

BYLAWS

OF

ELK AVENUE BUILDING CONDOMINIUM ASSOCIATION, INC.,

A Nonprofit Corporation

ARTICLE I.

Principal Office and Corporate Seal

Section 1. The principal office and place of business of the Association in the State of Colorado shall be at the offices of David Leinsdorf, Unit 5, 215 Elk Avenue, P. O. Box 187, Crested Butte, Colorado, 81224. Other offices and places of business may be established from time to time by resolution of the Board of Managers.

Section 2. The seal of the Association shall have inscribed thereon the name of the Association, the year of its incorporation, and the words "Colorado" and "Seal", and shall be in such form as may be approved by the Board of Managers, which shall have power to alter the same at pleasure.

ARTICLE II.

Members

Section 1. Annual Meeting. The annual meeting of the Members shall be held ~~on~~ in the month of April of each year, beginning with the year 1979 ~~at the hour of~~ for the purpose of electing Members of the Board of Managers and for the transaction of such other business as may properly come before the meeting.

Section 2. Place of Meeting. The Board of Managers may designate the place of meeting for the annual meeting or any special meeting, within or without the State of Colorado. If no such designation be made, the place of meeting shall be the principal office and place of business of the Association.

Section 3. Special Meetings. Special meetings of the Members may be called by the President, or in the absence of the President, by the Vice President, or the Board of Managers, or by the holder of not less than ten percent of the total memberships in the Association.

Section 4. Notice of Meeting. Written or printed notice stating the place, day and hour of the meeting, and in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than two nor more than thirty days before the date of meeting, either personally, by mail, or by leaving written notice of such meeting firmly affixed to or slipped under the door of each condominium unit within the subject Elk Avenue Condominium Building, by or at the direction of the person calling the meeting to each Member of record. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Member at his address as it appears on the membership transfer book of the Association, with postage paid thereon.

Section 5. Quorum. Fifty-one percent of the memberships of the Association represented in person or by proxy, shall constitute a quorum at a meeting of the Members. If a quorum be present, the affirmative vote of the majority of the percentage of memberships represented at the meeting shall be the act of the Members, unless the vote of a greater number is required by the Articles of Incorporation or the laws of the State of Colorado.

Section 6. Proxies. At all meetings of the Members a Member may vote either in person or by proxy executed in writing by the Member or by his duly authorized attorney in fact. Such proxy shall be filed with the secretary of the Association before or at the time of the meeting. No proxy shall be valid after eleven months after the date of its execution unless otherwise provided in the proxy.

Section 7. Voting of Memberships. Each member shall be entitled to vote on all matters, each vote weighted in accordance with the percentage of ownership of the common elements of the Elk Avenue Condominium Building attributable to each respective Condominium Unit, set forth as follows:

Unit 1	11.1%
Unit 2	4.9%
Unit 3	8.7%
Unit 4	45.3%
Unit 5	11.5%
Unit 6	19.0%
	<u>100%</u>

At each election for members to the Board of Managers, every member entitled to vote at such election shall have the right to vote, in person or by proxy, the percentage of ownership owned by him for as many persons as there are Managers to be elected, and cumulative voting shall be permitted.

Section 8. Order of Business. The order of business at the annual meeting, and as far as possible at all other meetings of the Members, shall be as follows:

1. Calling the roll,
2. Secretary's proof of due notice of the meeting,
3. Reading and disposal of any unapproved minutes,
4. Reports of officers, annual or otherwise,
5. Election of Managers,
6. Unfinished business,
7. New business,
8. Adjournment.

ARTICLE III.

Board of Managers

Section 1. General Powers. The business and affairs of the Association shall be managed by the Board of Managers.

Section 2. Number, Tenure and Qualifications. The number of Managers of the Association shall be four, which number shall include the President of the Association who shall also be the Chairman of the Board of Managers, the Vice President, Secretary and Treasurer.

Directors need be Members of the Association.

Section 3. Annual Meeting. The annual meeting of the Board of Managers shall be held without other notice than these Bylaws immediately after, and at the same place as, the annual meeting of the Members. The Board of Managers may provide, by resolution, the time and place for the holding of additional regular meetings without other notice than this resolution.

Section 4. Special Meetings. Special meetings of the Board of Managers may be called at any time by the President, or in his absence, by the Vice President, or by any Manager. Such special meetings shall be held at the registered office of the Association, unless otherwise specified, and may be held within or without the State of Colorado.

