

BYLAWS

OF

PARK AVENUE TOWNHOMES CONDOMINIUM ASSOCIATION

The name of the corporation is PARK AVENUE TOWNHOMES CONDOMINIUM ASSOCIATION and is hereinafter referred to as the Association.

SECTION 1

OBJECT

1.1 The purpose for which this Association is formed is to govern the condominium property situate in the County of Pitkin, State of Colorado, which property is described as:

Lot 4, Sunny Park Subdivision, excepting therefrom that portion described in Deed recorded in Book 246 at Page 879 of the Pitkin County records, City of Aspen, County of Pitkin, State of Colorado,

also known as 170 Park Avenue, Aspen, Colorado 81611;

and which property has been submitted to the provisions of the Condominium Ownership Act for the State of Colorado by a Declaration entitled "Condominium Declaration for Park Avenue Townhomes, a Condominium," which declaration is hereinafter referred to as the Declaration.

1.2 All present or future owners, tenants, future tenants or any other person having the facilities of the project in any manner are subject to the regulations set forth in these Bylaws. The mere acquisition or rental; of any of the condominium units (hereinafter referred to as units) of the project or the mere act of occupancy of any of the units will signify that these Bylaws are accepted, ratified and will be complied with.

SECTION 2

Membership, Voting, Majority of Owners, Quorum, Proxies

2.1 Members. Membership in the Association shall consist of the following:

a. Any person acquiring an interest in the real property other than a mortgagee, beneficiary under trust deeds or as a lien claimant shall automatically become a member of this Association. On the sale or transfer of a unit by an owner, his membership shall terminate.

b. The Declarant under the Declaration or its successors or assigns, for so long as it is an owner of any

condominium unit in the project.

2.2 Voting. The voting shall be as provided for in paragraph 17 of the Declaration, in the Articles of Incorporation of the Association, and in these Bylaws.

2.3 Majority of Unit Owners. As used in these Bylaws, the term "majority of unit owners" shall mean more than fifty percent (50%) of the voting rights interest of the owners of the units, as set forth in Exhibit "1".

2.4 Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of three-fourths (3/4) of the voting interests of the membership of the Association shall constitute a quorum. An affirmative vote of a majority of the votes entitled to be cast at a meeting, determined by the presence of the voters or by proxy, shall be required to transact business.

2.5 Proxies. Votes may be cast in person or by proxy. Proxies shall be in writing and the signatures must be witnessed or acknowledged. Proxies must be filed with the secretary before the appointed time of each meeting.

SECTION 3

Administration, Meetings of Members

3.1 Association Responsibilities. The owners of the units will constitute the Association, which will have the responsibility of administering the project through its Board of Directors.

3.2 Place of Meetings. Meetings of the Association shall be held at such place as the Board of Directors may determine.

3.3 Annual Meetings. The annual meeting of the Association shall be held on the 1st day of June of each year. At such meetings there shall be elected by ballot of the owners a Board of Directors in accordance with the requirements of Section 4.5 of these Bylaws. The owners may also transact such other business of the Association as may properly come before them.

3.4 Special Meetings. The president shall call a special meeting of the owners when so directed by resolution of the Board of Directors or on presentation to the secretary of a petition signed by a majority of the owners. No Business shall be transacted at a special meeting except as stated in the notice unless by unanimous consent of the unit owners either in person or by proxy.

3.5 Notices. Notices of annual and special meetings shall be given by the president or secretary of the

Association by regular mail addressed to the registered addresses of the owners of the units at least fifteen (15) days prior to the date set for such meeting. Any such notice shall state the date, time and place of the meeting and, if the meeting is a special meeting, the purposes thereof. Waiver of notice, either in person or by proxy and signed either before, at or after any meeting, shall be a valid substitute for service. The certificate of the president or secretary that notice was duly given shall be prima facie evidence thereof.

3.6 Adjourned Meeting. If any meeting of owners cannot be organized because a quorum has not attended, the owners who are present either in person or by proxy may adjourn the meeting to a time not less than thirty (30) days from the time the original meeting was called.

