special meeting called for such purpose. The Board shall adopt a resolution setting forth the proposed amendment and directing its submission to such vote. Amendments shall also be submitted to vote upon the request of at least one-twentieth of the Members entitled to vote. Written notice setting forth the proposed amendment or a summary of changes

to be effected thereby shall be given to each Member entitled to vote thereon at least ten (10), but no more than thirty (30), days before such meeting. Such notice shall also be sent to all beneficiaries of first deeds of trust on Condominium Units which request the same in writing.

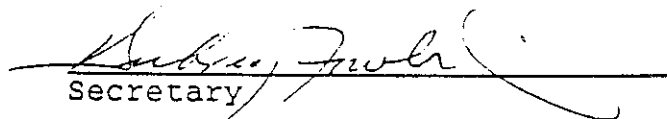
ARTICLE IX
Nonprofit Corporation

The Association has been incorporated under the Colorado Nonprofit Corporation Act, and is and shall be operated as a nonprofit corporation.

ARTICLE X
Compliance and Enforcement

Each Owner shall comply strictly with the provisions of the Declaration, the Articles of Incorporation and Bylaws of the Association, and the Rules and Regulations of the Association adopted pursuant thereto as the same may be lawfully made and modified from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief or both, and for reimbursement of all attorney's fees and court costs incurred in connection therewith, which action shall be maintainable by the Association's Board of Directors or Managing Agent in the name of the Association on behalf of the Owners, or, in a proper case, by an aggrieved Owner.

The foregoing Bylaws were duly adopted at a meeting of the Board of Directors held on September 23, 1989.


Secretary