Section 5. Notice. Notice to any special meeting shall be given at least two days prior thereto by written notice delivered personally or mailed to each Manager at his last known address or by telegram, or by leaving written notice of such meeting firmly affixed to or slipped under the door of the condominium unit, within the subject Elk Avenue Condominium Building, owned by such Manager. Any Manager may waive notice of any meeting. The attendance of a Manager at a meeting shall constitute a waiver of notice of such meeting except where a Manager attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of, any regular or special meeting of the Board of Managers need be specified in the notice or waiver of notice of such meeting.

Section 6. Quorum. A majority of the Managers as fixed by these Bylaws, shall constitute a quorum for the transaction of business at any meeting of the Board of Managers. The act of the majority of the Managers present at a meeting at which a quorum is present shall be the act of the Board of Managers, unless the act of a greater number is required by the Articles of Incorporation or these Bylaws.

Section 7. Vacancy. Any vacancy occurring in the Board of Managers may be filled by the affirmative vote of a majority of the remaining Managers though less than a quorum of the Board of Managers. A Manager elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office, and shall hold such office until his successor is duly elected and shall qualify. Any Managership to be filled by reason of an increase in the number of Managers shall be filled by the affirmative vote of a majority of the Managers then in office or by an election of an annual meeting, or at a special meeting of Members called for that purpose. A manager chosen to fill a position resulting from an increase in the number of Managers shall hold office until the next annual meeting of Members and until his successor shall have been elected and shall qualify.

Section 8. Compensation. Managers may receive reasonable travel expenses for attendance at each meeting of the Board of Managers, but shall not receive a salary or stated fee for their services as a Manager. Such limitations shall not preclude any Manager from serving the Association in any other capacity and receiving compensation therefor.

Section 9. Removal. The members may, at a meeting called for the express purpose of removing Managers, by a majority vote of the memberships, remove the entire Board of Managers or any lesser number, with or without cause.

ARTICLE IV.

Officers

Section 1. Number. The elective officers of the Association shall be a President, Vice President, Secretary and Treasurer, each of whom shall be elected by the Board of Managers at their annual meetings. Any two or more offices may be held by the same person at the same time, except that one person may not simultaneously hold the offices of President and Secretary.

Section 2. Election and Term of Office. The officers set forth above shall be elected by the Board of Managers at its annual meeting, and shall hold their respective office or position until the next annual meeting of the Board of Managers and until their successors are elected and shall qualify.

Section 3. Vacancy. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Managers for the unexpired portion of the term.

Section 4. President. The President shall be the principal executive officer of the Association and, subject to the control of the Board of Managers, shall in general supervise and control all of the business and affairs of the Association. He shall, when present, preside at all meetings of the members and of the Board of Managers. He may sign with the Secretary, or any other proper officer of the Association, any deeds, mortgages, bonds, contracts or other instruments which the Board of Managers has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Managers or by these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and in general, shall perform all duties incident to the office of the President and such other duties as may be prescribed by the Board of Managers from time to time.

Section 5. The Vice President. In the absence of the President, or in the event of his death or inability or refusal to act, the Vice President shall perform the duties of and be subject to all restrictions upon the President, and shall perform such other duties as from time to time may be assigned to him by the President or the Board of Managers.

Section 6. Secretary. The Secretary shall keep accurate minutes of the members and the Board of Managers meetings. He shall keep or cause to be kept a register of Members of the Association, as determined by the legal title to each subject Condominium Unit, and shall be responsible for the giving of notice of meetings of the Members or of the Board of Managers. The Secretary shall be custodian of the records and of the seal of the Association and shall attest the affixing of the seal of the Association when so authorized. The Secretary shall perform all duties commonly incident to his office and such other duties as may from time to time be assigned to him by the President.

Section 7. Treasurer. The Treasurer, subject to the order of the Board of Managers, shall have the care and custody of the money, funds, valuable papers and documents of the Association. He shall keep accurate books of account of the Association's transactions, which shall be the property of the Association, and shall render financial reports and statements of condition of the Association when requested by the Board of Managers or President. The Treasurer shall perform all duties commonly incident to his office and such other duties as may from time to time be assigned to him by the President.

Section 8. Salaries. The salaries of the officers shall be fixed from time to time by the Board of Managers and no officer, agent or employee shall be prevented from receiving such salary by reason of the fact that he is also a member of the Board of Managers of the Association.

Section 9. Removal. Any officer may be removed by the Board of Managers, at a meeting called for that purpose, whenever in its judgment the best interest of the Association will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election of an officer or agent shall not, of itself, create contract rights.

ARTICLE V.