3.7 Order of Business. The order of business at all meetings of the owners of units shall be as follows:

- a. Roll call.
- b. Proof of notice of meeting or waiver of notice.
- c. Reading of minutes of preceding meeting.
- d. Reports of officers.
- e. Reports of committees.
- f. Election of directors.
- g. Unfinished business.
- h. New business.

SECTION 4
Board of Directors
(Powers and Meetings)

4.1 Number and Qualification. The affairs of this Association shall be governed by a Board of Directors composed of three (3) persons. As provided in the Articles of Incorporation of the Association, the Board of Directors may consist of from three (3) to four (4) members, the specific number to be set forth from time to time in these Bylaws.

4.2 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a first-class project.

4.3 Other Powers and Duties. The Board of Directors shall be empowered and shall have the following duties.

- a. To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration.

b. To establish, make and enforce compliance with such reasonable house rules as may be necessary for the operation, use and occupancy of this condominium project with the right to amend same from time to time.

c. To keep or cause to be kept in good order, condition and repair all of the general and limited common elements and all items of common personal property, if any.

d. To insure and keep in force insurance as provided in paragraph 23 of the Declaration.

e. To fix, determine, levy and collect the quarterly prorated assessments to be paid by each of the owners toward the gross expenses of the entire premises and by majority vote of the board to adjust, decrease or increase the amount of the quarterly assessments. To levy and collect special assessments whenever in the opinion of the board it is necessary to do so in order to meet increased operating or maintenance expenses or costs or additional capital expenses or because of emergencies. All quarterly or other assessments shall be mailed to the registered mailing address of the owner not later than on the first day of each quarter.

f. To set aside from time to time those sums it deems expedient as a reserve fund to meet contingencies for maintaining any property of the Association and for any other Association purposes.

g. To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an owner as is provided in the Declaration and these Bylaws.

h. To protect and defend the entire premises from loss and damage by suit or otherwise.

i. To borrow funds only when so authorized by one hundred percent (100%) written consent and authority of the unit owners and, when so authorized to execute all such instruments evidencing such indebtedness as is expressly authorized. Any such authorized indebtedness shall be the several obligation of all of the unit owners only in the same proportion as their interest in the general common elements. Additional liens, other than judgment liens, mechanic's liens, assessments liens or tax liens, may be obtained against existing general or limited common elements only when so authorized by one hundred percent (100%) written consent and authority of the unit owners or when so authorized by unanimous consent of the Board of Directors and one hundred percent (100%) of the first mortgagees of record.

j. To enter into contracts within the scope of their duties and powers.

k. To establish a bank account for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Directors.

l. To keep and maintain full and accurate books and records showing all of the receipts, expenses of disbursements and to permit examination thereof at any reasonable time by each of the owners and their mortgagees.

m. To prepare and deliver annually to each owner a statement showing in a least summary form all receipts, expenses or disbursements since the last such statement.

n. To meet at least semiannually.

o. To designate and remove the personnel necessary for the maintenance and operation of the general and limited common elements.

p. To adopt rules and regulations governing the operation and use of the common elements and rules and regulations specifying the restrictions on and requirements respecting the use and maintenance of the units and the use of the general and limited common elements so as to prevent unreasonable interference with the use of their respective units and the common elements by the several units owners. Copies of all rules and regulations adopted shall be furnished to unit owners at or prior to the time the rules and regulations become effective.

q. In general, to carry on the administration of this Association and to do all of those things necessary and reasonable in order to carry out the communal aspect of condominium ownership.

4.4 Management Agent. The Board of Directors may employ, for the Association a management agent at a compensation established by the board to perform such duties and services as the board shall authorize including and not limited to the duties listed in Section 4.3 hereof; however, the Board of Directors, when so delegating, shall not be relieved of its responsibility under the Declaration. Any management agreement shall be subject to the terms of the Declaration.

4.5 Election and Term of Office. At the organizational meeting of the Association, the initial directors of the corporation shall be elected for a term which will expire on the first annual meeting of the Association. At each annual meeting, a Board of Directors shall be elected by and from the unit owners for a term of one (1) year; and they shall serve until their successors have been elected and hold their first meeting.

