

**BYLAWS
OF
TRIANGLE PARK LOFTS
OWNERS ASSOCIATION**

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OF
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OWNERS ASSOCIATION

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BYLAWS
OF
TRIANGLE PARK LOFTS
OWNERS ASSOCIATION

ARTICLE I - OFFICES

The principal office of the corporation shall be located at 0701 East Valley Road, Suite 201, Basalt, Colorado 81621. The corporation may have such other offices either within the State of Colorado as the Executive Board may designate, or as the business of the corporation may require.

ARTICLE II - RECITALS

Section 2.1 Purpose. The purpose of this non-profit corporation is to govern the common interest community (the "Community"), consisting of the following described real property situate in the Town of Basalt, County of Eagle and State of Colorado, to-wit:

BLOCK 5, ACCORDING TO THE FINAL PLAT OF
WILLITS TOWN CENTER, FILING NO. 5,
RECORDED AS RECEPTION NO. 917692 OF THE
EAGLE COUNTY, COLORADO RECORDS.

(the "Property").

Section 2.2 Application. All present and future owners, tenants and persons using land, unit or improvements within the Community, are subject to the provisions set forth in these Bylaws. The mere acquisition or rental of any unit in the Community or the mere act of occupancy of the same or any portion thereof shall signify that these Bylaws are accepted, ratified and will be complied with.

Section 2.3 The Act. This nonprofit corporation is further organized to carry out, the purposes and directives of the Colorado Common Interest Ownership Act. To the extent any provision contained in these Bylaws or in the Declaration

conflicts with any mandate of the Act, the provisions of the Act shall be deemed to control.

ARTICLE III - DEFINITIONS

Section 3.1 Unit. "Unit" means a physical portion of the Property designated for separate ownership and shall refer to any of the numbered units shown on the Condominium Map as the same may be amended from time to time.

Section 3.2 Owner. "Owner" means and refers to any person or entity, including the Declarant, at any time owning a unit. As used in these By-laws, the term "owner" and "unit owner" are interchangeable.

Section 3.3 Condominium Map. "Condominium Map" means the Condominium Map of Triangle Park Lofts.

Section 3.4 Declaration. "Declaration" means the Condominium Declaration for Triangle Park Lofts.

Section 3.5 Declarant. "Declarant" means Triangle Park Lofts LLC, a Colorado limited liability company, the Declarant of the Condominium Declaration for Triangle Park Lofts.

Section 3.6 Master Association. "Master Association" means Willits Town Center Inc., the association established pursuant to the Master Declaration.

Section 3.7 Master Declaration. "Master Declaration" means the Declaration of Covenants, Conditions and Restrictions for Willits Town Center recorded as Reception No. 763045 of the Eagle County, Colorado records.

Section 3.8 Mortgage. "Mortgage" means and refers to any mortgage, deed of trust or other security instrument by which a unit or any part thereof is encumbered.

Section 3.9 Mortgagee. "Mortgagee" means and refers to any person or entity named as a mortgagee or beneficiary under any deed of trust or mortgage under which the interest of any owner is encumbered.

Section 3.10 Common Expenses. "Common expenses" means and refers to expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves.

Section 3.11 Common Elements. "Common elements" means and includes all parts of the property, grounds, improvements, installations and facilities which are not included within a Unit.

Section 3.12 Limited Common Elements. "Limited common elements" means a portion of the common elements allocated by the Declaration or the Condominium Map for the exclusive use of a single Unit.

Section 3.13 Executive Board. "Executive Board" means the board of directors of Triangle Park Lofts Owners Association.

Section 3.14 Association. "Association" means Triangle Park Lofts Owners Association.

ARTICLE IV - MEMBERSHIP, VOTING, QUORUM, PROXIES

Section 4.1 Membership. Every owner shall be entitled and required to be a member of the Association. An owner shall be entitled to one (1) membership for each Unit, other than a Parking Space Unit, owned. Each such membership shall be appurtenant to and inseparable from the Unit upon which it is based, and shall be transferred automatically by the transfer (in whatsoever form) of that Unit. Ownership of a Unit shall be the sole qualification for membership. No person or entity other than an owner may be a member of the Association.

Section 4.2 Voting Rights. The aggregate number of votes authorized and allocated among the Units shall total ten thousand (10,000) votes. The number of votes allocated to each Unit is determined by multiplying the Unit's percentage interest in the common elements by ten thousand (10,000), the total number of votes authorized.

Section 4.3 Voting. Owners of one (1) or more Units shall have the right to cast the aggregate number of votes that the Unit or Units which they own represent. If any Unit is owned by multiple parties, all such parties shall be Members. If only one (1) of the multiple Owners of a Unit is present at a meeting of the Association, such Owner is entitled to cast all the votes allocated to that Unit. If more than one

(1) of the multiple owners are present, the votes allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the Owners. There is majority agreement, if any one (1) of the multiple Owners casts the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Unit. In no event shall more votes be cast with respect to any Unit than the total number of votes allocated to that Unit. No vote(s) allocated to a Unit owned by the Association may be cast.

