

BYLAWS

OF

VILLAROSSO RESIDENCES AT DTC WEST CONDOMINIUM ASSOCIATION, INC.
(A Colorado Nonprofit Association)

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VILLAROSSO RESIDENCES AT DTC WEST CONDOMINIUM ASSOCIATION
(a Colorado Nonprofit Corporation)**

**ARTICLE I
Purposes; Assent of Members**

1.1. **Purposes.** The purposes for which the VillaRosso Residences at DTC West Condominium Association, Inc. (hereinafter referred to as the "Association") are as set forth in Article 6 of the *Condominium Declaration of VillaRosso Residences at DTC West Condominiums* as Recorded in the City and County of Denver, Colorado, and as the same may be amended, supplemented, or restated from time to time by a Recording of such amendment, supplement, or restatement (the "Declaration"); and to otherwise promote the health, safety, and welfare of the owners, residents, and occupants of the Condominium Community described in the Declaration (the "Condominium Community") and established pursuant to the Colorado Common Interest Ownership Act ("CCIOA"). The Association has been formed pursuant to those certain Articles of Incorporation filed with the Colorado Secretary of State on _____, 2000 (as the same may from time to time be amended, supplements, or restated, the "Articles") as a Colorado nonprofit corporation under the Colorado Revised Nonprofit Corporation Act.

1.2. **Assent.** All present or future owners, tenants, or any other person using the facilities of the Condominium Community in any manner are subject to these Bylaws and any rules adopted by the Board of Directors of the Association (the "Board") pursuant to these Bylaws. The mere acquisition or rental of any of the Condominium Units of the Condominium Community or the mere act of occupancy of one of those Units shall constitute an acceptance and ratification of these Bylaws and an agreement to comply with said rules.

1.3. **Defined Terms.** All capitalized words and phrases defined herein and not otherwise defined herein shall have the meanings assigned in the Declaration.

**ARTICLE II
Offices**

2.1. **Business Offices.** The principal office of the Association shall be within the State of Colorado and shall be located in the greater Denver Metropolitan area, as designated in the Association's most current filing with the Colorado Secretary of State. The Association may have such other offices, either within or without the State of Colorado, as the Board may designate or as the business of the Association may require from time to time. The Association shall maintain at its principal office a copy of certain records, as specified in Articles 6 and 16 of the Declaration.

2.2. **Registered Office.** The Association shall have and continuously maintain in the State of Colorado a registered office, and a registered agent whose office is identical with such registered office, as required by the Colorado Revised Nonprofit Corporation Act or any successor statute (the "Nonprofit Act"). The registered office may be, but need not be, identical with the principal office in the State of Colorado, and the address of the registered office may be changed from time to time by the Board.

ARTICLE III
Members; Meetings of Members

3.1. Membership. Qualification for membership in the Association shall be determined as set forth in Section 6.3 of the Declaration.

3.2. Voting Rights. The voting rights of members of the Association ("Members") shall be as set forth in Section 6.7 of the Declaration.

3.3. Annual Member Meeting.

(a) The annual meeting of the Members shall be held on the second Wednesday of the second month next following the last month of the Association's Fiscal Year, in each year, beginning with the year 2000, at the hour of 7:00 P.M., or at such other time on such other day within such month as shall be fixed by the Board, for the purpose of electing the members of the Board (the "Directors") and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Colorado, such meeting shall be held on the next succeeding business day.

(b) If the election of Directors shall not be held on the day designated herein for any annual meeting of the Members, or at any subsequent continuation after adjournment thereof, the Board shall cause the election to be held at a special meeting of the Members as soon thereafter as convenient.

3.4. Special Member Meetings. Special meetings of the Members may be called by the President or by a majority of the Board; and shall be called by the President at the request of the holders of not less than twenty percent (20%) of all outstanding votes of the Association entitled to be cast on any issue at the meeting.

3.5. Place of Member Meetings. The meeting notice shall designate any place within the Condominium Community or other place reasonably convenient to Members, as the place of meeting for any annual or special meeting of the Members, unless all the Members entitled to vote at the meeting agree by written consents (which may be in the form of waiver of notice or otherwise) to another location, which may be either within or without the State of Colorado. If no designation is made, the place of meeting shall be the principal office of the Association in the State of Colorado.

