

**BYLAWS OF
RIVERSIDE PLACE OWNERS' ASSOCIATION, INC.**

ARTICLE I

OBJECT

1. The purpose for which the Riverside Place Owners' Association, Inc., (the "Association"), is formed is to govern the Riverside Place Subdivision which has been submitted to the appropriate authorities of the Town of Frisco, State of Colorado by the recordation of the Amended Declaration of Covenants, Conditions, and Restrictions For Riverside Place ("Subdivision"), recorded on September 28, 1988 under Reception No. 359716, in the Office of the Summit County Clerk and Recorder ("Declaration").

2. All present or future owners or tenants or any other person that might use in any manner any of the Lots, or Common Areas appurtenant thereto, are subject to the provisions of these Bylaws. Acquisition, rental or occupancy of any of the Lots shall constitute acceptance and ratification of these Bylaws and shall signify that they will be complied with.

3. Terms used in these Bylaws are defined by the Declaration and Amendments thereto.

ARTICLE II

MEMBERSHIP, VOTING, QUORUM, PROXIES

1. Membership. Any person, on becoming an Owner of a Lot, shall automatically become a member of this Association and shall be subject to these Bylaws. Such membership shall terminate without any formal Association action whenever such person ceases to own a Lot. Such termination shall not release any former Owner from any liability arising under these Bylaws, or from membership in the Association, or by virtue of ownership of a Lot.

2. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of members holding one-half (1/2) of the votes entitled to be cast shall constitute a quorum. An affirmative vote of a majority of the members present, either in person or by proxy, shall be required to transact the business of the meeting.

3. Voting. All members shall be entitled to vote on all matters, with one vote per Lot. If there is an even number of members who own a particular Lot and said members split evenly on a question and as a result cannot reach a decision, the Association's President shall cast a tie-breaking vote. For the purposes of these Bylaws, a "Lot" shall be as defined in Article I, Section 1.1(h) of the Declaration.

4. Mortgagees as Proxies. Lot Owners shall have the right to constitute irrevocably and to appoint the beneficiary of a trust deed their true and lawful attorney to cast their Lot vote in this Association at any and all meetings of the Association and to vest in such beneficiary or his nominee any and all rights, privileges and powers that they have as a Lot Owner under the Articles of Incorporation, Bylaws, and Declaration. Such proxy shall become effective upon filing of a notice by the beneficiary with the Secretary/Treasurer of the Association at such time or times as the beneficiary shall deem its security in jeopardy by reason of the failure, neglect or refusal of the Board of Managers, the Association, the Managing Agent or the Lot Owners to carry out their duties as set forth in the Declaration or Bylaws. A release of the beneficiary's deed of trust shall operate to revoke such proxy. Nothing herein contained shall be construed to relieve Lot Owners, as mortgagors, of their duties and obligations as Lot Owners or to impose upon the beneficiary of the deed of trust the duties and obligations of a Lot Owner.

ARTICLE III

ADMINISTRATION

1. Annual Meeting. The first annual meeting of the Association shall be held within one year from the date of the organizational meeting and the adoption of these Bylaws. Thereafter, each subsequent annual meeting shall be held in the same month of each year thereafter. At such meetings there shall be elected by ballot members of the Board of Managers in accordance with the requirements of these Bylaws. The members may also transact such other business of the Association as may properly come before them.

2. Special Meetings. The President of the Board may call a special meeting of the members upon his own initiative, upon resolution of the Board adopted at a previous meeting, or upon receipt of a written request from at least one of the members. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business except as stated in the notice shall be transacted at a special meeting unless by consent of the members present, either in person or by proxy. Any

such meetings shall be held at such place and time as the President determines, and if held at the instance of a member, then within thirty (30) days after receipt by the President of such written request.

3. Place of Meeting. The meetings of the Association shall be held at such place within or without the State of Colorado as the Board may determine.

