

**BYLAWS
OF
COBBLESTONE CONDOMINIUM ASSOCIATION, INC.**

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is Cobblestone Condominium Association, Inc. (the "Association"), a Colorado nonprofit corporation. The principal office and address of the Association are located at 314 Emily Lane, Frisco, Colorado 80443, with a mailing address of P.O. Box 1503, Colorado 80443.

**ARTICLE II
DEFINITIONS, PURPOSES AND ASSENT**

Section 2.01 Definitions. The definitions in the Condominium Declaration for Cobblestone Condominiums, as amended, supplemented or restated from time to time and recorded in the office of the Clerk and recorder of Summit County, State of Colorado (collectively the "Declaration"), will apply to these Bylaws, and all defined terms used in these Bylaws will have the same meaning as the defined terms used in the Declaration, unless the defined terms in these Bylaws or the context of these Bylaws clearly indicate otherwise. The term "Condominium Unit" as referred to in these Bylaws will also refer a multi-family dwelling unit or Home.

Section 2.02 Purposes. The specific purposes for which the Association is formed are (i) to provide for the operation, administration, use and maintenance of the Condominium Units and the Common Elements within Cobblestone Condominiums, as more fully described in the Declaration; (ii) to preserve, protect and enhance the values and amenities of such property; and (iii) to promote the health, safety and welfare of the Owners and users of the Project.

Section 2.03 Assent. All present or future Owners, their families, present or future tenants, and their guests and invitees, and any other person using the facilities of the Project in any manner are subject to the Association Documents, including the Declaration, the Map, the Articles of Incorporation, these Bylaws and any procedures, rules or policies adopted by the Board of Directors. The acquisition or rental of any of the Condominium Units in the Project or the occupancy of any of the Condominium Units will constitute ratification and acceptance of these Bylaws and an agreement to comply with those rules.

**ARTICLE III
MEMBERSHIP**

Section 3.01 Membership. Ownership of a Condominium Unit is required in order to qualify for membership in the Association. Every person becoming an Owner will immediately furnish to the Board of Directors a photocopy or a certified copy of the recorded instrument vesting in that person such ownership, which instrument shall remain in the files of the Association. A Member will not be deemed to be in good standing nor will he be entitled to vote at any annual or special

meeting of Members unless this requirement is first met.

Section 3.02 Representation on the Board of Directors. If title to a Condominium Unit is held by an individual, a firm, corporation, partnership, association, limited liability company, other legal entity or any combination thereof, or if any individual or entity holds title to one or more Condominium Unit, then in either case, that individual or entity may appoint, by a writing furnished to the Association, a delegate to represent each such Condominium Unit as a candidate for, and if elected, as a member of the Board of Directors. Such delegate will not vote as a Member unless such person is appointed by a proxy executed in conformance with Section 4.11 of these Bylaws to cast the voting interest of the Condominium Unit which he represents.

Section 3.03 Responsibility of Members. Any person, including Declarant, on becoming an Owner, will automatically become a Member and be subject to these Bylaws. Such membership will terminate without any formal Association action whenever such person ceases to own a Condominium Unit, but such termination will not relieve or release any such former Owner from any liability or obligation incurred under the Declaration or in any way connected with the Association during the period of such ownership, or impair any rights or remedies which the Board of Directors or others may have against such former Owner arising out of ownership of the Condominium Unit and membership in the Association and the covenants and obligations incident thereto. Every Owner will timely notify the Association of the name and address of any mortgagee, purchaser, transferee or lessee of his Condominium Unit. The Association will maintain such information at the office of the Association.

Section 3.04 Membership Certificates. No certificates of stock will be issued by the Association, but the Board of Directors may, if it so elects, issue membership cards to Owners. Such membership card will be surrendered to the Secretary of the Association whenever ownership of the Condominium Unit designated on the card is terminated.

Section 3.05 Co-Ownership of a Condominium Unit. There shall be only one membership per Home. If a Home is owned by more than one Person, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting and as set forth in Section 4.13 below, all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner which is not a natural person may be exercised by any manager, officer, director, partner, or trustee, or by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association.

Section 3.06 Classes of Membership. The Association shall have one class of membership, Class "A". Class "A" Members shall be all Owners and shall have one equal vote for each Condominium Unit in which they hold the interests required for membership under that Section entitled Membership, except that there shall be only one vote per Condominium Unit. No vote shall be exercised for any property which is exempt from assessment under that Section entitled Exempt Property. All Class "A" votes shall be cast as provided in that Section entitled Exercise of Voting Rights below.

ARTICLE IV
ASSOCIATION: MEETINGS, QUORUM, VOTING, PROXIES

Section 4.01 Place and Frequency of Meetings. Meetings of the Members will be held at least once each year at such place, within the State of Colorado, as the Board may determine.

Section 4.02 Annual Meetings. Annual meeting of the Members will be held on a date and at a time set by the Board of Directors. The purpose of the annual meeting is for the election of the Board of Directors and the transaction of such other business of the Association as may properly come before the meeting.

Section 4.03 Special Meetings. Special meetings of the Members may be called at any time by the President of the Association, or by a majority of the Board of Directors, or upon written request of Members who are collectively entitled to vote at least 20% of all votes in the Association.

Section 4.04 Notice of Meetings. Except for budget meetings, which will be noticed not less than 14 nor more than 60 days after the mailing of the budget summary, notice of any meeting of the Owners shall be as follows:

(a) Notice of any meeting of the Owners shall be conspicuously posted within the Project at least seven days prior to each such meeting, or as may otherwise be required by Colorado law. The Association shall also post notice on its website (if any) of all meetings. The notice shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes, and any proposal to remove an officer or member of the Board of Directors.

(b) If any Owner has requested that the Association provide notice via email and has provided the Association with an email address, the Association shall send notice of all Owner meetings to such Owner at the email address provided at least 24 hours prior to any such meeting.

No action shall be adopted at a meeting except as stated in the notice.

Section 4.05 Quorum. A quorum is deemed present throughout any meeting of the Association if Members entitled to cast (or proxies entitled to cast) 20% of the votes of the Association are present at the beginning of the meeting. If, however, such quorum is not present or represented at the meeting, the Members entitled to vote at the meeting will have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented by proxy.

Section 4.06 Actions Binding on Members. A majority of votes cast by Members constituting a quorum in person or by proxy will be sufficient to make decisions binding on all Owners, unless a different number or method of voting is expressly required by statute or by the Declaration, the Articles or these Bylaws.