The provisions of the Colorado Common Interest Ownership Act [C.R.S. §38-33.3-310(1)(b)(I)] require that votes for positions on the Executive Board must be taken by secret ballot and that, upon the request of one (1) or more Unit Owners, a vote on any other matter affecting the Common Interest Community on which all Unit Owners are entitled to vote, shall be by secret ballot. The ballots shall be counted by a neutral third party or by a Unit Owner who is not a candidate, who attends the meeting at which the vote is held, and who is selected at random from a pool of two (2) or more such Unit Owners. The results of the vote shall be reported without reference to names, addresses or other information that would identify the voter.

Section 4.4 Resolution of Voting Disputes. In the event of any dispute as to the entitlement of any member to vote or as to the results of any vote of members, the Executive Board of the Association shall act as arbitrators and the decision of a disinterested majority of the Board shall, when rendered in writing, be final and binding.

Section 4.5 Cumulative Voting. Cumulative voting shall not be permitted in the election of the Executive Board or for any other purpose.

Section 4.6 Majority Vote. As used in these Bylaws, the term "majority vote" means more than fifty percent (50%) of the vote.

Section 4.7 Quorum. Except as may be otherwise provided in the Declaration, the Act, or these Bylaws, and except as hereinafter provided with respect to the calling of another meeting, the presence, in person or by proxy of members entitled to cast at least twenty percent (20%) of the votes of all members entitled to vote shall constitute a quorum at any meeting of such members. Members present in person or by proxy at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of members so as to leave less than a quorum. If the required quorum is not present in person

or by proxy at any such meeting of members, another meeting may be called, subject to the notice requirements herein specified, and the presence, in person or by proxy, of members entitled to cast at least ten percent (10%) of the votes of all members, shall, except as may be otherwise required by the Declaration, the Act or these Bylaws, constitute a quorum at such meeting.

Section 4.8 Adjournment of Members' Meetings. Members present in person or by proxy at any meeting may adjourn the meeting from time to time, whether or not a quorum shall be present in person or by proxy, without notice other than announcement at the meeting, for a total period or periods of not to exceed thirty (30) days after the date set for the original meeting. At any adjourned meeting which is held without notice other than announcement at the meeting, the quorum requirement shall not be reduced or changed, but if the originally required quorum is present in person or by proxy, any business may be transacted which might have been transacted at the meeting as originally called.

Section 4.9 Vote Required at Members' Meetings. At any meeting, if a quorum is present, a majority of the votes present, in person or by proxy and entitled to be cast on a matter, shall be necessary for the adoption of the matter, unless a greater proportion is required by the Act, the Declaration or these Bylaws.

Section 4.10 Proxies. Votes allocated to a Unit may be cast pursuant to a proxy duly executed by a Unit Owner. A proxy shall not be valid if obtained through fraud or misrepresentation. The appointment of proxies may be made substantially as provided in Section 7-127-203, C.R.S.

If a Unit is owned by more than one (1) person, each Owner of the Unit may vote or register protest to the casting of votes by the other Owners of the Unit through a duly executed proxy. A Unit 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. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven (11) months after its date, unless it provides otherwise.

The Association is entitled to reject a vote, consent, written ballot, waiver, proxy appointment or proxy appointment revocation if the Secretary or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for

doubt about the validity of the signature on it or about the signatory's authority to sign for the Unit Owner.

The Association and its officer or agent who accepts or rejects a vote, consent, written ballot, waiver, proxy appointment or proxy appointment revocation in good faith and in accordance with the standards of this Section are not liable in damages for the consequences of the acceptance or rejection.

Any action of the Association based on the acceptance or rejection of a vote, consent, written ballot, waiver, proxy appointment or proxy appointment revocation under this Section is valid unless a court of competent jurisdiction determines otherwise.

ARTICLE V - MEMBERSHIP MEETINGS

Section 5.1 Annual Meetings. Meetings of the Unit Owners shall be held at least once a year at such place as the Executive Board may determine. The annual meeting of the members shall be held at 7 o'clock p.m. on the second Wednesday in the month of April in each year for purposes of electing an Executive Board, and to transact such other business of the Association as may properly come before the meeting.

Section 5.2 Special Meetings. The President shall call a special meeting of the owners when so directed by resolution of the Executive Board or upon presentation to the Secretary of a petition signed by owners representing at least twenty percent (20%) of the voting rights. No business shall be transacted at a special meeting, except as stated in the notice.

Section 5.3 Notice of Meetings. Not less than ten (10) nor more than fifty (50) days in advance of any meeting of the Unit Owners, the Secretary or other officer specified in the Bylaws shall cause notice to be hand delivered or sent prepaid by United States mail to the mailing address of each Unit or to any other mailing address designated in writing by the Unit Owner. 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 Executive Board.

The Act encourages the Associations to provide all required notices and agendas in electronic form, by posting on a website or otherwise, in addition to printed form. If such electronic means are available, the Association shall provide notice of all regular and special meetings of Unit Owners by electronic mail to all Unit Owners who so request and who furnish the Association with their electronic mail addresses.

The notice of any meeting shall be physically posted in a conspicuous space, to the extent that such posting is feasible and practicable, in addition to any electronic posting or electronic mail notices that may be given pursuant to this Section. 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 Executive Board.

Section 5.4 Open Meetings. All meetings of the Association and Board of Directors are open to every Unit Owner of the Association or to any person designated by a Unit Owner in writing as the Unit Owner's representative, and all Unit Owners or designated representatives so desiring shall be permitted to attend, listen and speak at an appropriate time during the deliberations and proceedings; except that, for regular and special meetings of the Executive Board, Unit Owners who are not Board Members may not participate in any deliberation or discussion unless expressly so authorized by a vote of the majority of a quorum of the Board.