3.6. Notice of Member Meeting.

(a) **Timing.** Written notice stating the place, day, and hour of any annual or special Member meeting shall be delivered not less than ten (10) nor more than fifty (50) calendar days before the date of the meeting, by or at the direction of the President, the Secretary, or the Board. Such notice shall be delivered (i) to each Member of record, entitled to vote at such meeting, (ii) to any other Member entitled by the Nonprofit Act or the Articles to receive notice of the meeting, and (iii) to any other Person entitled under the Declaration to receive notice of the meeting (each, an "addressee").

(b) **How Given.** Notice may be given by hand delivery or by prepaid United States mail.

(c) **When Deemed Given.**

(1) Written notice sent by prepaid United States mail shall be deemed to be effective at the earliest of:

(A) the date deposited in the United States mail, addressed to the addressee at his address as it appears on the Association's current record of addressees, with postage thereon prepaid. If 3 successive notices given to a particular addressee pursuant to this paragraph (1) have been returned as undeliverable, no further notices to such addressee shall be necessary until another address for the addressee is made known to the Association;

(B) the date received; or

(C) on the date shown on the return receipt if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee.

(2) Notice given by hand delivery is effective when delivered.

(d) **Adjourned Meeting.** Any meeting of the Members at which a quorum is present may be adjourned and continued to another date, time or place. If any Member meeting is adjourned to a different date, time, or place, notice need not be given of the new date, time, and place, if the new date, time, and place is announced at the meeting before adjournment. But if a new record date for the adjourned meeting is or must (see Section 3.7 hereof) be fixed, then notice must be given pursuant to the requirements of subsection (a) of this Section, to those persons who are Members as of the new record date.

(e) **Waiver of Notice.** Any Member may waive notice of the meeting (or any notice required by the Nonprofit Act, the Declaration, the Articles, or these Bylaws), by a writing signed by the Member entitled to the notice, which shall be delivered to the Association (either before or after the date and time stated in the notice) for inclusion in the minutes or filing with the Association records (but such delivery and filing shall not be conditions of the effectiveness of the waiver).

(f) **Attendance.** A Member's attendance at a meeting:

(1) waives objection to lack of notice or defective notice of the meeting, unless the Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting because of lack of notice or defective notice; and

(2) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the Member objects to considering the matter when it is presented.

(g) **Contents of Notice.**

(1) **Special Meeting.** The notice of each special Member meeting shall include a copy of 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 Director.

(2) **Annual Meeting.** Except as may be provided in the Declaration, the Articles, the Nonprofit Act, or CCIOA, the notice of an annual Member meeting need not include a description of the purpose or purposes for which the meeting is called.

3.7. Fixing of Record Date. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members, or in order to make a determination of Members for any other proper purpose, the Board may fix in advance a date as the record date. Such record date shall not be more than 70 calendar days prior to the date on which the particular action, requiring such determination of Members, is to be taken. If no record date is so fixed by the Board for the determination of Members entitled to notice of or to vote at a meeting of Members, the record date for determination of such Members shall be at the close of business on:

(a) With respect to an annual Member meeting or any special Member meeting called by the Board or any person specifically authorized by the Board or these Bylaws to call a meeting, the day before the first notice is delivered to Members; or

(b) With respect to a special Member's meeting demanded by the Members, the later of (i) the date of the earliest of any of the demands pursuant to which the meeting is called, or (ii) the date that is 60 calendar days before the date the first of such demands is received by the Association;

When a determination of Members entitled to vote at any meeting of Members has been made as provided in this section, such determination shall apply to any adjournment thereof unless the Board fixes a new record date, which it must do if the meeting is adjourned to a date more than 120 calendar days after the date fixed for the original meeting.

3.8. Member Quorum and Voting Requirements.

(a) A quorum of the Members shall be deemed present throughout any meeting of the Members of the Association if Persons entitled to cast twenty percent (20%) of the votes which may be cast for election of the Board are present, in person or by proxy, at the beginning of the meeting. Once a Member is represented for any purpose at a meeting, such Member is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for that adjourned meeting.

(b) If a quorum exists at any meeting of the Members, action on a matter (other than the election of Directors) is approved by the Members if the votes cast favoring the action exceed the votes cast opposing the action, unless the Declaration, the Articles, CCIOA, or the Colorado Revised Nonprofit Corporation Act expressly require a greater number of affirmative votes.

3.9. Voting by Proxy.

(a) At all meetings of the Members, a Member may vote in person, or vote by proxy appointed by an appointment form signed by the Member or signed by his duly authorized attorney-in-fact.