Section 4.07 Majority of Owners. As used in these Bylaws, the term “majority” will mean

those votes, Owners, or other groups as the context may indicate totaling more than 50% of the total number.

Section 4.08 Conduct. All Owner meetings shall be governed by the following rules of conduct and order:

(a) The President of the Association or Board designee shall chair all Owner meetings.

(b) All Owners and persons who attend a meeting of the Owners will sign in, present any proxies and receive ballots as appropriate. (See section below regarding voting).

(c) Any person desiring to speak shall sign up on the list provided at check in and indicate if he/she is for or against an agenda item.

(d) Anyone wishing to speak must first be recognized by the Chair.

(e) Only one person may speak at a time.

(f) Each person who speaks shall first state his or her name and Condominium Unit address.

(g) Any person who is represented at the meeting by another person, as indicated by a written instrument, will be permitted to have such person speak for him/her.

(h) Those addressing the meeting shall be permitted to speak without interruption from anyone as long as these rules are followed.

(i) Comments are to be offered in a civilized manner and without profanity or personal attacks. Comments are to be relevant to the purpose of the meeting.

(j) Each person shall be given up to a maximum of three minutes to make a statement or to ask questions. The Board may decide whether or not to answer questions during the meeting. Each person may only speak once. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the Chair, but shall be uniform for all persons addressing the meeting.

(k) All actions and/or decisions will require a first and second motion.

(l) Once a vote has been taken, there will be no further discussion regarding that topic.

(m) Minutes of actions taken shall be kept by the Association.

(n) Anyone disrupting the meeting, as determined by the Chair, shall be asked

to “come to order.” Anyone who does not come to order will be requested to immediately leave the meeting.

(o) The Chair may establish such additional rules of order as may be necessary from time to time.

Section 4.09 Voting Privileges. All Members will be entitled to vote on all matters, with one vote per Condominium Unit.

(a) When more than one person holds an interest in any Condominium Unit, all such persons will be Members. The vote for such Condominium Unit will be exercised by one person or alternative persons as the Owners among themselves determine. If more than one of the multiple Owners are present at a meeting in person or by proxy, the vote allocated to their Condominium Unit may be cast only in accordance with the agreement of a majority in interest of the Owners, and if a majority of the Owners cannot agree, then the Owners of such Condominium Unit will not be entitled to vote. There is a majority agreement if any one of the multiple Owners casts the vote allocated to his Condominium Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Condominium Unit.

(b) Any Owner of a Condominium Unit that is leased may assign his voting right to the tenant, provided that the tenant is appointed to vote on behalf of the Owner by proxy and the proxy is furnished to the Secretary of the Association prior to any meeting in which the tenant exercises the voting right.

Section 4.10 Voting by Written Ballot.

(a) The Board of Directors may decide that voting of the Members on any matter required or permitted by the statutes of Colorado, the Articles of Incorporation, or these Bylaws will be by written ballot, hand delivered, U.S. mail, e-mail, facsimile or other electronic communication. Pursuant to the Colorado Revised Nonprofit Corporation Act, any action that may be taken at any annual, regular or special meeting of the Members may be taken without a meeting if the Secretary delivers a written ballot to every Member entitled to vote on the matter. A written ballot will: (i) set forth each proposed action; and (ii) provide an opportunity to vote for or against each proposed action. Approval by written ballot will be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. All solicitations for votes by written ballot will: (i) indicate the number of responses needed to meet the quorum requirements; (ii) state the percentage of approvals necessary to approve each matter other than election of members of the Board of Directors (iii) specify the time by which a ballot must be received by the Club in order to be counted; and (iv) be accompanied by written information sufficient to permit each person casting such ballot to reach an informed decision on the matter. A written ballot may not be revoked.

All votes taken at Owner meetings shall be taken as follows:

(a) All contested elections of Board Members shall be conducted by secret ballot. Each Owner entitled to vote pursuant to the Bylaws shall receive a ballot. The ballot shall contain no identifying information concerning the ballot holder. In the event an Owner holds a proxy for another Owner, upon presentation of such proxy to the Secretary of the Association or the Secretary's designee, the Owner shall receive a secret ballot to cast the vote of the Owner who provided the proxy. The proxy shall be kept and retained by the Association.

(b) All other votes taken at a meeting of the Owners shall be taken in such method as determined by the Board of Directors including acclamation, by hand, by voice or by ballot, unless otherwise required by law. Secret ballots are required upon a vote of 20% of a quorum of Owners.

(c) Written ballots shall be counted by a neutral third party or by a committee of volunteers. Such volunteers shall be Condominium Unit Owners who are selected or appointed at an open meeting, in a fair manner, by the chair of the meeting. The volunteers shall not be board Members and, in the case of a contested election for a Board position, shall not be candidates.

(d) The individual(s) counting the ballots shall report the results of the vote to the Chair by indicating how many votes were cast for each individual or how many votes were cast in favor and against any issue.

(e) The Board of Directors may decide that voting of the Members on any matter required or permitted by the statutes of Colorado, the Articles of Incorporation, or these Bylaws will be by written ballot, hand delivered, U.S. mail, e-mail, facsimile or other electronic communication. Pursuant to the Colorado Revised Nonprofit Corporation Act, any action that may be taken at any annual, regular or special meeting of the Members may be taken without a meeting if the Secretary delivers a written ballot to every Member

Section 4.11 Proxies.

(a) Written or electronically transmitted fax or e-mail proxies may be given by any Owner as allowed by C.R.S. 7-127-203.

(b) All proxies shall be reviewed by the Association's Secretary or designee as to the following:

- (i) Validity of the signature;
- (ii) Signatory's authority to sign for the Owner;
- (iii) Authority of the Owner to vote;
- (iv) Conflicting proxies;
- (v) Expiration of the proxy.

Section 4.12 Designation of Voting Representative by Non-Individual Owners-Requirement for Proxy. If title to a Condominium Unit is held in whole or in part by a firm, corporation, partnership, association, limited liability company or other legal entity, the voting privilege appurtenant to that ownership may be exercised only by a proxy executed on behalf of such party or parties, filed with the Secretary of the Association, and appointing and authorizing one person or alternate persons to attend all annual and special meetings of the Members and to cast the vote allocated to that Condominium Unit at the meeting.