4.6 Vacancies. Vacancies in the Board of Directors by any reason other than the removal of a director by a vote of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum; and each person so elected shall be a director until a successor is elected in the next annual meeting of the Association.

4.7 Removal of Directors. At any regular meeting or at any special meeting called for that purpose, any one (1) or more of the directors may be removed with or without cause by a majority of the unit owners; and a successor then and there may be elected to fill the vacancy thus created. Any director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting.

4.8 Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the directors at the meeting at which such directors were elected; and no notice shall be necessary to the newly elected directors in order legally to institute such meeting, providing a majority of the whole board shall be present.

4.9 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, and at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director personally or by mail, telephone or telegraph at least three (3) days prior to the day named for such meeting.

4.10 Special Meetings. Special meetings of the Board of Directors may be called by the president on three (3) days' notice to each director given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the president or secretary in like manner and on like notice on the written request of at least two (2) directors.

4.11 Waiver of Notice. Before, at or after any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting; and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the board shall be a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the board, no notice shall be required; and any business may be transacted at such meeting.

4.12 Quorum. At all meetings of the Board of Directors, a majority thereof shall constitute a quorum for the

transaction of business; and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

4.13 Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for the Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

SECTION 5 Officers

5.1 Designation. The officers of the Association shall be a president, a vice president, a secretary and a treasurer, all of whom shall be elected by and from the Board of Directors.

5.2 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 and shall hold office at the pleasure of the board. One (1) person may hold concurrently any two (2) offices except president and secretary. The office of vice president need not be filled.

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

5.4 President. The president shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of president of a corporation including and not limited to the power to appoint committees from among the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

5.5 Vice President. The vice president shall have all the powers and authority and perform all of the functions and duties of the president, in the absence of the president and his inability for any reason to exercise such powers and functions or perform such duties.

5.6 Secretary. The secretary shall keep the minutes of meetings of the Board of Directors and minutes of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of secretary. The secretary shall compile and keep up to date at the principal office of the Association a complete list of members and their registered mailing addresses. Such list shall also show opposite each member's name the number or other appropriate designation of the unit owned by such member. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

5.7 Treasurer. The treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors.

Section 6 Indemnification of Officers and Directors

The Association shall indemnify every director or officer, his heirs, executors and administrators against all loss, costs and expense, including attorneys' fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a director or officer of the Association, except as to matters to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such director or officer may be entitled. All liability, loss, damage, costs and expense incurred or suffered by the Association by reason of or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses provided, however, that nothing contained in this Section 6 shall be deemed to obligate the Association to indemnify any member or owner of a condominium unit who is or has been a director or officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of

the Declaration as a member or owner of a condominium unit covered thereby.

SECTION 7
Obligation of the Owners

7.1 Assessments. Except as otherwise provided in the Declaration, all owners shall be obligated to pay the quarterly assessments imposed by the Association to meet the common expenses; and payment thereof shall be made not later than on the tenth day following the mailing of the quarterly statement to the registered mailing address of the owner. The assessments shall be made on a prorata basis according to percentage interest in and to the general common elements and shall be due quarterly in advance. A member shall be deemed to be in good standing and entitled to vote at any annual or at a special meeting of members within the meaning of these Bylaws, if and only if he shall have fully paid all assessments made or levied against him and the condominium unit owned by him.

7.2 Maintenance and Repair.

a. Except as provided in the Declaration, every owner must perform promptly at his own expense all maintenance and repair work within his own unit and limited common elements which, if omitted, would adversely affect the project in its entirety or in part or undermine the quality and status of the Condominium as first-class.

b. All the repairs of internal installations of the unit, such as water, light, gas, power, sewage, telephones, sanitary installations, doors, windows, electrical fixtures and all other accessories, equipment and fixtures, including any air conditioning equipment belonging to the unit and including appurtenant limited common elements, shall be at the owner's expense.

c. An owner shall hold the Association harmless, and shall be obligated to reimburse the Association or another unit owner promptly on receipt of a statement for any expenditures incurred by the Association or other unit owner or both in repairing, replacing, restoring any general common elements or the interior or any part of an apartment unit damaged as a result of negligent or other tortious conduct of such owner, a member of his family, his agent, employee, invitee, licensee or tenant.

