

BY-LAWS
OF
THE SOUTHVIEW II CONDOMINIUMS ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is THE SOUTHVIEW II CONDOMINIUMS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located at Carbondale, Colorado, but meetings of members and managers or directors may be held at such places within the State of Colorado as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1. Definitions Incorporated. The definitions contained in the Declaration of Southview II Condominiums recorded in the Garfield County, Colorado records in Book 586 at Page 603 as Reception No. 321762 and any amendments thereto (the Declaration") are incorporated herein by this reference.

Section 2. "Board of Directors" or "Director" as referred to herein shall mean the Board of Managers or Manager, respectively, as referred to in the Declaration.

ARTICLE III
MEETINGS OF MEMBERS

Section 1. Annual Meetings. The annual meeting of the Members shall be held on a reasonable hour on a date to be specified by the Board of Directors during the first two months of each calendar year.

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-fourth (1/4) the Members.

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 purposes of notice. Such notice shall specify the place, day and hour of the meeting, and in case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of one-fifth (1/5) of the Members 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 represented.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Unit.

Section 6. Mortgages. All First Mortgagees of Units shall have the right to designate a representative to attend all meetings of the Members of the Association.

ARTICLE IV
BOARD OF DIRECTORS - SELECTION - TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a board of a minimum of three (3) directors, but not more than five (5) directors, who shall be Members of the Association.

Section 2. Term of Office. The terms of at least one-third (1/3) of the Directors shall expire annually, and at each annual meeting thereafter the Members shall elect the same number of directors whose terms are expiring at the time of each election, for terms of three years.

Section 3. Change in Number of Directors. The Members shall be empowered to increase the number of directors to a maximum of five (5) and to decrease the number of directors to a minimum of three (3) in accordance with Article XIII of these By-Laws. No decrease shall have the effect of shortening the term of any incumbent director. In the event of increase, the directors shall have the right to establish annual terms of office shorter than three (3) years for such new directors so as to maintain, as nearly as possible, the election of one-third (1/3) of the total number of directors in any given year.

Section 4. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a director, his successors shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 5. 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 6. 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 of the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V
NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee appointed by the Board of Directors or from the floor at the annual meeting.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in 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 VI
MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meeting of the Board of Directors shall be held quarterly 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 VII
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 thereon and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and the right to use recreational facilities, if any, 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 (3) consecutive regular meetings of the Board of Directors; and

(e) employ a manager, an independent contractor or such other employees as they deem necessary, and to prescribe their duties.

In addition to any requirements set forth in the Declaration and notwithstanding anything to the contrary set forth herein, the Board of Directors shall not take any action prohibited by 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 any special meeting when such statement is requested in writing by one-fifth (1/5) of the Members;

(b) supervise all officers, agents and employees of this Association, and see that their duties are properly performed;

(c) 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) foreclose the lien against any Unit for which assessments are not paid within ninety (90) days after due date or to bring an action at law against the Owner personally obligated to pay the same;

(d) 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 that an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain insurance in such amounts and in such types as the Board deems desirable, which insurance may include (1) hazard insurance for the Common Elements, (2) liability insurance, and (3) fidelity insurance with respect to officers, directors and employees of the Association;

(f) cause the Common Elements to be maintained; and

(g) notify in writing the First Mortgagee of any Unit, upon request, when the Owner thereof is in default in the payment of any assessment, or otherwise in default of any obligation under the Declaration, Articles of Incorporation or these By-Laws and the Board has actual knowledge of such default, and said default has not been cured within sixty (60) days after the Board has actual knowledge thereof, provided that said mortgagee has previously given notice in writing to the Association of the existence of such mortgage.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president and vice-president, who shall at all times be Members of the Board of Directors, a secretary and a treasurer, 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 such 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 the officer shall sooner resign, or shall be removed, or shall otherwise be 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 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 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 office replaced.

Section 7. Multiple Offices. The offices of secretary 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 officers 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 act in the place and stead of the president in the event of the president's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of the vice-president by the Board.

(c) Secretary. The secretary shall record the votes and keep 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 keep appropriate current records showing the Members of the Association together with their 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; shall keep proper books of account; shall 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.

ARTICLE IX
COMMITTEES

The Board of Directors may appoint such committees as deemed appropriate in carrying out its purposes.

ARTICLE X
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 or any First Mortgagee of any Unit. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI
ASSESSMENTS

Each Member is obligated to pay to the Association annual and special assessments as provided in the Declaration. In either a personal or foreclosure action, the Association shall be entitled to recover as part of the action, interest, costs and reasonable attorneys' fees. No Owner may waive or otherwise escape liability for the assessments by nonuse of the Common Elements or abandonment of his Unit.

ARTICLE XII
CORPORATE SEAL

The Association shall have a seal in circular form and within its circumference the words: THE SOUTHVIEW II CONDOMINIUMS ASSOCIATION, INC.

ARTICLE XIII
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; in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control; and in the case of any conflict between the Articles and Declaration, the Declaration shall control.

ARTICLE XIV
INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Association shall indemnify every director and officer, and his or her heirs, executors and administrators, against all loss, costs and expense, including counsel fees, reasonably incurred in connection with any action, suit or proceeding to which such person may be made a party by reason of being or having been a director or officer of the Association, except for matters in which such person shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct, provided, however, that such indemnity shall be limited to the amount of coverage provided to the Association by any policy of officers and directors liability insurance. 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 or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses. Nothing contained in this Article shall, however, be deemed to obligate the Association to indemnify any Member or Owner who is or has been a director or officer of the Association with respect to any duties or obligations assumed or liabilities incurred as a Member or Owner under or by virtue of the Declaration.

ARTICLE XV
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December every year.

IN WITNESS WHEREOF, we being all of the directors of THE SOUTHVIEW II CONDOMINIUM ASSOCIATION, INC., have hereunto set our hands this 4TH day of AUGUST, 1990.



Director

Director

Director