Section 4.13 Designation of Voting Representative by Multiple Owners-Use of Proxy. If title to a Condominium Unit is held by more than one Owner, each Owner may vote or register protest to the casting of votes by the other Owners of the Home through a duly executed proxy, and if all of the Owners for a Condominium Unit cannot agree, then the Owners of such Home will not be entitled to vote. An Owner may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the person presiding over a meeting of the Association.

Section 4.14 Waiver of Notice. Waiver of notice of a meeting of the Members will be deemed the equivalent of proper notice. Any Member may waive, in writing, notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member, whether in person or by proxy, will be deemed waiver by such Member of notice of the time, date and place of the meeting unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting will also be deemed waiver of notice of all business transacted at the meeting unless objection to the calling or convening of the meeting of which proper notice was not given, is raised before the business is put to a vote.

Section 4.15 Action Without a Meeting. Any action which may be taken by the vote of the Members at a regular or special meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Members.

Section 4.16 Teleconference Meetings. Any regular or special meeting of the Members may be conducted by teleconference or other electronic means, followed by minutes of such meeting, which will be distributed to each Member.

Section 4.17 Order of Business. The order of business at all meetings of the members will 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.

The President may revise the agenda as necessary.

Section 4.18 Rules of Meetings.

- (a) All Owner meetings shall be governed by the following rules of conduct and order:
 - (i) The President of the Association or Board designee shall chair all Owner meetings.
 - (ii) All Owners and persons who attend a meeting of the Owners will sign in, present any proxies and receive ballots as appropriate. (See that section entitled Voting).
 - (iii) Any person desiring to speak shall sign up on the list provided at check in and indicate if he/she is for or against an agenda item.
 - (iv) Anyone wishing to speak must first be recognized by the Chair.
 - (v) Only one person may speak at a time.
 - (vi) Each person who speaks shall first state his or her name and address.
 - (vii) Any person who is represented at the meeting by another person, as indicated by a written instrument, will be permitted to have such person speak for him/her.
 - (viii) Those addressing the meeting shall be permitted to speak without interruption from anyone as long as these rules are followed.
 - (ix) Comments are to be offered in a civilized manner and without profanity or personal attacks. Comments are to be relevant to the purpose of the meeting.
 - (x) Each person shall be given up to a maximum of three minutes to make a statement or to ask questions. The Board may decide whether or not to answer questions during the meeting. Each person may only speak once. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the Chair, but shall be uniform for all persons addressing the meeting.
 - (xi) All actions and/or decisions will require a first and second motion.

(xii) Once a vote has been taken, there will be no further discussion regarding that topic.

(xiii) Minutes of actions taken shall be kept by the Association.

(xiv) Anyone disrupting the meeting, as determined by the Chair, shall be asked to “come to order.” Anyone who does not come to order will be requested to immediately leave the meeting.

(xv) The Chair may establish such additional rules of order as may be necessary from time to time.

ARTICLE V **BOARD OF DIRECTORS SELECTION; TERM OF OFFICE**

Section 5.01 Number, Qualification and Initial Board. The affairs of the Association will be managed by an Board of Directors consisting of not less than three (3) Board of Directors members. The Board of Directors members will be Class “A” Members of the Association or the delegates of Class “A” Members appointed by proxy under Article IV above. The number of the Board of Directors may be established from time to time by amendment to these Bylaws.

Section 5.02 Term of Office of Board of Directors Members. The term of office for the Board of Directors members elected by the Members will be three-year terms in which at least one-third of the Board is elected each year, and the Board of Directors will identify in which year the Board of Directors members terms for each category of representation are subject to election. For example, if the number of Board of Directors members on the Board is set at three pursuant to Section 5.01 above, one Board of Directors member will serve for a three-year term, one Board of Director member for a two-year term and one Board of Director member for a one-year term. At the expiration of the term of office of each respective Board of Director member, a successor will be elected to serve three years. Each Board of Director member will hold office until such Board of Director member’s successor is elected by the Members and qualified to serve.

Section 5.03 Removal of Board of Directors Members. Any Board of Director member may be removed, with or without cause, at any regular or special meeting of the Members by two-thirds (2/3) vote of the Members voting in person or by proxy at a meeting at which a quorum is present. A successor to any Board of Directors member removed may be elected at such meeting to fill the vacancy created by removal of the Board of Director member. An Board of Director member whose removal is proposed by the Members will be given notice of the proposed removal prior to the date of such meeting and will be given an opportunity to be heard at such meeting.

Section 5.04 Vacancies. Any vacancy occurring on the Board of Directors, other than removal by the Members, may be filled by the affirmative vote of a majority of the remaining Board of Directors members, though less than a quorum of the Board of Directors. The term of the Board of Directors member so elected will be coincident with the terms of the replaced Board of Directors member.

Section 5.05 Compensation. No Board of Directors member will receive compensation for service as a Board of Directors member unless approved by a majority vote of the members. However, any Board of Directors member may be reimbursed for actual, reasonable expenses incurred on behalf of the Association. Nothing herein shall prohibit the Association from compensating a Board of Directors member, or any entity with which a Board of Directors member is affiliated, for services or supplies furnished to the Association in a capacity other than as a Board of Directors member pursuant to a contract or agreement with the Association, provided that such Board of Directors member's interest was made known to the Board prior to entering into such contract and such contract was approved by a majority of the Board, excluding the interested Board member.

ARTICLE VI **MEETINGS OF DIRECTORS**

Section 6.01 Regular Meetings. Regular meetings of the Board of Directors will be held at such regular times as set by the Board, at such place and hour as may be fixed from time to time by resolution of the Board, but such meetings will be held no less frequently than annually. Should a regularly scheduled meeting fall upon a legal holiday, then that meeting will be held at the same time on the next day which is not a legal holiday.

Section 6.02 Special Meetings. Special meetings of the Board of Directors will be held when called by the President of the Association, or by any two Board members, after not less than three (3) days' notice to each Board of Directors member.

Section 6.03 Quorum. A quorum is deemed present throughout any meeting of the Board of Directors if persons entitled to cast two-thirds (2/3) of the votes on the Board are present at the beginning of the meeting.

Section 6.04 Agendas and Attendance. All regular and special meetings of the Association's Board of Directors, or any committee thereof, will be open to attendance by all Members of the Association or their representatives; however, Members will not be allowed to participate in the meetings unless authorized by the chairman of the meeting. Agendas for meetings of the Board of Directors will be made reasonably available for examination by all Members of the Association or their representatives.

Section 6.05 Conduct.

(a) All Board meetings shall be governed by the following rules of conduct and order.