The Executive Board may place reasonable time restrictions on those persons speaking during the meeting, but shall permit a Unit Owner or a Unit Owner's designated representative to speak before the Board takes formal action on an item under discussion, in addition to any other opportunities to speak. The Board shall provide for a reasonable number of persons to speak on each side of an issue.

Section 5.5 Order of Business. The order of business at all meetings of the members shall be as follows:

- (a) Roll call (to determine the votes represented at the meeting);
- (b) Proof of notice of meeting or waiver of service;
- (c) Reading of minutes of preceding meeting;
- (d) Reports of officers (when applicable);
- (e) Reports of committees (when applicable);

- (f) Election of a Board of Managers (when proper and required under these Bylaws); and
- (g) New business.

ARTICLE VI - EXECUTIVE BOARD

Section 6.1 The Executive Board; Representation on Board. The affairs of the Association shall be managed by an Executive Board which may by resolution delegate any portion of its authority to an Executive Committee or to a Managing Agent for the Association. There shall be no fewer than three members of the Executive Board, during the period of Declarant control. After the period of Declarant control, the Executive Board shall be composed of not less than five, (5), nor more than, seven (7) persons. In the case of a five (5) person Board, at least two (2) Members of the Executive Board shall be elected only from among the Owners of the Commercial Units or from among candidates nominated and approved by a majority of the Owners of Commercial Units. In the case of a seven (7) person Board, at least three (3) Members of the Executive Board shall be elected only from among the Owners of the Commercial Units or from among candidates nominated and approved by a majority of the Owners of Commercial Units.

Section 6.2 Number and Qualifications. Following the period of Declarant control, the Executive Board shall consist of five (5) Members, until and unless the number of Board members should be increased to seven (7) through an Amendment of these Bylaws approved by Owners representing a majority of the votes presented or represented by proxy at a duly constituted meeting for such purpose. Board members must be twenty-one (21) years of age or older.

Section 6.3 Powers and Duties. The Executive Board shall have the powers and duties necessary for the administration of the affairs of the Association and to carry out the obligations of the Association indicated in the Declaration and the Act. The Executive Board (the "Board") shall have the duty to manage the affairs of the Association and have all powers necessary to do so, including all powers, rights and authority of the Association not reserved to the members, as provided in the Declaration, the Articles of Incorporation, these Bylaws, the Colorado Nonprofit Corporation Act, or the Colorado Common Interest Ownership Act. The powers and duties of the Executive Board include without limitation the following:

- (a) To administer and enforce the covenants, conditions, restrictions, obligations and other provisions set forth in the Declaration;
- (b) To establish, promulgate and enforce compliance with such reasonable rules and regulations as may be necessary for the use and occupancy of the Community, with the right to amend the same from time to time;
- (c) To propose budgets for the Community;
- (d) To insure and keep in force such insurance as is determined to be proper or in the interest of its members;
- (e) To fix, determine, levy and collect the assessments for common expenses to be paid by the owners;
- (f) To levy and collect special assessments for common expenses whenever, in the opinion of the Board, it is necessary to do so in order to meet increased operating expenses or costs, or because of emergencies;
- (g) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an owner, as provided in the Declaration, these Bylaws or the Act;
- (h) To defend the Association from loss or damage by suit or otherwise;
- (i) To borrow funds, but only when so authorized, by majority vote of the members present in person or by proxy at a meeting duly called for such purpose; and to execute all such instruments evidencing such indebtedness as is expressly authorized;
- (j) To enter into contracts within the scope of their duties and powers;
- (k) To maintain the Units and common elements as set forth in the Declaration;
- (l) To establish one or more bank accounts for the common treasury and for all separate funds which are required or may be deemed advisable;

- (m) To keep and maintain full and accurate books and records showing all of the receipts, expenses of disbursement and to permit examination thereof by any of the owners and any mortgagee of a Unit, upon reasonable advance notice at a mutually convenient time;
- (n) To prepare and deliver annually to each owner a statement showing, in at least summary form, all receipts, expenses or disbursements since the last such statement;
- (o) To meet at least semi-annually and more often as needed;
- (p) To carry on the administration of this Association and to generally do all things necessary and reasonable in order to effectuate the functions of the Association as addressed in the Declaration or the Act;
- (q) To exercise any other powers conferred by the Declaration or the Articles of Incorporation;
- (r) To exercise all other powers that may be exercised in this state by legal entities of the same type as the Association; and
- (s) To exercise any other powers necessary and proper for the governance and operation of the Association.

Section 6.4 Management Agent. The Executive Board may employ for the Association a Management Agent, at a compensation established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, any of the duties listed above. Any management agreement shall be subject to all restrictions set forth in the Declaration or the Act.

Section 6.5 Election and Term of Office. At each annual meeting, an Executive Board shall be elected for a term of one (1) year, and they shall serve until their successors have been elected and hold their first meeting.

Section 6.6 Vacancies. Vacancies in the Board, by any reason other than the removal by a vote of the members (owners), shall be filled by vote of the majority of the remaining members of the Board, even though they may constitute less than

a quorum; and each person so elected shall be a member of the Board of Managers until a successor is elected at the next annual meeting of the Association.