(b) A Member may appoint a proxy by transmitting or authorizing the transmission of a telegram, teletype, or other electronic transmission providing a written statement of the appointment, to the proxy or to the Association; except that the transmitted appointment shall set forth or be transmitted with written evidence from which it can be determined that the Member transmitted or authorized the transmission of the appointment.

(c) Such proxy shall be filed with the Secretary of the Association or other person authorized to tabulate votes before or at the time of the meeting; and shall be effective against the Association when received by the Association.

(d) Any complete copy, including an electronically transmitted facsimile, of an appointment of a proxy may be substituted for or used in lieu of the original appointment for any purpose for which the original appointment could be used.

(e) No proxy shall be valid after 11 months from the date of its execution unless otherwise provided in the proxy.

ARTICLE IV Board Of Directors

4.1. General Powers. The corporate powers of the Association shall be exercised by or under the authority of, and the business and affairs of the Association shall be managed under the direction of, the Board of Directors of the Association (the "Board").

4.2. Number, Tenure, and Qualifications of Directors.

(a) Unless otherwise provided in the Declaration, the authorized number of Directors shall be not less than three (3) nor more than nine (9). The current number of Directors shall be within the limits specified above, and as from time to time determined (or as amended from time to time) by resolution adopted by the Members.

(b) Each Director shall hold office until the next annual meeting of Members or until his successor shall be elected and shall qualify, unless he sooner is removed as provided in these Bylaws, dies, no longer meets the qualifications described in this Section, or resigns. However, if his term expires, he shall continue to serve until his successor shall have been elected and qualified, or until there is a decrease in the number of Directors.

(c) Each Director shall be a natural person of the age of eighteen (18) years or older, but need not be a resident of the State of Colorado or a Member of the Association.

(d) Notwithstanding the foregoing, Section 6.8 of the Declaration provides that, during the Declarant Control Period, the Board shall consist of the number of members described in said Section 6.8, who shall be elected in accordance with the provisions of said Section 6.8.

(e) In the election of Directors, cumulative voting shall not be allowed.

4.3. Standards of Conduct.

(a) Each Director shall discharge his duties as a Director, including his duties as a member of a committee:

(1) in good faith;

(2) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and

(3) in a manner he reasonably believes to be in the best interests of the Association.

(b) In discharging his duties, a Director is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared and presented by:

(1) one or more officers or employees of the Association whom the Director reasonably believes to be reliable and competent in the matters presented;

(2) legal counsel, a public accountant, or other person as to matters which the Director reasonably believes are within such person's professional or expert competence; or

(3) A committee of the Board of which the Director is not a member if the Director reasonably believes the committee merits confidence.

4.4. Board of Director Vacancies.

(a) Unless the Articles provide otherwise, if a vacancy occurs on the Board, including a vacancy resulting from an increase in the number of Directors, the Members may fill the vacancy. Provided, that if the Members fail or are unable to fill such vacancies within 60 days from the date such vacancy arose, then (1) the Board may fill the vacancy or (2) if the Directors remaining in office constitute fewer than a quorum of the Board, they may fill the vacancy by the affirmative vote of a majority of all the Directors remaining in office.

(b) A vacancy that will occur at a specify later date (by reason of a resignation effective at a later date) may be filled before the vacancy occurs, but the new Director may not take office until the vacancy occurs.

(c) A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. However, if such term expires, he shall continue to serve until his successor is elected and qualifies or until there is a decrease in the number of Directors.

4.5. Removal of Directors.

(a) The Members may remove one or more Directors at a meeting called for that purpose, if notice has been given that a purpose of the meeting is such removal.

(b) Removal of a Director may be with or without cause, unless the Articles provide that Directors may only be removed for cause.

(c) A Director may be removed only if the number of votes cast in favor of removal exceeds the number of votes cast against removal.

(d) Notwithstanding anything to the contrary stated herein, the Members, by a vote of at least sixty-seven percent (67%) of the votes in the Association allocated to the Members present and entitled to vote at any meeting of the Members at which a quorum is present, may remove any elected Director, with or without cause.

4.6. Resignation of Directors.

- (a) A Director may resign at any time by giving written notice of resignation to the Association.
- (b) A resignation of a Director is effective when the notice is received by the Association unless the notice specifies a later effective date.
- (c) A Director who resigns may deliver to the Colorado Secretary of State for filing a statement to that effect.

