

BY-LAWS
OF
ROCKRIDGE TOWNHOMES OWNERS' ASSOCIATION, INC.

ARTICLE I

Name, Location and Object

The name of the corporation is ROCKRIDGE TOWNHOMES OWNERS' ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located in Summit County, Colorado, but meetings of members and directors may be held at such places within the State of Colorado as may be designated by the Board of Directors. The purpose for which the Association is formed is to govern the properties situate in the County of Summit, Colorado, described in the Townhouse Declaration ("Declaration") for ROCKRIDGE TOWNHOMES, and all amendments and supplements thereto. All terms defined in said Declaration or in the Association's Articles of Incorporation ("Articles") shall have the same meaning herein unless otherwise defined.

ARTICLE II

Meeting of Members

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 9:00 o'clock A. M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of one-half (1/2) of the members who are entitled to vote.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of,

the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of the members entitled to cast, or of proxies entitled to cast, one-half (1/2) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

ARTICLE III

Board of Directors; Selection; Term of Office

Section 1. Number. The affairs of this Association shall be managed by a board of not less than three (3) nor more than five (5) directors who need not be members of the Association.

Section 2. Term of Office. At the first annual meeting the members shall elect two directors for a term of one year, and the remaining directors for a term of two years; and at each annual meeting thereafter, the members shall elect a director or directors, as the case may be, for a term of two years to replace the outgoing director or directors, as the case may be.

Section 3. Removal. Any director may be removed from the board, with or without cause, by a majority vote of the members of the Association, at a meeting called by the board for that purpose. In the event of death, resignation or removal of a

director, his successor shall be selected by the remaining members of the board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE IV

Nomination and Election of Directors

Section 1. Nomination. Nomination for election of the Board of Directors may be made by any member no more than two (2) weeks prior to any meeting in which a director shall be elected. Nominations may also be made from the floor at the annual meeting. There shall be as many nominations for election to the Board of Directors as shall be needed to fill the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such elections, the members or their proxies may cast, with respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE V

Meetings of Directors

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the

Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days' notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the board.

ARTICLE VI

Powers and Duties of the Board of Directors

Section 1. Powers. The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the common elements and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall

be absent from three consecutive regular meetings of the Board of Directors; and

- (e) to authorize the officers to enter into one or more management agreements with third parties in order to facilitate efficient operation of the properties. It shall be the primary purpose of such management agreements to provide for the administration, management, repair and maintenance of the properties, all improvements included therein and designated as common elements, the roof and exterior walls, and the receipt and disbursement of funds as may be authorized by the Board of Directors. The terms of said management agreements shall be as determined by the Board of Directors to be in the best interests of the Corporation, and shall be subject in all respects to the Articles of Incorporation, these By-Laws and the Declaration.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-half (1/2) of all members who are entitled to vote;
- (b) as more fully provided in the Declaration, to:
 - (1) fix the amount of the annual assessment against each unit at least thirty (30) days in advance of each annual assessment period;
 - (2) send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
 - (3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law

against the owner personally obligated to pay the same;

- (c) issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (d) procure and maintain adequate liability insurance and to procure adequate hazard insurance on property owned by the Association and to procure insurance on all townhouse units with the Association, as Trustee for all members, being shown as one of the payees of the proceeds of the insurance, all as the directors deem advisable, cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (e) cause the common elements to be maintained;
- (f) cause the exterior of the dwellings to be maintained.

ARTICLE VII

Indemnification

The Association shall indemnify and hold harmless each person who shall serve at any time hereafter as a director or officer of the Association from and against any and all claims and liabilities to which such person shall become subject by reason of his having heretofore or hereafter been a director or officer of the Association, or by reason of any action alleged to have been heretofore or hereafter taken or omitted by him as such director or officer, and shall reimburse each such person for all legal and other expenses reasonably incurred by him in connection with any such claim or liability; provided, however, that no such person shall be indemnified against, or be reimbursed for, any expense incurred in connection with any claim or liability arising out of his own negligence or willful misconduct.

The rights accruing to any person under the foregoing provisions of this Article shall not exclude any other right to which he may be lawfully entitled, nor shall anything herein contained restrict the right of the Association to indemnify or reimburse such person in any proper case even though not specifically herein provided for. The Association, its directors, officers, employees and agents shall be fully protected in taking any action or making any payment under this Article VII, or in refusing so to do, in reliance upon the advice of counsel.

ARTICLE VIII

Officers and Their Duties

Section 1. Enumeration of Offices. The officers of this Association shall be a President, Vice President, Secretary, and Treasurer, who shall at all times be members of the Board of Directors, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Directors may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the board. Any officer may resign at any time by giving written notice to the board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein,

the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Vice-President and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

- (a) President. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.
- (b) Vice-President. The Vice-President shall preside at all meetings of the Board of Directors in the absence of the President, and shall aid the President in seeing that all orders and resolutions of the board are carried out.
- (c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the board and of the members; keep appropriate current records showing the members of the Association together with addresses, and shall perform such other duties as required by the board.
- (d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association

and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; 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 of the members.

ARTICLE IX

Books and Records

The books, records and papers of the Association shall at all times during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association as well as the management agreements shall be available for inspection by any member at the principal office of the Association where copies may be purchased at reasonable cost.

ARTICLE X

Assessments

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and specific assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of twenty percent (20%) per annum, and the Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape

liability for the assessments provided for herein by non-use of the common elements or abandonment of his unit.

ARTICLE XI

Corporate Seal

The Association shall have a seal in circular form having within its circumference, the words "ROCKRIDGE TOWNHOMES OWNERS' ASSOCIATION".

ARTICLE XII

Amendments

Section 1. These By-Laws may be amended at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIII

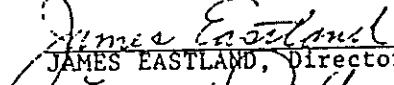
Miscellaneous

The fiscal year of the Association shall be as determined by the Board of Directors.


IN WITNESS WHEREOF, we, being all of the directors of ROCKRIDGE TOWNHOMES OWNERS' ASSOCIATION, INC., have hereunto set our hands this 5th day of February, 1982.



BRUCE BIVERT, Director



JAMES EASTLAND, Director



EDWIN C. PERLMUTTER, Director