

**BYLAWS
OF
ALPINE GROVE
CONDOMINIUM OWNERS ASSOCIATION, INC.**

The name of the corporation is ALPINE GROVE CONDOMINIUM OWNERS ASSOCIATION, INC. (the "Association.")

ARTICLE 1
Object

1.1 The purpose for which this Association is formed is to govern the property situated in Pitkin County, State of Colorado, known as the Alpine Grove Condominiums, a common interest community, (the "Project"), according to the plat thereof recorded at **Plat Book 56** at **Page 63** (the "Plat"), and according to the Declaration of Covenants, Restrictions, and Conditions for the Alpine Grove Condominiums recorded at **Reception No. 451617**, (hereinafter referred to collectively as the "Declaration"), of the real property records of Pitkin County, Colorado.

1.2 All present or future owners, tenants, future tenants or any other person owning or using 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 Units of the Project or the mere act of occupancy of any of the Condominium Units will signify that these Bylaws are accepted, ratified and will be complied with.

ARTICLE 2
Membership, Voting,
Majority of Owners, Quorum, Proxies

2.1 Members. Membership in the Association shall consist of any person acquiring an interest in a Condominium Unit other than a mortgagee, beneficiary under trust deeds or as a lien claimant shall automatically become a member of this Association and subject to these Bylaws. On the sale or transfer of a Condominium Unit by an Owner, his membership shall terminate; provided, however, that 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 ownership and membership in the Association. Termination shall not impair any rights or remedies which Association has against such former owner arising out of or in any way connected with ownership and membership and the covenants and obligations incident thereto.

2.2 Voting. The voting shall be as provided for in the Declaration and in the Articles of Incorporation of the Association.

2.3 Majority of Unit Owners. As used in these Bylaws, the term "majority of Unit Owners" shall mean the owners of more than

fifty percent (50%) of the "Allocated Interests" as defined in the Declaration entitled to vote on any particular issue. As used in this paragraph, each Condominium Unit shall be deemed to have one (1) owner. Each Unit Owner's vote shall be weighted in accordance with such Owner's Allocated Interests as set forth in the Declaration.

2.4 Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of a majority of Unit Owners 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 and acknowledged. Proxies must be filed with the secretary before the appointed time of each meeting.

ARTICLE 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 (the "Board").

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

3.3 Annual Meetings. The annual meeting of the Association shall be held on the first Wednesday of January of each year, or on a more convenient date as determined by the Board. At such meetings there shall be elected by ballot of the members a Board in accordance with the requirements of Section 4.4 of these Bylaws. The members may also transact such other business of the Association as may properly come before them.

3.4 Special Meetings. Special meetings of the Association may be called by the president, by a majority of the Board or by members owning at least twenty percent (20%) of the Allocated Interests in the Project. No business shall be transacted at a special meeting except as stated in the notice unless by consent of members representing sixty-seven percent (67%) of the Allocated Interests, cast 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 members at least fourteen (14) days but not more than sixty (60) days prior to the date set for such meeting. Any such notice shall

state the date, time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or the Bylaws, any budget changes, and any proposal to remove an officer or member of the Board. 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 members cannot be organized because a quorum has not attended, the members who are present either in person or by proxy may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

3.7 Order of Business. The order of business at all meetings of the members 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. Ratification of budget, if required and noticed.
- g. Unfinished business.
- h. New business.

ARTICLE 4
Board of Directors
(Powers and Meetings)

4.1 Number and Qualification. The affairs of this Association shall be governed by a Board composed of three (3) persons. A corporation or partnership which is a member may designate any person to serve as a Director if so elected or appointed to the Board.

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 rules and regulations as may be necessary for the

operation, use and occupancy of this 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 common elements and all items of common personal property, if any.

d. To insure and keep in force insurance required to be carried by the Association as provided in the Declaration.

e. To prepare an annual budget. Within thirty days after adoption of any proposed budget for the Project, the Board of Directors shall mail, by ordinary first-class mail, or otherwise deliver a summary of the budget to all the Unit Owners and shall set a date for a meeting of the Unit Owners to consider ratification of the budget not less than fourteen (14) days nor more than sixty days (60) after mailing or other delivery of the summary. Unless, at that meeting, a majority of all Unit Owners reject the budget, the budget is ratified, whether or not a quorum is present. In the event that the proposed budget is rejected, the periodic budget last ratified by the Unit Owners must be continued until such time as the Unit Owners ratify a subsequent budget proposed by the Board.

e. To: i) collect the annual prorated assessments to be paid by each Unit Owner toward the gross expenses of the entire premises and by majority vote of the Board to adjust, decrease or increase the amount of the annual assessments; ii) 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 subject, however, to the limitations on assessments that may be levied against owners of the affordable housing units, as set forth in the Declaration.

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 a Unit 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 owners representing sixty-seven percent (67%) or more of the Allocated Interests, 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 respective

Allocated Interests. Additional liens, other than judgment liens, mechanic's liens, assessments liens or tax liens, may be obtained against existing common elements only when so authorized by owners representing sixty-seven percent (67%) of the Allocated Interests.

j. To enter into contracts within the scope of their duties and powers listed in Sections 4.2 and 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.

4.4 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 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.

4.5 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.