4. Notice of Meetings. The Secretary shall cause to be mailed or delivered a notice of each annual or special meeting, stating the meeting's purpose, as well as the time and place it is to be held, to each member of record, at the registered address of each member, at least fifteen (15), but not more than thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in this Section or the delivery of such notice shall be considered notice served, and the Certificate of the Secretary/Treasurer that notice was duly given shall be prima facie evidence thereof.

5. Adjourned Meetings. 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.

6. Order of Business. The order of business at all regular meetings of the members shall be as follows:

- (a) Roll call and certifying proxies
- (b) Proof of notice of meeting or waiver thereof
- (c) Reading of Minutes of previous meeting
- (d) Reports of Officers
- (e) Reports of Committees
- (f) Election of Managers
- (g) Old business
- (h) New business
- (i) Adjournment

7. Waiver of Notice. When any notice is required to be given to any member or any Manager of the Association by law, under the Declaration, the Articles or these Bylaws, a waiver thereof in writing signed by the person entitled to that notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

8. Action by Members or Board Without A Meeting. Any action required by law, or by the Declaration, the Articles or Bylaws to be taken by the members of the Managers of the Association or any action which may be taken at a meeting of the members or Managers may be taken without a meeting if a consent in writing, setting forth the action so taken is signed, either in one document or in

separate counterparts, by all of the members or the Managers entitled to vote with respect to the subject matter thereof as the case may be. Such consent shall have the same force and effect as a unanimous vote and may be stated as such in any articles or document filed with the Colorado Secretary of State.

ARTICLE IV

BOARD OF MANAGERS

1. Number and Qualifications. The Board of Managers of the Association shall consist of three (3) members who shall govern the affairs of this Association until their successors have been duly elected and qualified.

2. Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the project as a first-class residential property. Such powers and duties of the Board shall include but shall not be limited to, the following, all of which shall be done for and on behalf of the Owners of the Lots:

(a.) To administer and to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration and the Articles and Bylaws of the Association, and any amendments thereto.

(b.) To establish, make and enforce compliance with such rules as may be necessary for the operation, rental, use and occupancy of the Common Area Roads and of all Lots within the Subdivision, with right to amend such rules from time to time. The Board shall have the further power and authority to establish fines and penalties for the infraction of such Rules and the provisions of the Declaration. A copy of the rules shall be delivered or mailed to each member upon adoption thereof.

(c.) To designate and to remove personnel necessary for the operation, maintenance, repair, and replacement of the Common Area Roads and to incur such costs and expenses as may be necessary to keep in good order, condition and repair all of the Common Area Roads.

(d.) To obtain and to maintain comprehensive liability insurance covering the Common Area Roads.

(e.) To prepare annually a budget for the Association in order to determine the amount of the common assessments necessary by the Lot Owners to meet the Common expenses, to allocate and assess such common charges among the Lot Owners, and to adjust

the amount of the periodic assessments, and to remit or return any excess of assessments over expenses, working capital, sinking funds, reserves for deferred maintenance and replacement to the Owners at the end of each operating year. To levy and to collect special assessments whenever 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.

(f.) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from a member as is provided in the Declaration and these Bylaws.

(g.) To protect and defend, in the name of the Association, any part or all of the Subdivision from loss and damage by suit or otherwise.

(h.) To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration and these Bylaws, and to execute all such instruments evidencing such indebtedness as the Board may deem necessary to give security therefor. The persons who shall be authorized to execute promissory notes and security instruments shall be the President and Secretary/Treasurer.

(i.) To enter into contracts to carry out their duties and powers.

(j.) To establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable.

(k.) To suspend the voting rights of any member during any period in which such member shall be in default in the payment of any assessment levied by the Association.

(l.) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at reasonable times by each of the members under the conditions specified in Article IX hereto, and to prepare or have prepared annually unaudited financial statements.

(m.) To prepare and deliver annually to each member a consolidated statement showing receipts, expenses or disbursements since the last such statement.

(n.) In general, to carry on the administration of this Association and to do all things necessary and reasonable in order to carry out the governing and the operation of this Condominium Project.