Contracts, Loans, Checks and Drafts

Section 1. Contracts. The Board of Managers may authorize, by resolution, any officer or officers, agent or agents, to enter into any contract or execute and delivery any instruments in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Managers. Such authority may be general or confined to specific instances.

Section 3. Checks, Drafts, etc. All checks, drafts or other order for payment of money, drafts, notes, or other evidences of indebtedness issued in the name of the Association shall be signed by the President of the Association, or such other person or persons as may from time to time be designated by appropriate resolution of the Board of Managers.

Section 4. Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Managers may elect.

Section 5. Negation of Pecuniary Gain. This Association is not organized for a pecuniary profit. It shall not have any power to issue certificates of stock or declare dividends, and no part of its net earnings shall inure to the benefit of any Members, member of the Board of Managers, or individual. The balance, if any, of all money received by the Association from its operations, after the payment in full of all debts and obligations of the corporation of whatever kind or nature, shall be used and distributed exclusively for charitable, scientific, and educational purposes.

ARTICLE VI.

Certificates of Memberships

This Association shall be a membership corporation without certificates or shares of stock. There shall be one class of memberships, and there shall be one membership in the Association for each owner of a Condominium Unit within the Elk Avenue Building Condominium, defined as any person, persons, partnership, corporation or other entity or any combination thereof owning all or a part of the fee simple title to such Condominium Unit.

If title to any Condominium Unit shall be held by two or more

Association and shall be entitled to a vote equal in weight to such co-tenant's percentage of ownership of the subject Condominium Unit applied to the percentage of ownership of the Condominium common elements allocated to such Condominium Unit. The co-tenant's percentage of ownership of a Condominium Unit shall be as determined by the title documents of such Condominium Unit; in the absence of specific limitation, co-tenants shall be presumed to have equal undivided interests. No person or entity other than an owner of a Condominium Unit may be a member of the Association.

A membership in the Association and the share of a member in the assets of the Association shall not be assigned, encumbered or transferred in any manner except as an appurtenance to transfer of title to the Condominium Unit to which the membership pertains; provided, however, that the rights of membership may be assigned to the holder of a mortgage, deed of trust, or other security instrument on a Condominium Unit as further security for a loan secured by a lien on such Condominium Unit.

A transfer of membership shall occur automatically upon the transfer of title to the Condominium Unit to which the membership pertains. However, before any new owner may vote as a Member of the Association, such new owner shall provide the Secretary with sufficient and proper evidence that such person is the new legal owner, in fee, of the subject Condominium Unit, which fact, and transfer of membership shall be noted in the Association's records by the Secretary, along with copies of the applicable title documents.

The Association may suspend the voting rights of a member for failure to comply with the rules and regulations of the Association or of their Bylaws or with any other obligations of the owners of a Condominium Unit under the Condominium Declaration, or agreement created thereunder.

ARTICLE VII

Dues

Section 1. Annual Dues. The Board of Managers shall determine from time to time the amount of annual dues payable to the Association by the Members, according to the estimated and projected costs and expenses of managing, operating and maintaining the Elk Avenue Building Condominiums, pursuant to the Condominium Declarations, and shall give appropriate notice of such dues to the Members.

Section 2. Payment of Dues. Dues shall be payable in advance on the first day of the beginning month in each fiscal year of the Association.

Section 3. Additional Assessments. Pursuant to, and in accordance with, the Condominium Declarations, at the end of each fiscal year of the Association, the Association shall determine the actual expenses for the previous year, and shall either assess each Member or credit him against the dues for the next ensuing fiscal year, as the case may be, for his share of the difference between the estimated and actual expenses.

ARTICLE VIII.

Fiscal Year

The fiscal year of the Corporation shall begin on the 1st day of January and end one year later on the 31st day of December.

ARTICLE IX.

Waiver of Notice

Whenever notice is required to be given to any Member or member of the Board of Managers of the Association under the provisions of these Bylaws or under the provisions of the Articles of Incorporation or under the provisions of the laws of the State of Colorado, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE X.

Indemnification of Managers and Officers

The Association shall indemnify every member of the Board of Managers or Officer, his heirs, executors and administrators, against expenses 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 member of the Board of Managers or Officer of the Association, except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for 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 did not commit such a breach of duty. The foregoing right of indemnification shall not be exclusive of other rights to which he may be entitled.

ARTICLE XI.

Amendments

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the Board of Managers at any regular or special meeting of the Board of Managers.

The above Bylaws were approved and adopted by the Board of Managers on August 15, 1979.


Secretary