(i) The President of the Association, or designee, shall chair all Board meetings.

(ii) All persons attending a meeting of the Board shall be required to sign in, listing their name and address.

(iii) All Owners or their representative will be given an opportunity to speak as to any matter or ask questions of the Board during the Owner Forum at the beginning of the meeting. Any Owner or their representative wishing to speak during the Owner Forum shall so indicate so at the time of sign in.

(iv) Anyone desiring to speak shall first be recognized by the Chair.

(v) Only one person may speak at a time.

(vi) Each person speaking shall first state his or her name and address.

(vii) Any person who is represented at the meeting by another person as indicated by a written instrument shall be permitted to have such person speak for them.

(viii) Those addressing the Board shall be permitted to speak without interruption from anyone as long as these rules are followed.

(ix) Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting or issue at hand.

(x) Each person shall be given up to a maximum of three minutes to speak or to ask questions, although questions may not be answered until a later date. Each person may only speak once during the Owner forum and once on any other issue prior to a vote by the Board on such issue. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the Chair but shall be uniform for all persons addressing the meeting.

(xi) Minutes of actions taken shall be kept by the Association.

(xii) Anyone disrupting the meeting, as determined by the Chair, shall be asked to "come to order." Anyone who does not come to order shall be requested to immediately leave the meeting.

(b) Owner Input. After a motion and second has been made on any matter to be discussed, but prior to a vote by the Board of Directors, Owners present at such time shall be afforded an opportunity to speak on the motion as follows:

(i) The Chair will ask those Owners present to indicate by a show of hands who wishes to speak in favor or against the motion. The Chair will then determine a reasonable number of persons who will be permitted to speak in favor of and against the motion and for how long each person will be permitted to speak. The Chair shall also announce the procedure for who shall be permitted to speak if not everyone desiring to speak will be permitted to speak.

(ii) Following Owner input, the Chair will declare Owner input closed and

there shall be no further Owner participation on the motion at hand unless a majority of the Board of Directors votes to open the discussion to further Owner participation.

Section 6.06 Executive Sessions. The members of the Board of Directors or any committee thereof may hold an executive or closed door session and may restrict attendance to Board of Directors members and such other persons requested by the Board during a regular or specially announced meeting or a part thereof. The matters to be discussed at such an executive session will include only matters enumerated in subparagraphs (a) to (e) of this section.

- (a) Matters pertaining to employees of the Association or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the Association;
- (b) Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
- (c) Investigative proceedings concerning possible or actual criminal misconduct;
- (d) Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure; and
- (e) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy.

No rule or regulation of the Board of Directors or committee thereof will be adopted during an executive session. The minutes of all meetings at which an executive session was held will indicate that an executive session was held, and the general subject matter of the executive session.

Section 6.07 Actions Binding on Board of Directors Members. Every action taken or decision made by a majority of the Board of Directors members present at a duly held meeting at which a quorum is present will be regarded as the act of the Board.

Section 6.08 Waiver of Notice. Attendance of a Board of Directors member at any meeting will constitute a waiver of notice of such meeting, except when a member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Before, at, or after any meeting of the Board of Directors members, any member of the Board may waive in writing notice of such meeting, and such waiver will be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the waiver of notice of such meeting.

Section 6.09 Action Taken Without a Meeting. The Board of Directors members will have the right to take any action which they could take at a meeting in the absence of a meeting by obtaining the written approval of all the Board of Directors members. Any action so approved will

have the same effect as though taken at a meeting of the Board of Directors members.

Section 6.10 Teleconference Meetings. Any regular or special meeting of the Board may be conducted by teleconference or other electronic means, followed by minutes of such meeting, which will be distributed to each Board Member.

Section 6.11 Conflicting Interest Transactions.

(a) Disclosure. Board Members shall immediately disclose to the Board any perceived or potential conflicting interest transaction regarding any aspect of the business operations of the Association. The Board Member shall declare all material facts of the conflict in an open meeting, prior to any discussion or action on that issue. After making such declaration, the member may participate in the discussion but shall not vote on that issue.

(b) Definition. A conflicting interest transactions means a contract, transaction, or other financial relationship between the Association and a Board Member or between the Association and a party related to a Board Member, or between the Association and an entity in which a Board Member is a director or officer or has a financial interest. The provisions of the Act and the Colorado Revised Nonprofit Act will apply to all situations where a conflicting interest transaction is present. See Addendum, C.R.S. §7-128-501.

(c) No loans. No loans shall be made by the Association to any Board Member Director or Officer.

ARTICLE VII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.01 General. The Board of Directors will have the powers and duties necessary for the administration of the affairs of the Association. Except as provided by these Bylaws, the Declaration or the Act, the Board may do all such acts and things which are not specifically required to be done by the Members and may otherwise act in all instances on behalf of the Association.

Section 7.02 Specific Powers and Duties. Without limiting the generality of powers and duties set forth in Section 7.01 above, the Board of Directors will have the following powers and duties, in each case subject only to applicable requirements of the Act:

(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, amend from time to time and enforce compliance with such reasonable rules and regulations as may be necessary for the operation, use and occupancy of the Community, subject to the provisions of the Declaration. A copy of such rules and regulations will be delivered, mailed by U.S. mail or by e-mail to each Member promptly after adoption.

(c) To keep in good order, condition and repair all the Common Elements and

all items of personal property, if any, used in the enjoyment of the Common Elements. No approval of the Members is required for expenditures for these purposes, except as otherwise required by the Declaration or these Bylaws.

(d) To fix, determine, levy, and collect the prorated Annual Assessments to be paid by each of the Members towards the gross expenses of the Community, and to adjust, decrease or increase the amount of the Assessments, and to credit any excess of Assessments over expenses and cash reserves to the Members against the next succeeding Assessment period.

(e) To designate and remove personnel necessary for the operation, maintenance, repair and replacement of the Common Elements.

(f) 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 Special Assessments will be in statement form and will set forth in detail the various expenses for which the Special Assessments are being made.

(g) To levy and collect Default Assessments for violation of the Governing Documents or because the Association has incurred an expense on behalf of a Member under the Governing Documents.

(h) To collect delinquent Assessments by suit or otherwise and to enjoin or seek damages from an Owner as provided in the Declaration and these Bylaws; and to exercise other remedies for delinquent Assessments as set forth in the Declaration.

