

BY-LAWS
OF
PARKSIDE CONDOMINIUM ASSOCIATION AT KNOLLRIDGE, INC.

ARTICLE I
MEMBERSHIP AND VOTING RIGHTS

Section 1. Owners-Members: Membership in this Association shall be as set forth in the Declaration of Covenants, Conditions and Restrictions (hereinafter the "Declaration") for the PARKSIDE CONDOMINIUMS AT KNOLLRIDGE as recorded in the records of the Clerk and Recorder of Garfield County, Colorado. This Association is a nonprofit corporation established under and by virtue of the laws of the State of Colorado.

Section 2. Right to Vote: Members shall have such voting rights as provided in the Declaration.

Section 3. Proxies: Voting by proxy is hereby authorized provided that all proxies shall be filed with the Secretary of the Association at least 48 hours prior to the time of any meeting.

Section 4. Quorum: A majority of the members entitled to vote shall constitute a quorum for the transaction of any business of the Association, including the election of Managers.

Section 5. Adoption of Resolution: It shall require a vote of not less than the majority of the members present at a meeting in person or by proxy to adopt a resolution presented at a membership meeting for adoption.

ARTICLE II
MEMBERSHIP MEETINGS

Section 1. Annual Meetings: The annual meetings of the members of the Association shall be held on the third Tuesday in June of each year, at such time and place as may be fixed by the Board of Managers.

Section 2. Special Meetings: Special meetings of members of the Association may be called by the President, or by resolution of the Board of Managers of the Association, or upon a petition signed by not less than thirty percent (30%) 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 and entitled to vote, either in person or by proxy.

Section 3. Place of Meeting: Meetings, both regular and special, of the membership shall be held at such suitable place within Garfield County, Colorado, as may be designated by the Board of Managers of the Association.

Section 4. Notice of Meeting: Notice of the annual meeting of members of the Association, setting forth the place, date and time of such meeting, shall be mailed to members entitled to vote at least fifteen (15) days prior to the

date fixed for such meeting. Notices of special meetings shall be given to members entitled to vote at least five (5) days prior to such meeting. All such notices shall be mailed by the Secretary of the Association, postage prepaid, and addressed to the member entitled to vote at his last known address shown on the records of the Association.

Section 5. Adjourned Meetings: If any meeting of the members cannot be conducted for lack of a quorum at said meeting, either in person or by proxy, the President may adjourn the meeting to a later date not more than ten (10) days from the time of the original meeting.

Section 6. Order of Business: The order of business at the annual meeting of members shall be as follows:

- (a) Roll call of members present entitled to vote
- (b) Inspection and verification of proxies
- (c) Reading of minutes of the preceding annual meeting
- (d) Report of officers
- (e) President's report
- (f) Committee reports
- (g) Election of members of the Board of Managers
- (h) Unfinished business
- (i) New business

ARTICLE III BOARD OF MANAGERS

Section 1. Number and Qualifications: The affairs and business of the Association shall be conducted by a Board of Managers consisting of three (3) members who shall be elected at the annual meeting by members of the Association entitled to vote thereat. 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 Managers may be fixed for such period of time as the membership entitled to vote may determine and such terms may be staggered, that is to say, various members may be elected for terms of different lengths so that there will be a carry-over of old Managers at each annual meeting and only new Managers will be designated thereafter, provided that nothing herein contained shall prevent the election of a Manager whose term has expired to a new term as such Manager.

Section 3. Vacancies: Vacancies in the membership of the Board of Managers caused for any reason other than the removal of a Manager by a vote of the membership as herein permitted shall be filled by a vote of a majority of the remaining Managers even though they may constitute less than a quorum; and each person so elected shall be a Manager until his successor is elected at the next annual meeting of the membership.

Section 4. Removal of Managers: A Manager may be removed as such at any regular or special meeting duly called, with or without cause, by a vote of a majority of the members entitled to vote, and a successor may then and there be elected to fill the vacancy thus created. The term of office of any Manager

shall be declared vacant when such Manager ceases to be a member of the Association by reason of the transfer of his ownership of a unit.

Section 5. Compensation: Managers shall not be paid any compensation for their services performed as such Managers unless a resolution authorizing such remuneration shall have been adopted by the Board of Managers of the Association and ratified by resolution of the membership. Managers may be reimbursed for actual expenses incurred in connection with their duty as Managers.

Section 6. Organization Meeting: Within a period of ten (10) days following the election of newly elected Board of Managers, an organization meeting of the Managers shall be held at a time and place fixed by the Managers, at which meeting officers of the Association shall be elected as provided for in Article IV hereof.