Section 6.7 Removal of Members of the Executive Board. At any regular meeting or at any special meeting called for that purpose, any one or more members of the Board may be removed with or without cause, by a majority vote of the total authorized votes of the membership, and a successor then and there may be elected to fill the vacancy thus created. Any member of the Board whose removal has been proposed by the owners, shall be given an opportunity to be heard at the meeting.

Section 6.8 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the members of the Board, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each member of the Board, personally or by mail, telephone or fax, at least three (3) days prior to the day named for such meeting.

Section 6.9 Special Meetings. Special meetings of the Board may be called by the President on three (3) days' notice to each member of the Board, given personally, or by mail, telephone or fax, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) members of the Board.

Section 6.10 Waiver of Notice. Before, at or after any meeting of the Board, any member of the Board may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by the members of the Board at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the members of the Board are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 6.11 Quorum. At all meetings of the Board, a majority thereof shall constitute a quorum for the transaction of business, and the acts of the majority of the members of the Board present at a meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board there is less than a quorum present, the majority of those present may adjourn the meeting from time to time.

At any such adjourned meeting, any business which might have been transacted at the meeting, as originally called, may be transacted without further notice.

Section 6.12 Immunity. To the full extent permitted by the Act, no member of the Board and no officer shall be liable for actions taken or omissions made in the performance of such Board member's duties, except for wanton and willful acts or omissions as provided in the Act.

Section 6.13 Powers Restricted. The Board may not act on behalf of the Association to amend the Declaration, to terminate the common interest community, or to elect members of the Executive Board or determine the qualifications, powers, duties, or terms of office of Executive Board members, but the Board may fill vacancies in its membership for the unexpired portion of any term.

Section 6.14 Executive Board - Conflicts of Interest. If any contract, decision or other action taken by or on behalf of the Executive Board would financially benefit any member of the Executive Board or any person who is a parent, grandparent, spouse, child or sibling of a Member of the Executive Board or a parent or spouse of any of those persons, that Member of the Executive Board shall declare a conflict of interest for that issue. The Member shall declare 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.

ARTICLE VII - OPEN MEETINGS AND EXECUTIVE SESSIONS

Section 7.1 Open Meetings. All regular and special meetings of the Association's Executive Board, or any committee thereof, shall be open to attendance by all Members of the Association or their representatives. Agendas for meetings of the Executive Board shall be made reasonably available for examination by all Members of the Association or their representatives.

Section 7.2 Closed Sessions. The members of the Executive Board or any committee thereof may hold an executive or closed door session and may restrict attendance to Executive Board members and such other persons requested by the Executive Board during a regular or specially announced meeting or a part thereof.

Section 7.3 Topics Limited. Matters for discussion by an executive or closed session are limited to:

- (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) Investigation 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.
- (f) Review of or discussion relating to any written or oral communication from legal counsel.

Section 7.4 Announcement Required. Prior to the time the members of the Executive Board or any committee thereof convene in executive session, the chair of the body shall announce the general matter of discussion. The topic of discussion so identified must fall within one or more of the topics enumerated above.

Section 7.5 Other Limitations. No rule or regulation 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.

Section 7.6 Minutes. 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.

ARTICLE VIII - OFFICERS

Section 8.1 Designation. The officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by and from the Executive Board.

Section 8.2 Election of Officers. The officers of the Association shall be elected annually by the Executive Board at the initial meeting of each new Board. The officers shall hold office at the pleasure of the Board. One person may hold concurrently any two (2) offices, except that the person holding the office of President shall not concurrently hold the office of Secretary.

Section 8.3 Removal of Officers. Upon an affirmative vote of a majority of the members of the Executive Board, any officer may be removed, with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

Section 8.4 President. The President shall be the chief executive officer of the Association. He shall act as chairman and preside (or appoint another Board member to preside) at all meetings of the Association and the Board. He shall have all of the general powers and duties which are usually vested in the office of President of an Association, including, but not limited to the power to appoint committees from among the owners to assist in the conduct of the affairs of the Association. The President shall have the power and authority to prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

Section 8.5 Vice President. The Vice President shall have all the powers and authority and perform all of the functions and duties of the President, in the absence of the President or upon the President's inability, for any reason, to exercise such powers and functions or perform such duties.

Section 8.6 Secretary. The Secretary shall keep the minutes of meetings of the Executive Board and minutes of the meetings of the Association. He shall have charge of such books and papers as the Board may direct. He shall, in general, perform all the duties incident to the office of the Secretary. The Secretary shall compile and keep current and maintain at the principal office of the Association, a complete list of members and their registered mailing addresses. Such list shall also show, opposite each member's name, the appropriate designation of the Unit owned

by such member. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

Section 8.7 Treasurer. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board.

ARTICLE IX - INDEMNIFICATION OF BOARD MEMBERS AND OFFICERS

The Association shall indemnify every member of the Executive Board and officer of the Association, against all loss, costs and expenses, including counsel fees reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a member of the Board or officer of the Association, except as to matters to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only for those matters determined by the Board not to be the product of gross negligence or willful misconduct on the part of the Board member or officer to be indemnified. The Board member or members to be indemnified shall not take part in the decision to indemnify. All liability, loss, damage, costs and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as a common expense. The Association shall maintain insurance for purposes of this paragraph, as more particularly provided below. Nothing contained in this paragraph shall be deemed to obligate the Association to indemnify any member or owner of a Unit, who is or has been a Board member or officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Declaration as an owner of a Unit.