(i) To fix, determine, levy and collect the working capital funds to be paid by each of the Members towards the working capital account of the Association, and to adjust, decrease or increase the amount of working capital funds collected from each Member as provided in the Declaration.

(j) 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 subject to limitations of the Act, and to authorize the appropriate officers to execute all such instruments evidencing such indebtedness as the Board may deem necessary and such indebtedness will be the several obligation of all Owners in the same proportions as they share Common Expenses; provided, however, that the Board will not borrow more than \$50,000 or cause the Association to be indebted for more than \$50,000 at any one time without the prior approval of Members present and voting in person or by proxy on the issue; and provided further, that the Board will not cause the encumbrance of the Common Elements without the prior approval of Members representing 67% of the votes of the Class "A" Members on the issue in accordance with the requirements of the Act.

(k) To dedicate, sell or transfer all or any part of the Common Elements to any public, governmental or quasi-governmental agency, authority, or utility for such purpose and subject to such conditions as may be agreed to by the Members, and subject to such additional limitations

as may be set forth in the Declaration or the Act, including without limitation the requirement of obtaining the prior approval of 67% of the votes of the Members present and voting in person or by proxy on the issue in accordance with the requirements of the Act.

(l) To enter into contracts within the scope of their duties and powers.

(m) To establish a bank account for the operating account of the Association and for the reserve funds and as required or deemed advisable by the Board of Directors.

(n) To cause to be kept and maintained full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof by Members or their Mortgagees during convenient weekday business hours.

(o) To cause any and all access roads, parking areas, and roadways in and to the Community and across the Property to be maintained, repaired and replaced as necessary to the extent those facilities are within the jurisdiction or control of the Association, subject to the provisions of the Declaration.

(p) To maintain and remove snow from any and all driveways, roadways and parking areas at the Community and to maintain and replace as necessary the landscaping, lawn, trees, shrubs, and other vegetation, and the sprinkler or other irrigation systems located on the Community for the benefit of the Members.

(q) To cause to be maintained the insurance coverage (including without limitation fidelity insurance, or in its place, a bond covering the Manager, the Board, the officers and any other persons charged with handling Association funds) as may be necessary to comply with the requirements of the Declaration, these Bylaws and the Act.

(r) In general, to carry on the administration of the Association and to do all those things necessary and responsible in order to carry out the communal aspects of Condominium ownership, all in accordance with the Declaration and the requirements of the Act.

(s) To delegate to the Manager or any other person or entity such of the Association's duties or responsibilities as may be more conveniently or efficiently performed by someone other than by the Association, and to agree to assess to the Members a reasonable fee for such services, except that the duties set forth in subparagraphs (d), (f), (g), (i), (j), (k) or (s) of this Section 7.02 are duties reserved to the Board by law will not be so delegated.

(t) To prepare a budget before the close of each fiscal year of the Association and submit the budget to the Association as required by the Act.

(u) On at least an annual basis the Association will provide Owners with education as to general operations and rights and responsibilities of the Owners and the Association under the Governing Documents.

Section 7.03 Manager. The Board of Directors may employ for the Community a professional management agent or agents as Manager for compensation established by the Board to perform such duties and services as authorized by the Board of Directors members. The Board members may delegate to the Manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these Bylaws, other than the powers set forth in subparagraphs (d), (f), (g), (i) (j), (k) or (s) of Section 7.02 of this Article and duties reserved to the Board by law. Declarant, or an affiliate or employee of Declarant, may be employed as Manager, subject to the limitations of the Act. If the Board delegates powers of the Board or officers of the Association relating to collection, deposit, transfer or disbursement of the Association funds to the Manager, then subparagraphs (a), (b), (c), (d) and (e) below will apply.

(a) Fidelity Insurance. The Manager will maintain fidelity insurance coverage or a bond providing the same type of insurance as described in Section 6.7 of the Declaration in an amount not less than the greater of (i) \$50,000, (ii) (a) the amount equal to the maximum funds that will be in the custody of the Association or the Manager, or (b) the amount of three month's current Assessments plus reserves, as calculated from the current budget of the Association, on all Condominium Units in the Community, or (iii) such higher amount as the Board may require;

(b) Maintain Association Accounts. The Manager will maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the Manager and will maintain all reserve accounts of each association so managed separate from operational accounts of the Association, each with appropriate access controls, and the bank where the accounts are located must send copies of monthly bank statements directly to the Association, and the Manager will not have authority to draw checks on, or transfer funds from, the Association's reserve account;

(c) Annual Accounting. An annual accounting for the Association funds and a financial statement will be prepared and presented to the Association by any one of the following: the Manager, a public accountant, or a certified public accountant.

(d) Management Agreement. If a professional manager is employed, the management agreement must be for a specified term (not to exceed three (3) years) and must contain specific termination provisions. Such termination provisions may not require the payment of any penalty for termination or require advance notice of termination in excess of sixty (60) days. The management agreement must provide that the Association has the right to terminate the management agreement without cause and such right may be exercised by the Association at upon sixty (60) days notice.

(e) Right of Entry. The Manager and any person authorized by the Board will have the right to enter each Condominium Unit in case of any emergency originating in or threatening such Condominium Unit whether or not the Owner or occupant is present at the time. Such authorized persons will also have the right to enter each Condominium Unit to perform maintenance and repair work as prescribed by these Bylaws and the Declaration.

Section 7.04 Accounts and Reports. The following management standards of performance

will be followed unless the Board by resolution specifically determines otherwise:

(a) A segregation of accounting duties should be maintained, and disbursements by check in any amount greater than \$5,000 will require two signatures. The two signatures will be the signature of the Manager and a Board Member, or the signature of two Board Members. The Board may modify this requirement from time to time by the resolution of the Board. Cash disbursements will be limited to amounts of \$100 or less.

(b) Cash accounts of the Association will not be commingled with any other accounts.

(c) No remuneration will be accepted by the Board of Directors members or the Manager from vendors, independent contractors or other providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts or otherwise. Anything of value received will be for the benefit of the Association.

(d) Any financial or other interest that the Manager or a Member of the Board may have in any firm (other than Declarant) providing goods or services to the Association will be disclosed promptly to the Board.

(e) Financial reports shall be prepared for the Association at least quarterly containing:

(i) an income statement reflecting all income and expense activity for the preceding period on an accrual basis;

(ii) a statement reflecting all cash receipts and disbursements for the preceding period;

(iii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;

(iv) a balance sheet as of the last day of the preceding period; and

(v) a delinquency report listing all Owners who are delinquent in paying any assessments at the time of the report and describing the status of any action to collect such assessments which remain delinquent (any assessment or installment thereof shall be considered to be delinquent on the 15th day following the due date unless otherwise specified by Board resolution).