Section 7. Regular Meetings: Regular meetings of the Board of Managers 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 Managers. Notice of regular meetings of the Board of Managers setting forth the place, date and time of such meeting, shall be given each Manager personally or by mail, telephone or telegraph, at least three (3) days prior to such meeting.

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

Section 9. Waiver of Notice: Before or at any meeting of the Board of Managers, any Manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Manager at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Managers are present at a meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 10. Quorum: A majority of the Board of Managers then in office shall constitute a quorum for the transaction of any business of the Association, and the act of a majority of the Managers present at a meeting at which time a quorum was present shall be the act of the Board of Managers. If at any meeting of the Board of Managers there be less than a quorum present, the majority of those present may adjourn the meeting to a later date. At any adjourned meeting at which a quorum is present any business that might have been transacted at the meeting as originally called may be transacted without further notice.

Section 11. Manager or Managing Agent. The Board of Managers may engage the services of a Manager or managing agent for the purpose of administering and carrying out the purposes and intent of the Declaration; provided, however, the Manager or managing agent shall not have authority to levy assessments or to take action which affects the title of a Unit owner in and to such owners Unit or his interest in the common elements, which rights shall be reserved to the Board of Managers, subject to the vote of the members of the Association as provided in its Articles or these By-Laws or in the Declaration.

Section 12. Duties: The Board of Managers shall be entitled to designate and remove employees or personnel as necessary for the operation, maintenance, repair, and replacement of the common elements.

Section 13. Indemnification: The members of the Board of Managers shall not be liable to the members of the Association for any mistake of judgment, negligence, or otherwise, except in the event of willful misconduct or malfeasance. The Association shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liabilities to others arising out of contracts made by the Board of Managers on behalf of the Association and its members, and in connection with any acts performed pursuant to the Declaration, unless such Manager or Managers are adjudged guilty of willful misconduct or malfeasance in the performance of their duties as Managers.

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 the Board of Managers. The officers of the Association may be combined, except that the President and Secretary shall not be the same person. Other officers or agents may be appointed or elected by the Board of Managers from time to time.

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

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

Section 4. President: The President shall be the chief executive officer of the Association. He shall preside at all meeting of the Association and of the Board of Managers. He shall have all of the general powers and duties which are usually vested in the office of the President, including, but 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.

Section 5. Vice President: The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President shall be able to act, the Board of Managers shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Managers.

Section 6. Secretary: The Secretary shall have the responsibility for keeping the minutes of all meetings of the Board of Managers and the Association and such correspondence as shall be necessary and such other duties as shall from time to time be imposed on him by the Board of Managers.

Section 7. Treasurer: The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements of the Association, and deposit its funds in such depositories as may from time to time be designated by the Board of Managers.

Section 8. Indemnification: Officers of the Association shall be indemnified for any act they may perform upon behalf of the Association in the same manner herein provided for indemnification of members of the Board of Managers.

ARTICLE V RULES AND REGULATIONS

The Board of Managers may, from time to time, promulgate rules and regulations consistent with and in furtherance of the covenants affecting the subject property and the Articles and By-Laws of this Association.

ARTICLE VI BOOKS AND RECORDS - INSPECTION

Section 1. Books and Records: The Board of Managers 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 at convenient week day business hours by any Unit owner or the mortgagee of any Unit. Such inspection by any owner or mortgagee may be made in person, or by agent or attorney and the right of inspection includes the right to make extracts or perform audits. Any such inspection shall be at the expense of the owner or mortgagee conducting the same. Upon ten (10) days notice to the Board of Managers or to a Manager or officer designated for such purpose, and upon payment of a reasonable fee as may be established by the Board of Managers from time to time, any Unit owner or first mortgagee shall be furnished a statement of account setting forth the amount of any unpaid assessments or other charges due and owing in connection with the unit in which said unit owner or mortgagee holds an ownership or lien interest.

ARTICLE VII

SEAL

The Board of Managers 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

These By-Laws may be amended by a majority vote of the Board of Managers at any regular meeting or at any special meeting called for such purpose. The notice of the meeting to amend the By-Laws shall specify the amendment in such notice. No By-Laws shall be amended nor shall supplemental By-Laws be added hereto which shall be in conflict with the statutes of the State of Colorado or the conditions, provisions and terms of the Declaration.

The foregoing By-Laws were duly adopted at a meeting of the Board of
Managers held the _____ day of _____, A.D. 1985.