4.7. Regular Meetings of the Board. A regular meeting of the Board (which shall be designated as the annual meeting of the Board) shall be held without other notice than this Bylaw immediately after or jointly with, and at the same place as, the annual meeting of the Members. The Board may provide, by resolution, the time and place (which shall be within the county where the Association's principal office is located) for the holding of additional regular meetings without other notice than such resolution.

4.8. Special Meeting of the Board.

(a) **Calling.** Special meetings of the Board may be called by or at the request of the President or any two Directors. The person(s) authorized to call special meetings of the Board may fix any place, but only within the Condominium Community or within the county where this Association has its principal office, as the place for holding any special meeting of the Board.

(b) **Timing.** Written notice stating the place, day, and hour of any special meeting of the Board shall be delivered not less than 2 calendar days before the date of the meeting.

(c) **How Given.** Notice may be given in person; by telephone, telegraph, teletype, electronically transmitted facsimile, or other form of wire or wireless communication; or by mail or private courier.

(d) **When Deemed Given.**

(1) Written notice, if in a comprehensible form, shall be deemed to be effective at the earliest of:

(A) 5 calendar days after deposit in the United States mail, with postage thereon prepaid;

(B) the date received; or

(C) on the date shown on the return receipt if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee.

(2) Oral notice is effective when communicated if communicated in a comprehensible manner.

(e) **Adjourned Meeting.** Any meeting of the Board at which a quorum is present may be adjourned and continued to another date, time or place. If any meeting of the Board is adjourned to a different date, time,

or place, notice need not be given of the new date, time, and place, if the new date, time, and place is announced at the meeting before adjournment.

(f) **Waiver of Notice.** Any Director may waive notice of a special meeting of the Board (or any notice required by CCIOA, the Articles, the Declaration, or the Nonprofit Act), by a writing signed by the Director entitled to the notice, which shall be delivered to the Association (either before or after the date and time stated in the notice) for inclusion in the minutes or filing with the corporate records (but such delivery and filing shall not be conditions of the effectiveness of the waiver).

(g) **Attendance.** A Director's attendance at or participation in a meeting waives any required notice to him of the meeting unless:

(1) at the beginning of the meeting promptly upon his later arrival, the Director objects to holding the meeting or transacting business at the meeting because of lack of notice or defective notice and does not thereafter vote for or assent to action taken at the meeting; or

(2) if special notice was required of a particular purpose pursuant to subsection (h) directly below, the Director objects to transacting business with respect to the purpose for which such special notice was required and does not thereafter vote for or assent to action taken at the meeting with respect to such purpose.

(h) **Contents of Notice.** Except as provided in the Declaration, CCIOA, the Articles, or the Nonprofit Act, the notice of any meeting of the Board need not include a description of the purpose or purposes for which the meeting is called.

4.9. **Director Quorum.**

(a) A quorum is deemed present throughout any meeting of the Board if persons entitled to cast fifty percent of the votes on that Board are present at the beginning of the meeting.

(b) Any Director who attends a meeting solely to express the objections described in Section 3.5(f) hereof shall not be counted as present for quorum purposes.

4.10. **Directors: Manner of Action.**

(a) The act of the majority of the Directors present at a meeting at which a quorum is present when the vote is taken shall be the act of the Board, unless a greater percentage is required by the Declaration, CCIOA, the Articles, or the Nonprofit Act.

(b) Members of the Board or any committee designated by the Board may participate in any regular or special meeting of the Board or committee by means of a conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

(c) A Director who is present at a meeting of the Board or a committee of the Board when corporate action is taken is deemed to have assented to the action taken at the meeting unless:

(1) he objects at the beginning of the meeting (or promptly upon his arrival) to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to any action taken at the meeting;

(2) he contemporaneously requests that his dissent or abstention as to any specific action taken be entered in the minutes of the meeting; or

(3) he causes written notice of his dissent or abstention as to any specific action to be received by the presiding officer of the meeting before adjournment of the meeting or by the Association promptly (and in any event within 3 business days) after adjournment of the meeting.

The right of dissent or abstention is not available to a Director who votes in favor of the action taken.

4.11. Director Action Without a Meeting.

(a) Unless the Articles provide otherwise, any action required or permitted to be taken by the Board at a meeting may be taken without a meeting if all the Directors consent to such action in writing.

(b) Action is taken under this section at the time the last Director signs a writing describing the action taken, unless, before such time, any Director has revoked his consent by a writing signed by the Director and received by the Secretary or any other person authorized hereunder or the Board to receive such a revocation.