(f) An annual report consisting of at least the following shall be made available to all Members within 120 days after the close of the fiscal year: (i) a balance sheet; (ii) an operating (income) statement; and (iii) a statement of changes in financial position for the fiscal year. Such annual report shall be prepared on an audited, reviewed, or compiled basis, as the Board determines, by an independent public accountant.

Section 7.05 Hearing Procedure. The Board will not impose a fine, suspend voting, or suspend any rights of a Member or other occupant of the Community for violations of rules and regulations or of the provisions of the Governing Documents unless and until the procedure below is followed:

(a) Demand. Written demand to cease and desist from the alleged violation will be served upon the alleged violator specifying:

- (i) the alleged violation;
- (ii) the action required to abate the violation; and

(iii) a time period of not less than 10 days during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any additional similar violation may result in the imposition of a sanction after notice and hearing, if the violation is not continuing.

(b) Notice. At any time within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty or if the same rule is subsequently violated, the Board or its delegate will serve the violator with written notice of a hearing to be held by the Board. The notice will contain the following:

- (i) the nature of the alleged violation;
- (ii) the time and place of the hearing, which time will be not less than ten (10) days from the giving of the notice;
- (iii) an invitation to attend the hearing and produce any statement, evidence and witness on the Member's behalf; and
- (iv) the proposed sanction to be imposed.

(c) Hearing. The hearing will be held pursuant to the notice, affording the Member a reasonable opportunity to be heard. Prior to the effectiveness of any sanction under these Bylaws, proof of notice and the invitation to be heard will be placed in the minutes of the meeting. Such proof will be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, Board of Directors member or agent who delivered such notice. The notice requirement will be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting will contain a written statement of the results of the hearing and the sanction, if any, imposed. Written and oral evidence may be presented. The presenting party will provide copies of any written evidence to the other party or parties. The decision of the Board will be final.

(d) Appeal. The Board may in its discretion appoint a Hearing Committee to hear the matter. In such event the above procedure will apply except that either party may appeal the

decision of the Hearing Committee to the Board by written notice to the Hearing Committee, the other party and the Board. The Board will consider the minutes of the hearing and report the decision to the Hearing Committee within a reasonable period of time not exceeding sixty (60) days after receipt of the notice. The decision of the Board will be final.

(e) Exceptions. Notwithstanding anything herein to the contrary, judicial proceedings must be instituted before any nonconforming or violating items of construction can be altered or demolished. The foregoing procedures will not be necessary in order to impose any sanction or penalty for nonpayment of a delinquent Assessment.

(f) Additional Enforcement Rights. Notwithstanding anything to the contrary in this Article, the Board may elect to enforce any provision of the Governing Documents by self-help (specifically including, but not limited to, towing vehicles that violate parking rules) or, following compliance with the dispute resolution procedures set forth in the Declaration, if applicable, by suit at law or in equity to enjoin any violation or to recover any monetary damages or both, without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred. Any entry into a Condominium Unit for purposes of exercising this power of self-help shall not be deemed as trespass.

ARTICLE VIII **OFFICERS AND THEIR DUTIES**

Section 8.01. Enumeration of Officers. The officers of the Association will be a President, a Vice-President, a Secretary and Treasurer, all of whom must be members of the Board of Directors and an Owner of a Condominium Unit in the Community.

Section 8.02 Election of Officers. Election of officers will take place at each annual meeting of the Members.

Section 8.03 Term. The officers of the Association will be elected annually by the Board, and each will hold office for one year or until his successor is duly elected and qualified, unless he sooner resigns, or is removed, or is otherwise disqualified to serve.

Section 8.04 Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom will hold office for such period, have such authority, and perform such duties as the Board may determine from time to time.

Section 8.05 Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation will take effect on the date of receipt of such notice or at any later time specified in the notice, and unless otherwise specified in the notice, the acceptance of such resignation will not be necessary to make it effective.

Section 8.06 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy will serve for the remainder of the term of the officer replaced.

Section 8.07 Multiple Offices. Any two or more offices may be held by the same person except the offices of President and Secretary.

Section 8.08 Duties. The duties of the officers are as follows:

(a) President. The President will preside at all meetings of the Association and of the Board; see that orders and resolutions of the Board are carried out; sign all leases, mortgages, deeds and other written instruments; co-sign all promissory notes; cause to be prepared and execute, certify and record amendments to the Declaration on behalf of the Association; and exercise and discharge such other duties as may be required of the President by the Board.

(b) Vice-President. The Vice-President will act in the place and stead of the President, in the event of his absence, inability or refusal to act, and will exercise and discharge such other duties as may be required by the Board.

(c) Secretary. The Secretary will record the votes and keep the minutes of the meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and place it on all papers requiring the seal; serve notice of meetings of the Board and of the Members; keep appropriate current records listing the Members together with their addresses; and perform such other duties as required by the Board.

(d) Treasurer. The Treasurer will receive and deposit in the appropriate bank accounts all monies of the Association and will disburse such funds as directed by resolution of the Board; sign all checks of the Association unless the Board of Directors specifically directs otherwise, and co-sign all promissory notes of the Association; keep proper books of account; at the direction of the Board, cause an annual audit of the Association books to be made by a public accountant at least once in every three fiscal years; and prepare an annual budget and a statement of income and expenditures to be presented to the Members at their regular annual meeting, and deliver or make copies available to each of the Members.

ARTICLE IX **INDEMNIFICATION**

Section 9.01 Definitions. For purposes of this Article IX, the following terms will have the meanings set forth below:

(a) Proceeding. Any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal;

(b) Indemnified Party. Any person who is or was a party or is threatened to be made a party to any Proceeding by reason of the fact that he is or was a Board Member, committee

member or officer of the Association or, while a Board Member or officer of the Association, is or was serving at the request of the Association as a Board Member, committee member, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust or other enterprise.

Section 9.02 Indemnification. The Association will indemnify, if indemnification is authorized by C.R.S. §7-129-102, any Indemnified Party in any Proceeding. The Association will advance the expenses of the Indemnified Party as provided in C.R.S. §7-129-104.