(o.) To procure and maintain an Officer's and Director's liability insurance policy, as it may deem appropriate.

(p.) If necessary, to employ for the Association a Project Manager who shall have and exercise those duties and powers granted to him by the Board, including those set forth above, but not those powers which the Board may not delegate and any delegation to a Project Manager of the Board's duties and powers shall not relieve the Board of its responsibilities under the Declaration. Any management contract so entered into shall be for a term not exceeding one (1) year and shall provide that it may be canceled upon thirty (30) days' written notice without cause, and further, that no termination fee be provided for in such case.

(q.) To adopt Architectural Standards and review procedures governing the use and development of Lots in the Subdivision and to act as the Architectural Committee or to delegate such authority to other persons.

3. No Waiver of Rights. The omission of failure of the Association or any Lot Owner to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provisions of the Declaration or Bylaws, or the rules adopted pursuant thereto, shall not constitute or be deemed a waiver, modification or release thereof, and the Association shall have the right to enforce the same thereafter.

4. Election and Term of Office. The initial Board of Managers shall serve for a term of one year or until their successors are elected and qualified. At the first annual meeting the Members shall elect one Director for a term of one year, one Director for a term of two years and one Director for a term of three years; and at each annual meeting thereafter the Members shall elect Director(s) to serve for a term of two years.

5. Vacancies. Vacancies in the Board caused by any reason other than the removal of a Manager by a vote of the Association shall be filled by the appointment of a Director by the remaining Manager.

6. Removal of Managers. At any regular or special meeting duly called, any one or more of the Managers may be removed with or without cause by a majority of the Lot votes, and a successor may then and there be elected to fill the vacancy thus created. Any Manager whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting prior to the votes being taken.

7. Organizational Meeting. The first meeting of a newly elected Board following each annual meeting of the members shall be held within fifteen (15) days thereafter at such place as shall be

fixed by the Managers at the meeting at which such Managers were elected, and no notice shall be necessary to the newly elected Managers in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

8. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time, by a majority of the Managers, but at least two such meetings shall be held during each calendar year. Notice of regular meetings for the Board shall be given to each Manager, personally or by mail, telephone or telegraph, at least fifteen (15) days prior to the day named for such meeting.

9. Special Meetings. special meetings of the Board may be called by the President on three (3) days' notice to each Manager, given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary/Treasurer in like manner and no like notice on the written request of one Manager.

10. Waiver of Notice. Before or at any meeting of the Board, 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 of the Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

11. Quorum. At all meetings of the Board, a majority of the Managers shall constitute a quorum for the transaction of business, and the acts of the majority of the Managers present at the meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board, there be 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.

ARTICLE V

OFFICERS

1. Designation. The Officers of the Association shall be a President, a Vice-President and a Secretary/Treasurer, all of whom shall be elected by the Board, and such assistant officers as the Board shall, from time to time, elect. Such Officers shall each be a member of the Board and an Owner of a Lot in the Project.

2. Election of Officers. The Officers of the Association shall be elected annually by the Board at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

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

4. President. The President shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the Board. He or she shall have all of the general powers and duties which are usually vested in the office of president of a corporation, 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 or as may be established by the Board or by the members of the Association at any regular or special meetings.

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

6. Secretary. The Secretary shall keep all the minutes of the meetings of the Board and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board 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 addresses as shown on the records of the Association. Such list shall also show opposite each member's name the number or other appropriate designation of the Lot owned by such member. Such list together with all business records of the Association and the Board shall be open to inspection by the members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours under the conditions specified in Article IX hereto. In addition, a list of all mortgagees of Lots shall be maintained.

7. Treasurer. The Treasurer shall have the 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; provided, however, that when a Manager has been delegated the responsibility of collecting and disbursing funds, the Treasurer's responsibility shall be to review the accounts of the Manager not less often than semi-annually.