(c) Action taken under this section at the time it is taken as provided in subsection (b) above, unless the consent specifies a different effective date.

(d) Action taken pursuant to this section has the same effect as action taken at a meeting of Directors, and may be described as such in any document.

(e) Any such consent may be executed in any number of counterparts, each of which shall be considered but one and the same instrument. It shall not be necessary that any one counterpart be executed by every Director, so long as each Director shall have executed at least one counterpart. Signatures obtained by facsimile transmission shall be sufficient and effective for these purposes.

4.12. Director Committees.

(a) **Creation of Committees.** The Board may create one or more committees and appoint members of the Board to serve on them. Each committee must have two or more members, who serve at the pleasure of the full Board.

(b) **Selection of Members.** The creation of a committee and appointment of members to it must be approved by a majority of all the Directors in office when the action is taken.

(c) **Required Procedures.** Sections 4.7 through 4.11, inclusive, apply to committees and their members.

(d) **Authority.** Each committee may exercise those aspects of the authority of the board of directors which the board of directors confers upon such committee in the resolution creating the committee. Provided, however, that no such committee shall have the authority of the Board in reference to:

- (a) amending, altering, or repealing these Bylaws;
- (b) electing, appointing, or removing any member of any such committee or any officer or Director of the Association;
- (c) amending or restating the Articles;
- (d) adopting a plan of merger or adopting a plan of consolidation with another corporation;
- (e) authorizing the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Association;
- (f) authorizing the voluntary dissolution of the Association or revoking proceedings therefor;
- (g) adopting a plan for the distribution of the assets of the Association; or
- (h) amending, altering, or repealing any resolution of the Board which by its terms provides that it shall not be amended, altered, or repealed by such committee.

Neither the designation and appointment of any such committee nor the delegation thereto of authority shall operate to relieve the Board or any individual Director of any responsibility imposed upon him by law.

4.13. **Executive Sessions.**

(a) All regular and special meetings of the Board, or any committee thereof, shall be open to attendance by all Members of the Association or their representatives.

(b) The Board or any committee thereof may hold an executive or closed door session and may restrict attendance to Board 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 shall include only matters enumerated in paragraphs (1) to (5) of subsection (c) of this Section.

(c) Matters for discussion by an executive or closed session are limited to:

(1) Matters pertaining to employees of the Association or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the Association;

(2) 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;

(3) Investigative proceedings concerning possible or actual criminal misconduct;

(4) Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure; and

(5) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy.

(d) Prior to the time the members of the Board or any committee thereof convene in executive session, the chair of the body shall announce the general matter of discussion as enumerated in paragraphs (1) to (5) of subsection (c) of this Section.

(e) No rule or regulation of the Board or any committee thereof shall be adopted during an executive session. A rule or regulation may be validly adopted only during a regular or special meeting or after the body goes back into regular session following an executive session.

(f) The minutes of all meetings at which an executive session was held shall indicate that an executive session was held, and the general subject matter of the executive session.

4.14. Other Powers and Duties. Without limiting the generality of the powers and duties set forth in Section 4.1 of these Bylaws, the Board shall have all the powers and duties granted and prescribed, but subject to the limitations imposed thereon, in the Declaration (including but not limited to Section 6.6 thereof), CCIOA (including but not limited to Section 38-33.3-302 thereof), and the Colorado Revised Nonprofit Corporation Act (including but not limited to Section 7-22-101 thereof or any successor statute).

4.15. Managing Agent. The Board may employ for the Association one or more managing agents at a compensation established by the Board, to perform or exercise such of the duties and powers referenced in Section 4.14 above as the Board shall authorize; provided, however, that the Board in delegating such duties shall not be relieved of its responsibility under the Declaration; and provided further, however, that:

(a) The managing agent must maintain fidelity insurance coverage or a bond in an amount not less than \$50,000, or such higher amount as the Board may require, and otherwise satisfying the requirements of Section 9.1(f) of the Declaration;

(b) The managing agent must maintain all funds and accounts of the Association separate from the funds and accounts of other Associations managed by the managing agent; and must maintain all reserve accounts of each association so managed separate from operational accounts of the Association (and the managing agent shall further maintain Association Reserves so as to satisfy the requirements of Sections 6.11(d) and 7.3(c) of the Declaration);

(c) An annual accounting for Association funds and a financial statement be prepared and presented to the Association by the managing agent, a public accountant, or a certified public accountant; and

(d) Any such managing agent shall assist the Association in preparing the budget describe in Section 6.10 of the Declaration, which shall be subject to ratification by the Members as set forth in Section 6.10 of the Declaration.