Section 9.03 Insurance. By action of the Board, notwithstanding any interest of the Board Members in such action, the Association may purchase and maintain insurance, in such amounts as the Board may deem appropriate, on behalf of any Indemnified Party against any liability asserted against him incurred by him in his capacity of or arising out of their status as an Indemnified Party, whether or not the Association would have the power to indemnify him against such liability under applicable provisions of law.

Section 9.04 Right to Impose Conditions to Indemnification. The Association will have the right to impose, as conditions to any indemnification provided or permitted in this Article IX, such reasonable requirements and conditions as the Board may appear appropriate in each specific case and circumstances including, without limitation, any one or more of the following; (a) that any counsel representing the person to be indemnified in connection with the defense or settlement of any Proceeding will be counsel mutually agreeable to the person to be indemnified and to the Association; (b) that the Association will have the right, at its option, to assume and control the defense or settlement of any claim or proceeding made, initiated or threatened against the person to be indemnified; and (c) that the Association will be subrogated, to the extent of any payments made by way of indemnification, to all of the indemnified person's rights of recovery, and that the person to be indemnified will execute all writings and do everything necessary to assure such rights of subrogation to the Association.

ARTICLE X **ASSOCIATION RECORDS, INFORMATION AND REPORTS**

Section 10.1 Corporate Report Filing. The Board of Directors will at all times keep the Association in good standing by filing the annual report each year with the Colorado Secretary of State. The Secretary or authorized officer of the Association will complete the annual report received from the Colorado Secretary of State with the name of the registered agent and registered office with both the physical and mailing address of the Association for notification by the Secretary of State and for service of process.

Section 10.2 Association Minutes and Record Keeping Requirements. The Association or its agents will keep as permanent records:

(a) minutes of all meetings of its Members and Board of Directors, a record of all actions taken by the Members or the Board of Directors without a meeting, a record of all actions taken by a committee of the Board of Directors in place of the Board on behalf of the Association,

and a record of all waivers of notices of meetings of Members and of the Board of Directors or any committee of the Board;

- (b) appropriate accounting records;
- (c) a record of its Class “A” Members in alphabetical order, by class, showing the number of votes each Class “A” Member is entitled to vote;
- (d) Association records in written form or in another form capable of conversion into written form within a reasonable time; and
- (e) a copy of each of the following records at its principal office:
 - (i) Articles of Incorporation;
 - (ii) Bylaws;
 - (iii) Resolutions adopted by its Board of Directors relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of Class “A” Members;
 - (iv) Minutes of all Class “A” Members' meetings, and records of all action taken by Class “A” Members without a meeting, for the past three (3) years;
 - (v) All written communications within the past three (3) years to Class “A” Members generally as Class “A” Members;
 - (vi) List of all names and business or home addresses of its current Board of Directors members and officers;
 - (vii) Copy of the most recent corporate report delivered to the Colorado Secretary of State under C.R.S. §7-136-107; and
 - (viii) All financial statements prepared for periods ending during the last three (3) years that a Class “A” Member could have requested under C.R.S. §7-136-106.

Section 10.3. Inspection/Copying Association Records. An Owner or his/her authorized agent is entitled to inspect and copy any of the books and records of the Association, subject to the following exclusions, conditions and requirements:

(a) Fees/Costs. Any Owner requesting copies of Association records shall be responsible for all actual costs incurred by the Association, including the cost to search, retrieve, and copy the record(s) requested. The Association may require a deposit equal to the anticipated actual cost of the requested records. Failure to pay such deposit shall be valid grounds for denying an Owner copies of such records. If after payment of the deposit it is determined that the actual cost was more than the deposit, Owner shall pay such amount prior to delivery of the copies. If after payment of the deposit it is determined that the actual cost was less than the deposit, the difference shall be returned to the Owner with the copies.

(b) Written Request/Purpose. The Owner shall give the Association's Manager a written request, stating with reasonable particularity the records sought and the purpose for which the inspection and/or copying is sought.

(c) Reasonably Available. The inspection and/or copying of the records of the Association shall be conducted after notice of at least 5 business days during normal business hours Monday through Friday, at the office of the Association or the Association's Manager, or at the next regularly scheduled meeting held within 30 days of the request.

(d) Use of Records. Association records shall not be used by any Owner for:

(i) any purpose unrelated to an Owner's interest as an Owner;

(ii) The purpose of soliciting money or property unless such money or property will be used solely to solicit votes of the Owners in an election to be held by the Association; or

(iii) Any commercial purpose; and records may not be sold or purchased.

(e) Exclusions. The following confidential records shall NOT be available for inspection and/or copying:

(i) Attorney-client privileged documents and records, unless the Board decides to disclose such communications;

(ii) Any documents that are confidential under constitutional, statutory or judicially imposed requirements; and

(iii) Any documents, or information contained in such documents, disclosure or which would constitute an unwarranted invasion of individual privacy, including but not limited to social security numbers, dates of birth personal bank account information, and driver's license numbers.

(f) Security. No Owner shall remove any original book or record of the Association from the place of inspection nor shall any Owner alter, destroy or mark in any manner, any Association record. An agent of the Association may observe any inspection of records or may make copies requested by an Owner.

Section 10.04 Association Disclosures to Members.

(a) Association/Manager Information: The Association shall provide to all Members, at least once per year, a written notice stating the name of the Association; the name of the Association's Manager, if any; and a valid physical address and telephone number for both the Association and the Manager. The notice shall also include the name of the Project, the initial date of recording of the Declaration, and the reception number or book and page for the main document

that constitutes the Declaration. If the Association's address or Manager changes, the Association shall provide all Members with an amended notice within ninety days after the change.

(b) Annual Disclosures. Within ninety days after the end of each fiscal year, the Association shall make the following information available to Members:

- (i) The date on which its fiscal year commences;
- (ii) Its operating budget for the current fiscal year;
- (iii) A list of the Association's current assessments, including both regular and special assessments;
- (iv) Its annual financial statements, including any amounts held in reserve for the fiscal year immediately preceding the current annual disclosure;
- (v) The results of any financial audit or review for the fiscal year immediately preceding the current annual disclosure;
- (vi) A list of all association insurance policies, including, but not limited to, property, general liability, association director and officer professional liability, and fidelity policies. Such list shall include the company names, policy limits, policy deductibles, additional named insureds, and expiration dates of the policies listed.
- (vii) The Association's Articles, Bylaws, and rules;

(c) Disclosure Options. The Association has the widest possible latitude in methods and means of disclosure, if the required information is readily available at no cost to Members. Disclosure shall be accomplished by one of the following means: Posting on an internet web page with accompanying notice of the web address via first-class mail or e-mail; the maintenance of a literature table or binder at the Association's principal place of business; or mail or personal delivery. The cost of such distribution is a Common Expense.