7.3 Mechanic's Lien. Each owner agrees to indemnify and hold each of the other owners harmless from any and all claims of mechanic's lien filed against other units and the appurtenant general common elements for labor, materials, services or other products incorporated in the owner's unit. In the event suit for foreclosure of mechanic's lien is

commenced, within ninety (90) days thereafter, such owner shall be required to deposit with the Association cash or negotiable securities equal to the amount of such claim plus interest for one (1) year together with the sum of two hundred dollars (\$200.00). Such sum or securities shall be held by the Association pending final judgment or settlement. Any deficiency shall be paid forthwith by the subject owner, and his failure to so pay shall entitle the Association to make such payment; and the amount thereof shall be a debt of the owner and a lien against his condominium unit which may be foreclosed as is provided for in the Declaration.

7.4 General.

a. Each owner shall comply strictly with the provisions of the Declaration.

b. Each owner shall always endeavor to observe and promote the cooperative purposes for which Park Avenue Townhomes condominium project was established.

7.5 Use of Units - Internal Changes.

a. Units shall be utilized for only those purposes permitted in the Declaration.

b. An owner shall not make interior modifications or alterations to his unit or installations located therein without previously notifying the Association in writing through the managing agent or, if no managing agent is employed, through the president of the Board of Directors. The Association shall have the obligation to answer within ten (10) days after receipt of the notice, and failure to do so shall mean there is no objection to the proposed modification or alteration.

7.6 Use of General Common Elements. Each owner may use the general common elements in accordance with the purposes for which they are intended so long as this use does not hinder or encroach on the lawful rights of the other owners.

7.7 Right of Entry.

a. An owner shall grant the right of entry to the managing agent or to any other person authorized by the Board of Directors in case of any emergency originating in or threatening his unit, whether the owner is present at the time or not.

b. An owner shall permit the other owners or their representatives, when so required, to enter his unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, provided such requests for entry are made in advance and such entry is

at a time convenient to the owner. In the case of an emergency, such right of entry shall be immediate.

7.8 Rules and Regulations. Owners shall comply with all rules, regulations and restrictive covenants as set forth in the Declaration.

7.9 Power of Attorney. Each owner shall, on becoming an owner of a condominium unit, execute a power of attorney in favor of the Association, irrevocably appointing the Association his attorney in fact to maintain, repair and improve the building and general and limited common elements and to deal with the owner's condominium unit, or its destruction or obsolescence, as is provided in the Declaration. The purpose of such execution shall be more fully to evidence such appointment, and failure to execute such power of attorney shall in no way derogate from the appointment provided in the Declaration.

SECTION 8 Amendments

These Bylaws may be amended by the Association members at a duly constituted meeting for such purpose, and no amendment shall take effect unless approved by three-fourths (3/4) of the voting rights of the owners. The notice of such meeting shall contain a summary of the proposed changes or a copy of such proposed changes provided, however, as long as the Declarant is in control of the selection of the Board of Directors of the Association as provided for in the Declaration, the Declarant may amend these Bylaws so long as a copy of any change is mailed to the registered address of each owner.

SECTION 9 Mortgages

9.1 Notice to Association. An owner who mortgages his unit shall notify the Association through the managing agent, if any, or the president of the Association, giving the name and address of his mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Units."

9.2 Notice of Unpaid Assessments. The Association shall at the written request of the first mortgagee of a unit report any unpaid assessments due from the owner of such unit.

SECTION 10 Evidence of Ownership, Registration of Mailing Address and Required Proxies

10.1 Proof of Ownership. Any person on becoming an owner of a condominium unit shall furnish to the managing

agent or Board of Directors a photocopy or a certified copy of the recorded instrument vesting that person with an interest or ownership, which instrument shall remain in the files of the Association, A member shall not be deemed to be in good standing or entitled to vote at any annual or at a special meeting of members unless this requirement is first met.