4.16. Compensation. Directors shall not receive any stated salaries or other remuneration for their services as such. Provided, that by resolution of the Board, the Board may reimburse the Directors for their reasonable

actual, out-of-pocket expenses incurred in attending a meeting of the Board. Nothing herein contained shall be construed to preclude any Director from serving the Association in some other capacity and receiving compensation therefor.

4.17. Declarant Control Period. Notwithstanding anything in these Bylaws to the contrary, during the Declarant Control Period, Declarant will have the right to appoint and remove the members of the Board, as more fully described in the Declaration.

4.18. Special Assessments. Notwithstanding anything to the contrary stated in Articles III and IV hereof, the Board shall have the right to impose and collect Special Assessments in the manner provided in the Declaration.

ARTICLE V Officers

5.1. Officers. The officers of the Association shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board), a Secretary, a Treasurer, and such other officers as may be elected in accordance with the provisions of this Article. The Board may elect or appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board. Any two or more offices may be held by the same person, except that the offices of President and Secretary shall be held by two separate individuals. The President must be a member of the Board.

5.2. Election and Term of Office. The officers of the Association shall be elected at the first meeting of the Board and thereafter at the next regular meeting of the Board following each annual meeting of the Board. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New offices may be created and filled at any meeting of the Board. Each officer shall hold office until his successor shall have been duly elected and shall have qualified, or until he sooner is removed as provided in these Bylaws, dies, no longer meets the qualifications described in this Article, or resigns.

5.3. Removal. Any officer elected or appointed by the Board may be removed by the Board whenever in its judgment the best interests of the Association would be served thereby.

5.4 Resignation.

(a) An officer may resign at any time by giving written notice of resignation to the Association.

(b) A resignation of an officer is effective when the notice is received by the Association unless the notice specifies a later effective date.

(c) If a resignation is made effective at a later date, the Board may permit the officer to remain in office until the effective date and may fill the pending vacancy before the effective date if the Board provides that the successor does not take office until the effective date, or the Board may remove the officer at any time before the effective date and may fill the resulting vacancy.

(d) An officer who resigns may deliver to the Colorado Secretary of State for filing a statement to that effect.

5.5. **Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board for the unexpired portion of the term.

5.6. **President.** The President shall be the principal executive officer of the Association and shall in general supervise and control all of the business and affairs of the Association. He shall insure that the orders and the resolutions of the Board are carried out. He shall preside at all meetings of the members and of the Board. He may sign, with the Secretary or any other proper officer of the Association, leases, mortgages, deeds, contracts or other instruments which the Board has authorized to be executed, except in the cases where the signing and execution thereof shall be expressly delegated by the Board or by these bylaws or by statute to some other officer or agent of the Association; and in general he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time. In addition, he may prepare, execute, certify, and Record any amendment to the Declaration which the Board has authorized or as to which he is otherwise empowered to take such action pursuant to the Declaration.

5.7. **Vice President.** In the absence of the President or in event of his inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the Board.

5.8. **Treasurer.** If required by the Board, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board shall determine. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board; sign all promissory notes of the Association; sign all checks of the Association unless the Board specifically directs otherwise; 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 membership at its regular annual meeting, and deliver a copy of each to the members.

5.9. **Secretary.** The Secretary shall keep the minutes of the meetings of the members and of the Board in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records and of the seal of the Association and see that the seal of the Association is affixed to all documents, the execution of which on behalf of the Association under its seal is duly authorized in accordance with the provisions of these Bylaws; keep a register of the post-office address of each Member which shall be furnished to the Secretary by such Member and in general perform all duties incident to the office of Secretary and such other duties as from time to time be assigner to him by the President or by the Board.

5.10. **Assistant Treasurers and Assistant Secretaries.** If required by the Board, the Assistant Treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board shall determine. The Assistant Treasurers and Assistant Secretaries, in general shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the President or the Board.

5.11 Standards of Conduct.

- (a) Each officer with discretionary authority shall discharge his duties under that authority:
- (1) in good faith;
 - (2) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
 - (3) in a manner he reasonably believes to be in the best interests of the Association.

(b) In discharging his duties, an officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared and presented by:

(1) one or more officers or employees of the Association whom the officer reasonably believes to be reliable and competent in the matters presented; or

(2) legal counsel, a public accountant, or other person as to matters which the officer reasonably believes are within such person's professional or expert competence.