Section 10.05. Owners Disclosures Upon Unit Sale.

(a) Those disclosures and obligations set forth in the Affordable Housing Restrictive Covenant and Agreement recorded June 25, 2002 at Reception Number 689106 in the records of the Summit County Clerk & Recorder shall be complied with.

(b) On and after January 1, 2007 every contract for sale of a Unit shall contain a disclosure statement in bold-faced type that is clearly legible and in substantially the following form:

“THE PROPERTY IS LOCATED WITHIN A COMMON INTEREST COMMUNITY AND IS SUBJECT TO THE DECLARATION FOR SUCH COMMUNITY. THE OWNER OF THE PROPERTY WILL BE REQUIRED TO BE A MEMBER OF THE OWNER’S ASSOCIATION FOR THE COMMUNITY AND WILL BE SUBJECT TO THE BYLAWS AND RULES AND REGULATIONS OF THE ASSOCIATION. THE DECLARATION, BYLAWS, AND RULES AND REGULATIONS WILL IMPOSE FINANCIAL OBLIGATIONS UPON THE OWNER OF THE PROPERTY, INCLUDING AN OBLIGATION TO PAY ASSESSMENTS OF THE ASSOCIATION. IF THE OWNER DOES NOT PAY THESE ASSESSMENTS, THE ASSOCIATION COULD PLACE A LIEN ON THE PROPERTY AND POSSIBLY SELL IT TO PAY THE DEBT. THE DECLARATION, BYLAWS, AND RULES AND REGULATIONS OF THE COMMUNITY MAY PROHIBIT THE OWNER FROM MAKING CHANGES TO THE PROPERTY WITHOUT AN ARCHITECTURAL REVIEW BY THE ASSOCIATION (OR A COMMITTEE OF THE ASSOCIATION) AND THE APPROVAL OF THE ASSOCIATION. PURCHASERS OF PROPERTY WITHIN THE COMMON INTEREST COMMUNITY SHOULD INVESTIGATE THE FINANCIAL OBLIGATIONS OF MEMBERS OF THE ASSOCIATION. PURCHASERS SHOULD CAREFULLY READ THE DECLARATION FOR THE COMMUNITY AND THE BYLAWS AND RULES AND REGULATIONS OF THE ASSOCIATION.”

Section 10.6 Statement of Assessments. The Board of Directors or Manager, if any, will furnish to any Class “A” Member, the Class “A” Member’s designee or Mortgagee, upon written request, delivered personally or by certified mail, first-class postage prepaid, return receipt, to the Association’s registered agent, a written statement setting forth the amount of unpaid assessments currently levied against such Class “A” Member’s Condominium Unit. The statement shall be furnished within fourteen (14) calendar days after receipt of the request and is binding on the Association, the Board, and every Class “A” Member. If no statement is furnished to the Class “A” Member or Mortgagee, or owner’s 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 lien upon the Condominium Unit for unpaid assessments which were due as of the date of the request. The Association shall keep financial records sufficiently detailed to enable the Association to comply with C.R.S. §38-33.3-316(8) concerning statements of unpaid assessments. All financial and other records shall be made reasonably available for examination by any Class “A” Member or Class “A” Member’s designees.

Section 10.7 Notices. Except as otherwise provided in the Declaration or these Bylaws, all notices, demands, bills, statements, or other communications under the Declaration or these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

(a) If to a Class “A” Member, at the address which the Class “A” Member has designated in writing and filed with the Secretary, or, if no such address has been designated, at the

address of the Condominium Unit of such Class “A” Member;

(b) If to the Association, the Board, or the Manager, at the principal office of the Association or the Manager or at such other address as shall be designated by notice in writing to the Class “A” Members pursuant to this section; or

(c) If to any committee, at the principal address of the Association or at such other address as shall be designated by notice in writing to the Class “A” Members pursuant to this section.

ARTICLE XI **NONPROFIT CORPORATION**

This Association is not organized for profit. No Class “A” Member of the Association, member of the Board of Directors, or person from whom the Association may receive any property or funds will receive or will be lawfully entitled to receive any pecuniary profit from the operations of the Association, and in no event will any part of the funds or assets of the Association be paid as a dividend or be distributed to, or inure to the benefit of any member of the Board of Directors. Notwithstanding the foregoing, (a) reasonable compensation may be paid to any Class “A” Member or Board member acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association; (b) any Class “A” Member or Board of Directors member 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, and (c) any Board member may be reimbursed for actual and reasonable expenses incurred in the performance of his duties.

ARTICLE XII **AMENDMENTS**

Section 12.01 Amendment by the Members. These Bylaws may be amended by the affirmative vote by a vote of at least sixty-seven percent (67%) of the Members of the Association present or represented by proxy at any regular or special meeting, provided a quorum is present at such meeting. However, notwithstanding the foregoing, no provisions of these Bylaws may be amended by a number of Members which is less than the number of Members required within that particular provision to take certain action. Amendments may be proposed by the Board of Directors or by petition signed by the holders of at least a majority of the Members. A statement of any proposed amendment will accompany the notice of any regular or special meeting at which such proposed amendment will be voted upon.

Section 12.02 Amendment by the Board. The Board may amend these Bylaws by a vote of not less than two-thirds (2/3rds) of Board of Directors members at any regular or special meeting. A statement of any proposed amendment will accompany the notice of any regular or special Board meeting at which such proposed amendment will be voted upon.

Section 12.03 Scope of Amendments. These Bylaws may not be amended in a manner inconsistent with the Articles of Incorporation of the Association, the Declaration, or Colorado law. The Board may not amend the quorum requirement in §6.03.

ARTICLE XII
MISCELLANEOUS

Section 13.01 Fiscal Year. The fiscal year of the Association will begin on the first day of January and end on the 31st day of December each year, except that the first fiscal year will begin on the date of incorporation.

Section 13.02 Conflicts of Documents. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles will control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration will control.

Section 13.03 Numbers and Genders. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

CERTIFICATE

The undersigned Secretary of the Association hereby certifies that the above and foregoing Bylaws were duly adopted by the Board of Directors of this Association as the Bylaws of this Association on the _____ day of _____, 2007, and that they constitute the Bylaws of this Association.

Secretary