10.2 Registration of Mailing Address. The owners of each condominium unit shall have one (1) and the same registered mailing address to be used by the Association for mailing monthly statements, notices, demands and all other communications; and such registered address shall be the only mailing address of a person or persons, firm, corporation, partnership, association or other legal entity or any combination thereof to be used by the Association. Such registered address of a condominium unit owner or owners shall be furnished by such owners to the secretary within five (5) days after transfer of title, such registration shall be in written form and signed by all of the owners of the condominium unit or by such persons as are authorized by law to represent the interests of all of the owners thereof. If no such address is registered or if all of the owners cannot agree, then the address of the unit shall be the registered address until another registered address is furnished as permitted under this section. Registered addresses may be changed from time to time by similar designation.

10.3 Required Proxies. If title to a condominium unit is held by more than one (1) person or by a firm, corporation, partnership, association or other legal entity or any combination thereof, such owners shall execute a proxy appointing and authorizing one (1) person or alternate persons to attend all annual and special meetings of members and thereat to cast the vote applicable to the unit. No fractional voting shall be permitted. Such proxy shall be effective and remain in force unless voluntarily revoked, amended or sooner terminated by operation of law provided, however, that, within thirty (30) days after such revocation, amendment or termination, the owner shall reappoint and authorize one (1) person or alternate persons to attend all annual and special meetings as is provided by this Section 10.3.

10.4 Requirements -- Voting. The requirements contained in this Section 10 shall be first met before an owner of a condominium unit shall be deemed in good standing and entitled to vote at any special or annual meeting of members.

SECTION 11 Compliance

These Bylaws are intended to comply with the requirements of the Colorado Condominium Ownership Act. If any of these

Bylaws conflicts with the provision of the statute, the provisions of the statute will apply.

SECTION 12
Not for Profit

This Association is not organized for profit. No member, member of the Board of Directors or persons from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof; and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to be distributed to or inure to the benefit of any member of the Board of Directors provided, however, always (1) that reasonable compensation may be paid to any member or manager while acting as an agent or employee of the Association for the services rendered in effecting one or more of the purposes of the Association and (2) that any member or director may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

SECTION 13
Unpaid Common Expenses - Ascertaining Liability

On payment of a reasonable fee, not to exceed twenty-five dollars (\$25.00), and on the written request of any owner or any mortgagee or prospective mortgagee of a condominium unit, the Association, by its managing agent or, if there is none, by its Board of Directors, shall issue a written statement setting forth the amount of the unpaid common expenses, if any, with respect to such unit, the amount of the current monthly assessment and the date such assessment becomes due, credit for advance payments or for prepaid items, including and not limited to insurance premiums, which statement shall be conclusive on the Association in favor of all persons who rely thereon in good faith. Unless the request for such statement is complied with within ten (10) days, all unpaid common expenses which become due prior to the date of making such request shall be subordinate to the lien of the person requesting such statement.

SECTION 14
Seal

The corporate seal shall consist of concentric circles with the name of the corporation and the word "Colorado" between and the word "Seal" in the center.

SECTION 15
Services

The following services are provided by the Association and are paid for out of the regular assessment.

1. Snow removal.
2. Trash removal.
3. Groundskeeping.
4. Maintenance and repairs to exterior of building and all other common areas.
5. Payment of all common utility expenses.
6. Payment of common elements insurance expenses.
7. Establish and maintain reserve-sinking fund.

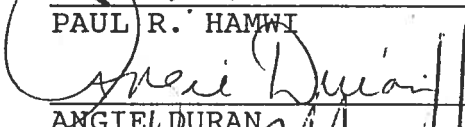
Additional services may be provided as may be determined by the Board of Directors.

IN WITNESS WHEREOF, the undersigned have adopted these Bylaws this 20 day of February, 1989.

BOARD OF DIRECTORS:



PAUL R. HAMWI



ANGIE DURAN



STAN MATHIS

The undersigned secretary of PARK AVENUE TOWNHOMES CONDOMINIUM ASSOCIATION, a Colorado corporation not for profit, does hereby certify that the above and foregoing Bylaws were duly adopted by the Board of Directors as the Bylaws of the corporation on the 20 day of February, 1989, and that they do now constitute the Bylaws of the corporation.



Secretary

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