5.12. Declarant Control Period. Notwithstanding anything in these Bylaws to the contrary, during the Declarant Control Period, Declarant will have the right to appoint and remove the officers of the Association, as more fully described in the Declaration.

ARTICLE VI Indemnification

6.1. Indemnification.

(a) To the extent permitted or required by the Act and any other applicable law, if any director or officer of the Association is made a party to or is involved in (for example as a witness) any proceeding (as defined below) because such person is or was a director or officer of the Association, the Association (i) shall indemnify such person from and against any judgments, penalties, fines, amounts paid in settlement and reasonable expenses (including but not limited to expenses of investigation and preparation, and fees and disbursements of counsel, accountants or other experts) incurred by such person in such proceeding, and (ii) shall advance to such person expenses incurred in such proceeding.

(b) The Association may in its discretion (but is not obligated in any way to) indemnify and advance expenses to an employee or agent of the Association to the same extent as to a director or officer.

(c) The foregoing provisions for indemnification and advancement of expenses are not exclusive, and the Association may at its discretion provide for indemnification or advancement of expenses in a resolution of its Members or Directors, in a contract or in its Articles.

(d) Any repeal or modification of the foregoing provisions of this Article for indemnification or advancement of expenses shall not affect adversely any right or protection stated in such provisions with respect

to any act or omission occurring prior to the time of such repeal or modification. If any provision of this Article or any part thereof shall be held to be prohibited by or invalid under applicable law, such provision or part thereof shall be deemed amended to accomplish the objectives of the provision or part thereof as originally written to the fullest extent permitted by law, and all other provisions or parts shall remain In full force and effect.

6.2. Definitions. As used in this Article, the following terms have the following meanings:

(a) Act. The term "Act" means the Colorado Revised Nonprofit Corporation Act as it exists on date this Article is adopted, and as the Colorado Revised Nonprofit Corporation Act may be thereafter amended or replaced from time to time. In the case of any amendment or replacement of the Colorado Nonprofit Corporation Act after the date of adoption of this Article, when used with reference to an act or omission occurring prior to effectiveness of such amendment or replacement, the term "Act" shall include such amendment or replacement only to the extent that the amendment or replacement permits a Association to provide broader indemnification rights than the Colorado Revised Nonprofit Corporation Act permitted prior to the amendment.

(b) Director or officer. The term "director", or "officer" means (i) a director or officer of the Association and (ii) while an individual is a director or officer of the Association, the individual's serving at the Association's request as a director, officer, partner, trustee, member, manager, employee or agent of any association, corporation, partnership, joint venture, limited liability company, trust, other enterprise or employee benefit plan, and (iii) any other position (not with the Association itself) in which a director or officer of the Association is serving at the request of the Association and for which indemnification by the Association is permitted by the Act.

(c) Proceeding. The term "proceeding" means any threatened, pending or completed action, suit, or proceeding whether civil criminal, administrative or investigative, and whether formal or informal.

ARTICLE VII Amendments and Compliance

7.1. Amendments.

(a) These Bylaws may be amended by a vote of a majority of a quorum of the Board at a regular or special meeting of the Board, unless:

(i) the Articles, the Declaration, or CCIOA reserve this power exclusively to the Members in whole or part; or

(ii) the Members in adopting, amending, or repealing a particular bylaw provide expressly that the Board may not amend or repeal that bylaw.

(b) No amendment to these Bylaws shall (i) serve to shorten the term of any Director, (ii) conflict with CCIOA, the Nonprofit Act, the Articles, or the Declaration; or (iii) delete any provision which must be contained in these Bylaws under the terms of CCIOA, the Nonprofit Act or the Declaration.

(c) The Association's Members may amend or repeal the Association's Bylaws even though the Bylaws may also be amended or repealed by its Board.

7.2. **Compliance with the Condominium Ownership Act.** These Bylaws are intended to comply with the requirements of CCIOA. If any of these Bylaws conflict with the provisions of said statute, the provisions of CCIOA will govern the Association.

ARTICLE VIII Nonprofit Corporation

The Association is not organized for profit. No Member of the Association, member of the Board, or a 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 operations of the Association, and in no event shall 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. The foregoing, however, shall neither prevent nor restrict any Member or Director from being reimbursed, from time to time, for his reasonable actual, out-of-pocket expenses incurred in connection with the administration of the affairs of the Association.