ARTICLE X - BUDGETS AND AUDITS

Section 10.1 Executive Board to Propose Budgets. It shall be the duty of the Executive Board to formulate and propose a budget of expenses, not less than annually.

Section 10.2 Membership Approval. Within ninety (90) days after adoption of any proposed budget for the Common Interest Community, the Executive Board shall mail, by ordinary first-class mail, or otherwise deliver a summary of the budget to all the Unit Owners and shall set a date for a meeting of the Unit Owners to consider the budget. Such meeting shall occur within forty-five (45) days after mailing or other delivery of the summary. The Executive Board shall give notice to the Unit Owners of the meeting in accordance with Section 5.3 above. The budget proposed by the Executive Board shall not require approval from the Unit Owners and it will be deemed approved by the Unit Owners in the absence of a veto at the noticed meeting by a majority of all Unit Owners, whether or not a quorum is present. In the event that the proposed budget is vetoed, the periodic budget last proposed by the Executive Board and not vetoed by the Unit Owners must be continued until a subsequent budget proposed by the Executive Board is not vetoed by the Unit Owners.

Section 10.3 Audits. The books and records of the Association shall be subject to an audit, using generally accepted auditing standards, or a review, using statements on standards for accounting and review services, at least once every two (2) years by a person selected by the Executive Board. Such person need not be a certified public accountant except in the case of an audit.

An audit shall be required under this Section only when both of the following conditions are met:

- (a) The Association has annual revenues or expenditures of at least Two Hundred Fifty Thousand Dollars (\$250,000); and
- (b) An audit is requested by the Owners of at least one-third (1/3) of the Units represented by the Association.

Copies of an audit or review under this Section shall be made available upon request to any Unit Owner beginning no later than thirty (30) days after its completion.

ARTICLE XI - ASSESSMENTS

Section 11.1 Assessments. The Association shall have the right to levy and make assessments, in accordance with the Declaration, the Act and these Bylaws for the following purposes:

- (a) To promote the recreation, health, safety, and welfare of the owners and the residents of the property;
- (b) To pay assessments levied against the Property by the Master Association;
- (c) To pay the costs and expenses of maintaining the Common Elements as set forth in the Declaration;
- (d) To pay the premiums for all insurance which the Association is required or permitted to maintain;
- (e) To pay taxes and special assessments levied against any property of the Association, whether real or personal;
- (f) To provide lawn, grounds, and landscaping care for the Common Elements, maintain and operate the raw water irrigation system for the benefit of the common elements, and to otherwise maintain the common elements;
- (g) To provide for the removal of snow from sidewalks, roadways, driveways, and parking lots which form a part of the Common Elements and from the roofs and gutters as needed;
- (h) To pay all charges for lighting, utilities, irrigation water, trash removal and other services attributable to the Common Elements;
- (i) To pay wages for Association employees, Association management expenses, legal and accounting fees;
- (j) To pay any deficit remaining from any previous assessment period;

(k) To create a reasonable contingency reserve, surplus and/or sinking fund;

(l) To pay any other expenses and liabilities which may be incurred by the Association for the benefit of the Owners under or by reason of the Declaration, its Articles of Incorporation or By-Laws; and

(m) For any other purpose permitted by the Act.

Section 11.2 Allocation of Assessments for Common Expenses. Each Owner shall pay his prorata share of the Common Expenses. Such proration shall be made on the basis of each Owner's allocated interest in the Common Elements, except as follows:

(a) Any heating, cooling and ventilation system (HVAC system) serving the Commercial Units shall be metered separately from any HVAC system serving Residential Loft Units. The utility, maintenance and repair costs associated with any HVAC system serving only Residential Loft Units shall be apportioned and assessed among the Residential Loft Units served thereby on a proportionate square foot basis. The utility, maintenance and repair costs associated with any HVAC system serving more than one Commercial Unit shall be apportioned and assessed among the Commercial Units served thereby on a basis weighted to account for reasonably projected differences in usage among the different Units, as from time to time determined and certified by a mechanical engineer or other qualified technician; and

(b) The Association shall allocate expenses that inherently relate only to residential uses only to the Owners of the Residential Loft Units and allocate expenses that inherently relate only to commercial uses only to the Owners of the Commercial Units; and

(c) The utility, maintenance and repair costs associated with any Limited Common Element serving more than one Unit shall be apportioned and assessed among the Units served thereby on a proportionate square foot basis;

(d) The below-grade parking areas, stairwell, stairs and elevator primarily serve the Owners of the Residential Loft Units, their guests and the Owners of the Parking Space Units. All costs to maintain the parking areas, drives and all parking

spaces (including the Parking Space Units, guest parking and those parking spaces designated Limited Common Elements) and the stairwell, stairs and the elevator, shall be allocated and assessed as follows: ninety-nine percent (99%) of all such costs shall be allocated to the Residential Loft Units and one percent (1%) of all such costs shall be allocated to the Parking Space Units; and

(e) All costs to maintain the roof (except those parts which constitute Limited Common Elements appurtenant to the Telecommunications Unit or to a particular Commercial Unit or Units) shall be allocated to the Residential Loft Units; and

(f) As a part of its maintenance duties, the Association shall periodically clean fireplace flues and the clothes dryer exhaust vents. Such elements serve the Residential Units exclusively and the Association shall allocate those expenses to the Residential Loft Units; and

(g) Nothing contained herein shall prohibit certain Common Expenses from being apportioned to a particular Unit or Units as provided elsewhere in this Declaration.