ARTICLE VI

INDEMNIFICATION OF BOARD MEMBERS, OFFICERS, AND THE PROJECT MANAGER

1. Indemnification. The Association shall indemnify every Board Member, Officer or the Project Manager, their respective successors, personal representatives and heirs, against all loss, costs and expenses, 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 Board Member, Officer or the Project Manager, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable of negligence or 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 negligence or misconduct in the performance of his duty as such Board Member, Officer or the Project Manager in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Board Member, Officer or Project Manager may be entitled. All liability, loss, damage, cost 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 in Article VI contained hereto shall be deemed to obligate the Association to indemnify any member or owners of a Lot who is or has been a Board Member, Officer of Project Manager of the Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Declaration.

2. Other. Contracts or other commitments made by the Board of Managers, an Officer or the Project Manager shall be made as an agent for the Association, and they shall have no personal responsibility on any such contract or commitment.

ARTICLE VII

AMENDMENTS

1. The Articles of Incorporation may be amended in the manner provided by law.

2. These Bylaws may be amended, at a regular or special meeting of the Board of Managers by a vote of a majority of a quorum of Board Members present in person or by proxy.

3. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE VIII

EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS AND DESIGNATION OF VOTING REPRESENTATIVE

1. Proof of Ownership. Any person on becoming an Owner of a Lot shall furnish to the Board a copy of the recorded instrument vesting that person with an interest or ownership in the Lot, which copy shall remain in the files of the Association.

2. Registration of Mailing Address. The Owner or several Owners of an individual Lot shall have one and the same registered mailing address to be used by the Association for mailing of 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 member or members shall be furnished by such member(s) to the Board within fifteen (15) days after transfer of title, or after a change of address, and such registration shall be in written form and signed by all of the Owners of the Lot or by such persons as are authorized by law to represent the interest of all of the Owners thereof.

3. Designation of Voting Representative - Proxy. If a Lot is owned by one person, his right to vote shall be established by the record title thereto. If title to a Lot is held by more than one 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 person or alternate persons to attend all annual and special meetings of members and at such meetings to cast whatever vote the Owner himself might cast if

he were personally present. 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 Owners shall reappoint and authorize one person or alternate persons to attend all annual and special meetings as provided by this Section 3.

The requirements herein contained in this Article VIII shall be first met before any Owner of a Lot shall be deemed in good standing and entitled to vote at any annual or special meeting of members.

ARTICLE IX

RIGHT TO INSPECT RECORDS, STATEMENT OF ACCOUNT

1. All Owners, Mortgagees and other persons lawfully entitled to inspect the same shall have the right to inspect the Association's and the Board of Managers' business records at reasonable times during business hours.

2. Upon ten (10) days' notice to the Board, or to the manager if one is employed, and payment of a reasonable fee not to exceed \$20.00, any prospective grantee, Owner or Mortgagee of a Lot shall be furnished a statement of the Owner's account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

ARTICLE X

ASSOCIATION NOT-FOR-PROFIT

1. Association Not-for-Profit. This Association is not organized for profit. No member of the Board of Managers, Officer or person 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, or distributed to, or inure to the benefit of any Manager, Officer or member; provided, however, that:

(a.) Only reasonable compensation be paid to any member, Manager or Officer while acting as an agent or employee of the Association; and

(b.) Any member, Manager or Officer may, from time to time, be reimbursed for his or her actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

The provisions herein are not applicable to the Manager who shall perform his or her duties and functions according to written agreement for the compensation stated therein.

ADOPTED this 31st day of July, 1990.

IN WITNESS WHEREOF, we, being all of the directors of the Riverside Place Owners' Association, Inc., have hereunder set our hands this 31st day of July, 1990.

Ann McCrerey

Steven F. Letorsky
Steven F. Letorsky

Jerry Dokken

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of the Riverside Place Owners' Association, Inc., a Colorado nonprofit corporation; and

THAT the foregoing Bylaws constitute the original Bylaws of the Association, as duly adopted at a meeting of the Board of Managers held on the 31st day of July, 1990.

31st IN WITNESS WHEREOF, I have hereunto subscribed my name this 31st day of July, 1990.

Steven F. Letorsky
Secretary

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