ARTICLE IX Right to Inspect Books and Records; Statement of Account

9.1. **Member's Rights to Inspect Corporate Records.** Members shall have such rights to inspect the books and records of the Association as may be set forth in the Declaration, CCIOA, and the Nonprofit Act.

9.2. **Statement of Account.** Upon ten (10) days' advance written notice to the Managing Agent, if any, or to the Board, and payment of a reasonable fee, any Owner 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 Notice and Hearing

10.1 **Procedures.** In the event that the Declaration provides that a Member is entitled to a Notice and Hearing prior to a particular action being taken by the Board, the following procedures shall be followed:

(a) **Notice.** Notice of the proposed action as to which the Member is entitled to a Notice and Hearing shall be delivered to such Member by certified or registered mail with return receipt requested, at the address of the Unit owned by such Member, or at such other address as such Member may have provided to the Association pursuant to Section 18.3 of the Declaration. Such notice shall describe with particularity the proposed action and its effect on the Member, and shall notify the Member of the holding of a regular or special meeting of the Board or a committee thereof, to be held not less than five (5) days nor more than ninety (90) days following delivery of the notice to the Member, at which time the Board will provide the Member with the opportunity to be heard as described in subsection (b) directly below.

(b) **Hearing.** At the meeting described in subsection (a) above (the "hearing meeting"), the affected Member shall be entitled to appear (either alone or with representatives) and shall be afforded a reasonable

opportunity to be heard concerning the proposed action. The Board may adopt reasonable Rules governing the conduct of such hearing meeting, including but not limited to Rules imposing limits on the amount of time that such Member and his representatives shall be allowed to speak regarding the proposed action.

(c) **Action.** The Board or committee thereof, as the case may be, shall take no action to formally approve or disapprove the proposed action until after the holding of the hearing described in subsection (b) above. Such formal action may be taken at the hearing meeting or at any subsequent regular or special meeting of the Board or such committee; and the affected Member shall be notified of the decision of the Board within sixty (60) days following the holding of the hearing meeting. Thereupon, the Member shall be obligated in all respects to comply with such decision and to discharge his obligations with respect thereto as more fully provided in the Declaration.

ARTICLE XI

Working Capital Fund

To provide the Association with sufficient working capital to cover the cost of unforeseen expenditures or to purchase any additional equipment or services, a "Working Capital Fund" will be established in an amount equal to two months' estimated General Assessments for each Condominium. Such Fund shall be established, funded, and maintained as more fully set forth in Section 7.3 of the Declaration.

ARTICLE XII

Certain Corporate Matters

12.1 Seal. The Board may provide a corporate seal, which may be circular in form and have inscribed thereon any designation including the name of the Association, the name of the State of Colorado as the state of incorporation, and the words "Corporate Seal." Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise. The impression of the seal may be made and attested by either the Secretary or an Assistant Secretary for the authentication of contracts or other papers requiring the seal.

12.2 Fiscal Year. The Fiscal Year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first Fiscal Year shall begin on the date of incorporation.

12.3. No Shares of Stock. The Association shall not have or issue shares of stock, and a Member's membership interest herein shall not be evidenced by any certificate or similar instrument.

12.4. No Dividends. No dividends shall be paid by the Association, and no part of the net income or profit of the Association shall be distributed to its Members, Directors, or officers. Upon dissolution or final liquidation of the Association, the Association may make distributions consistent with the provisions of the Declaration, the Articles, CCIOA, and the Nonprofit Act, and no such payment, benefit, or distribution shall be deemed to be a dividend or a distribution of income or profit.

12.5. Certain Loans Prohibited. No loans shall be made by the Association to its Directors or officers. Any Director or officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of such loan until the repayment thereof.

ARTICLE XIII
Miscellaneous

13.1 Gender. Whenever required by the context, the singular shall include the plural, the plural the singular, and one gender shall include all genders.

13.2 Invalid Provision. The invalidity or unenforceability of any particular provision of these Bylaws shall not affect the other provisions herein, and these Bylaws shall be construed in all respects as if such invalid or unenforceable provision was omitted.

13.3 Governing Law. These Bylaws shall be governed by and construed in accordance with the laws of the State of Colorado.

13.4 Conflict Between Documents. In the case of any conflict between the Articles and these Bylaws, the Articles shall control. In the case of any conflict between the Declaration and these Bylaws or the Articles, the Declaration shall control.