4.6 Removal of Directors. The Unit Owners, by a two-thirds (2/3) vote of the Allocated Interests represented and entitled to vote at any meeting of the Unit Owners at which a quorum is present, may remove any member of the Board with or without cause, other than a member appointed by the Declarant, and a successor then and there may be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

4.7 Organizational 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. In lieu of an organizational meeting, the Board of Directors may sign a unanimous consent to the taking of actions as if an actual organizational meeting had been held.

4.8 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 Board, 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.

4.9 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.

4.10 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.

4.11 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.

4.12 Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association handling or responsible for the Association funds shall furnish adequate fidelity bonds. Coverage shall not be less in aggregate than two months' current assessments plus reserves, as calculated from the current budget of the Association. The premises on such bonds shall be paid by the Association.

4.13 Insurance. The Association shall maintain insurance as required by the Declaration and any other insurance deemed advisable by the Board.

ARTICLE 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 organizational 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 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 Condominium 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.

ARTICLE 6

Indemnification of Officers and

Directors

No member of the Board and no officer shall be liable for actions taken or omissions made in the performance of such member's duties except for wanton and willful acts or omissions. The Association shall indemnify such Director or officer, his heirs, executors and administrators against all loss, costs and expense, including attorney's 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 wanton or willful acts or omissions. 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 wanton or willful acts or omissions 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 Article 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 for his share of such Common Expenses.

ARTICLE 7

Obligation of the Owners

7.1 Assessments. Except as otherwise provided in the Declaration, and subject, however, to the limitations on assessments that may be levied against owners of the affordable housing units, as set forth in the Declaration, all Unit Owners shall be obligated to pay the annual assessments imposed by the Association to meet the Common Expenses, and payment thereof shall be made not later than on the tenth (10th) day following the mailing of the annual statement to the registered mailing address of the Unit Owner. The assessments shall be made on each Condominium Unit in accordance with such Unit's Allocated Interest, or as otherwise apportioned by the Association pursuant to the Declaration and these Bylaws, and shall be due annually in advance. A member shall not 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 unless he shall have fully paid all assessments made or levied against him and the Condominium Unit owned by him.

7.2 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 the Project was established.

7.3 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, and subject to the provisions of the Declaration, Articles of Incorporation, and the rules and regulations established by the Board as provided in section 7.4 hereof.

7.4 Rules and Regulations. In addition to those set forth in the Declaration, the Board of Directors or the managing agent reserves the power to establish, make and enforce compliance with such additional rules and regulations as may be necessary for the operation, use and occupancy of this Project with the right to amend same from time to time.

ARTICLE 8
Amendments to Bylaws

These Bylaws may be amended by the Association's members at a duly constituted meeting for such purpose, and no such amendment shall take effect unless approved by the owners representing sixty-seven percent (67%) of the Allocated Interests represented in person or by proxy and entitled to vote at such meeting. The notice of such meeting shall contain a summary of the proposed changes or a copy of such proposed changes. These Bylaws may also be amended by a unanimous vote of the Board of Directors.

ARTICLE 9
Mortgages

9.1 Notice to Association. An owner who mortgages his Condominium 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 Condominium Units."

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

ARTICLE 10
Evidence of Ownership, Registration
of Mailing Address, Required Proxies
and Good Standing

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.

10.2 Registration of Mailing Address. Each Unit Owner shall have one (1) and the same registered mailing address to be used by the Association for mailing annual 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 Unit Owner or Owners shall be furnished by such Owner(s) to the secretary within five (5) days after transfer of title, such registration shall be in written form and signed by the Owner(s) 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 Condominium 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. The voting rights and the use of proxies shall be governed by the provisions of the Declaration or other applicable law.

10.4 Good Standing. The requirements contained in Section 7.1 hereof and this Article 10 shall be first met before a member shall be deemed in good standing and entitled to vote at any special or annual meeting of members.

ARTICLE 11
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, 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 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.

ARTICLE 12

Unpaid Common Expenses - Ascertaining Liability

The Association shall furnish to a Unit Owner or such Owner's designee or to a holder of a security interest or its designee upon written request, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the Association's registered agent, a statement setting forth the amount of unpaid assessments currently levied against such owner's Unit. The statement shall be furnished within fourteen (14) business days after receipt of the request and is binding on the Association, the Board of Directors, and every Unit Owner. If no statement is furnished to the Unit Owner or holder of a security interest or their designee, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the inquiring party, then the Association shall have no right to assert a priority lien upon the Condominium Unit for unpaid assessments which were due as of the date of the request.

ARTICLE 13

Seal

The corporate seal of the Association shall be circular in form and shall contain the name of the Association, the year of its organization, and the words "Seal, Colorado."

CERTIFICATE OF SECRETARY

IN WITNESS WHEREOF, the undersigned Secretary of ALPINE GROVE CONDOMINIUM OWNERS ASSOCIATION, INC., a Colorado nonprofit corporation, does hereby certify that the above and foregoing Bylaws were duly adopted by the Board of Directors as the Bylaws of the Association on the 16th day of February, 2001, and that they do now constitute the Bylaws of the Association.

_____ Gregory P. Hills, Secretary

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of February, 2001, by Gregory P. Hills, the Secretary of Alpine Grove Condominium Owners Association, Inc.

Witness my hand and official seal.
My commission expires:

_____ Notary Public

Hills\AABC\B1.1