Section 11.3 Payment of Assessments. Each owner shall pay to the Association, in accordance with these By-Laws, such assessments as may be periodically made by the Association. Until the Association makes an assessment for common expenses, the Declarant shall pay all common expenses.

Section 11.4 Periodic Assessments. After any assessment has been made by the Association, assessments shall thereafter be made monthly or on such other periodic basis as the Executive Board shall determine, but no less frequently than annually, and shall be based on a budget adopted no less frequently than annually.

Section 11.5 Added Charges. The Association may impose charges for late payment of assessments, recover reasonable attorney's fees and other costs of collection and levy fines for violations of the Declaration, the By-Laws or the Rules and Regulations of the Association. All such charges shall be enforceable as assessments. Any past due common expense assessment or installment shall bear interest at the rate of eight percent (8%) per annum or at such greater rate as may be established by the Executive Board, but not exceeding twenty-one percent (21%) per year.

Section 11.6 Collection of Assessments. The Association shall have the right to bring an action at law against the owner personally obligated to pay any delinquent assessment or fines.

Section 11.7 Assessment Liens. The Association shall also have a statutory lien on any Unit for any assessment levied against that Unit or fines imposed against the Unit Owner. The amount of the lien shall include any fees, charges, late charges, attorney's fees, fines and interest. The Declaration constitutes record notice and perfection of the statutory lien. No further recordation of any claim of lien or assessment is required. The statutory lien for unpaid assessments is extinguished unless proceedings to enforce the lien are instituted within six (6) years after the full amount of assessments become due. The Association's lien for assessments and enforcement rights in respect thereto shall be governed by the applicable provisions of the Act, as now in effect or hereafter amended.

Section 11.8 Assessment Certificates. Upon request, the Association shall provide any owner, prospective purchaser, mortgagee or prospective mortgagee, of any Unit in the Community a certificate in writing signed by an officer of the Association setting forth the amount of any assessments, interest or late charges due in connection with any specified Unit. A reasonable charge may be made by the Association for the issuance of such certificates.

Section 11.9 Notice of Assessment Liens. Upon written request, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the Association's registered agent, the Association shall furnish to a Unit Owner or his designee, or to a holder of a security interest, mortgage or deed of trust or its designees, a written statement setting forth the amount of unpaid assessments currently levied against such owner's Unit. This statement shall be furnished within fourteen (14) days after receipt of the request, and is binding on the Association, the Executive Board and every Unit Owner. If no statement is furnished to the Unit Owner or holder of the security interest, mortgage or deed of trust, or to his 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 Unit for unpaid assessments which were due as of the date of the request.

ARTICLE XII - DECLARANT'S RIGHTS TO CONTROL THE ASSOCIATION AND LIMITATIONS

Section 12.1 This Article Controls. The provisions of this Article shall control all inconsistent and conflicting provisions contained elsewhere in these Bylaws.

Section 12.2 Period of Declarant Control. Pursuant to the reserved rights of the Declarant under the Declaration, there shall be a period of Declarant control of the Association, during which a Declarant, or persons designated by the Declarant, may appoint and remove the officers of the Association and members of the Executive Board.

(a) The period of Declarant control shall terminate no later than the earlier of (i) sixty (60) days after conveyance of seventy-five percent (75%) of the Units that may be created in the Community to Unit Owners other than a Declarant; or (ii) two years after the last conveyance of a Unit by the Declarant in the ordinary course of business; or (iii) two years after any right to add new Units was last exercised.

(b) Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units that may be created to Unit Owners other than a Declarant, at least one member and not less than twenty-five percent (25%) of the members of the Executive Board shall be elected by Unit Owners other than the Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units that may be created to Unit Owners other than a Declarant, not less than thirty-three and one-third percent (33 1/3%) of the members of the Executive Board must be elected by Unit Owners other than the Declarant.

(c) Except as otherwise provided in C.R.S. § 38-33.3-220(5), not later than the termination of any period of Declarant control, the Unit Owners shall elect an Executive Board of at least three members, at least a majority of whom must be Unit Owners other than the Declarant or designated representatives of Unit Owners other than the Declarant; and the Executive Board shall elect the officers and the Executive Board members and officers shall take office upon election.

(d) Notwithstanding any provision of the Declaration or these Bylaws to the contrary, following notice under C.R.S. § 38-33.3-308, the Unit Owners, by a vote of sixty-seven percent (67%) of all Unit Owners present and entitled to vote at a meeting of the Unit Owners at which a quorum is present may remove a member of the Executive Board with or without cause other than a member appointed by the Declarant.

Section 12.3 Voluntary Surrender. The Declarant may voluntarily surrender the right to appoint and remove officers and members of the Executive Board before termination of the period of Declarant control set forth above. In that event, the Declarant may require for the duration of the period of Declarant control, that specified actions of the Association or Executive Board as described in a recorded instrument executed by the Declarant, be approved by the Declarant before becoming effective.

Section 12.4 Association's Records. Within sixty (60) days after termination of Declarant's control and the election of a new Executive Board by the members, the Declarant shall deliver to the Association all records and property of the Association held or controlled by the Declarant as prescribed by the Colorado Common Interest Ownership Act.

ARTICLE XIII - RULES AND REGULATIONS

Section 13.1 Promulgation of Rules and Regulations. The Association, through its Executive Board, shall have the power and authority to adopt and promulgate such rules and regulations as it may from time to time deem necessary or desirable to regulate the use of the Units and activities within the Community, in a manner consistent with the purposes of the Declaration.

Section 13.2 Members and Occupants to Comply. Each Owner and every person occupying or in possession of any Unit, improvement or portion thereof, shall comply strictly with the provisions of the Declaration and any Rules and Regulations promulgated by the Association. Each Owner shall always endeavor to observe and promote the cooperative purposes for which the Association was established. Each Owner shall see that any tenant or other person occupying his Unit or any dwelling unit upon his Unit, is supplied with a copy of the Rules and Regulations and a copy of the Declaration and require that such tenant comply therewith. Every lease or rental agreement in respect to any Unit or dwelling unit

within the Community shall require the tenant to comply with the Rules and Regulations of the Association and the Declaration.

ARTICLE XIV - INSURANCE

Section 14.1 Association to Maintain Insurance. Commencing not later than the time of the first conveyance of a Unit to a person other than the Declarant, the Association shall maintain to the extent reasonably available:

(a) Property insurance on the Common Elements for broad form covered causes of loss. Such coverage shall afford protection against loss or damage by fire and other hazards covered by a standard extended coverage endorsement and such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use, as the buildings on the Property, including, but not limited to vandalism and malicious mischief. The amount of insurance must be not less than the full insurable replacement cost of the insured property, less applicable deductibles at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations and other items normally excluded from property policies; provided that the casualty protection on the buildings and improvements maintained by the Association shall insure the improvement only to the interior bare walls as initially constructed and installed by the Declarant. It shall be the responsibility of each Owner to insure the finish of the interior walls and all cabinets, furnishings, fixtures, appliances, personal property, and other contents of his Unit. The named insured shall be the Association, individually, and as agent for the Owners and their Mortgagees, without naming them. Provisions shall be made for the issuance for mortgagee endorsements and memoranda of insurance to the Mortgagees of the Owners. Such insurance policy shall provide that payments by the insurer for losses shall be made to the Association or to an insurance trustee in the State of Colorado designated by the Association for that purpose. Such insurance policy shall contain a "severability of interest" clause or endorsement which shall preclude the insurer from denying the claim of a Unit Owner because of negligent acts of the Association or other Unit Owners. The scope of coverage must include all other coverage in the kinds and amounts commonly required by private institutional mortgage investors for projects similar in construction, location, and use.

(b) Commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of the Common Elements with coverage limits as deemed sufficient in the judgment of the Executive Board, but in no event less than \$1,000,000 per occurrence and \$2,000,000 aggregate, insuring the Executive Board, the Association, the management agent, if any, and their respective employees, agents, and all persons acting as agents. The Declarant shall be included as an additional insured in Declarant's capacity as a Unit Owner and board member. The Owners (Unit Owners) shall be included as additional insureds, but only for claims and liabilities arising in connection with the ownership, existence, use or management of the Common Elements. The insurance shall cover claims of one (1) or more insured parties against other insured parties. The Town of Basalt shall also be included as an additional insured. The maintenance of such insurance by the Association and the acceptance of such coverage by the Town of Basalt, does not waive or purport to waive the provisions of the Colorado Governmental Immunity Act as applicable to the Town of Basalt.

Section 14.2 Non-Availability. If the insurance described above is not reasonably available, or if any policy of such insurance is canceled or not renewed, without a replacement policy therefore having been obtained, the Association promptly shall cause notice of that fact to be hand delivered, or sent prepaid, U.S. mail, to all Unit Owners.

Section 14.3 Additional Coverage Required. Pursuant to the Act, the Property Insurance and the Commercial General Liability Insurance required above, must provide that:

(a) Each Owner is an insured person under the policy with respect to liability arising out of such Unit Owner's interest in the Common Elements or membership in the Association;

(b) The insurer waives its rights to subrogation under the policy against any Unit Owner or member of his household;

(c) No act or omission by any Unit Owner, unless acting within the scope of such Unit Owner's authority on behalf of the Association, will void the policy or be condition to recovery under the policy; and

(d) If, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

Section 14.4 Adjustment of Property Loss. Any loss covered by the Property Insurance described above, must be adjusted with the Association, but shall be held, administered and applied in the manner provided by the Colorado Common Interest Ownership Act, C.R.S. §38-33.3-313(5) - (9).

Section 14.5 Procedures; Deductibles; Assessments. The Association may adopt and establish written nondiscriminatory policies and procedures relating to the submittal of claims, responsibility for deductibles, and any other matters of claims adjustment. To the extent the Association settles claims for damages to real property, it shall have the authority to assess negligent Unit Owners causing such loss or benefitting from such repair or restoration, all deductibles paid by the Association. In the event that more than one (1) Unit is damaged by a loss, the Association, in its reasonable discretion, may assess each Unit Owner a pro rata share of any deductible paid by the Association.

Section 14.6 Owner's Insurance. An insurance policy issued to the Association does not obviate the need for Unit Owners to obtain insurance for their own benefit.

Section 14.7 Officers and Directors. The Association shall keep and maintain Officers and Directors errors and omissions and personal liability coverage, with coverage limits of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate, to protect the officers and directors from personal liability in relation to or arising out of their duties on behalf of the Association.

Section 14.8 Fidelity Bonds and Insurance. The Association shall obtain adequate fidelity bonds or insurance coverage to protect against dishonest acts of any Unit Owner, Executive Board member, Officer, employee or Manager of the Association handling or responsible for Association funds. Such fidelity bonds or insurance coverage shall not be less than the aggregate amount of two (2) months current assessments for the entire Property, plus reserves as calculated from the current budget of the Association, or \$50,000, whichever is greater. The Association may carry fidelity bonds or insurance in such greater amount as the Executive Board deems prudent.

Section 14.9 Managing Agent Insurance. The Association shall require any independent contractor employed for purposes of managing the Common Interest Community to carry fidelity bonds or insurance for the benefit of the Association to the same extent as the Association or with such greater coverage limits as the Association or the Act may require, for the benefit of the Association and any such Manager shall maintain and submit evidence of such coverage to the Association.

Section 14.10 Worker's Compensation and Employer's Liability Insurance. The Association shall obtain worker's compensation and employer's liability insurance and all other similar insurance with respect to its employees in the amounts and forms as may now or hereafter be required by law.

Section 14.11 Other Insurance. The Association may also obtain insurance coverage against any such other risks of a similar or dissimilar nature, as deemed appropriate.

Section 14.12 Insurance Expense. The cost of all insurance which the Association is required or permitted to maintain, shall be assessed to the Unit Owners as a Common Expense.

Section 14.13 Annual Review. The Executive Board shall review the insurance coverage for the Association at least annually for the purpose of determining the amount of insurance required.

Section 14.14 Duty to Repair. Any portion of the Community for which insurance is required under this **Article** which is damaged or destroyed must be repaired or replaced promptly by the Association unless: the Community is terminated in accordance with the Act, the repair or replacement would be illegal under any state or local statute or ordinance governing health or safety, sixty-seven percent (67%) of the Unit Owners, including every Owner of a Unit or assigned Limited Common Element that will not be rebuilt, vote not to rebuild or, prior to the conveyance of any Unit to a person other than the Declarant, the holder of a Deed of Trust or Mortgage on the damaged portion of the Community rightfully demands all or a substantial part of the insurance proceeds.

ARTICLE XV - MASTER ASSOCIATION

Section 15.1 Membership in Master Association. The Association is treated as the owner of the Property for purposes of the Master Declaration. The

Association, representing the collective interests of the owners, shall serve as the member of the Master Association, Willits Town Center Inc.

Section 15.2 Assessments Levied By The Master Association. Assessments levied by the Master Association shall be paid by the Association and assessed against the Units as a common expense.

ARTICLE XVI - PUBLIC DISCLOSURES AND GOVERNANCE

Section 16.1. Public Disclosures Required. The Association shall provide to all Unit Owners, at least once per year, a written notice stating the name of the Association, the name of the Association's designated agent or management company, if any, and a valid physical address and telephone number for both the Association and the designated agent or management company, if any. The notice shall also include the name of the common interest community, the initial date of recording of the Declaration and the Reception Number or Book and Page of the main document that constitutes the Declaration. If the Association's address, designated agent or management company changes, the Association shall provide all Unit Owners with an amended notice within ninety (90) days after the change.

Within ninety (90) days after assuming control from the Declarant and within ninety (90) days after the end of each fiscal year thereafter, the Association shall make the following information available to Unit Owners upon reasonable notice:

- (a) The date on which its fiscal year commences;
- (b) Its operating budget for the current fiscal year;
- (c) A list, by Unit type, of the Association's current assessments, including both regular and special assessments;
- (d) Its annual financial statements, including any amounts held in reserve for the fiscal year immediately preceding the current annual disclosure;
- (e) The results of any financial audit or review for the fiscal year immediately preceding the current annual disclosure;
- (f) 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.

(g) All the Association's Bylaws, Articles and Rules and Regulations;

(h) The minutes of the Executive Board and Member meetings for the fiscal year immediately preceding the current annual disclosure; and

(i) The Association's responsible governance policies adopted under Section 38-33.3-209.5 C.R.S. and Section 16.2 below.

It is the intent of this Section and the Statute (Section 38-33.3-209 C.R.S.) to allow the Association the widest possible latitude in methods and means of disclosure, while requiring that the information be readily available at no cost to Unit Owners at their convenience. 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 shall be accounted for as a common expense liability.

Section 16.2 Responsible Governance Policies. To promote responsible governance, the Association shall maintain accounting records using generally accepted accounting principles and adopt policies, procedures and rules and regulations concerning:

(a) Collection of unpaid assessments;

(b) Handling of conflicts of interest involving Board members;

(c) Conduct of meetings, which may refer to applicable provisions of the nonprofit code or other recognized rules and principles;

(d) Enforcement of covenants and rules, including notice and hearing procedures and the schedule of fines;

(e) Inspection and copying of Association records by Unit Owners;

(f) Investment of reserve funds; and

(g) Procedures for the adoption and amendment of policies, procedures and rules.

Section 16.3 Executive Board Member Education. The Board may authorize, and account for as a Common Expense, reimbursement of Board members for their actual and necessary expenses incurred in attending educational meetings and seminars on responsible governance of unit owners' associations. The course content of such educational meetings and seminars shall be specific to Colorado and shall make reference to applicable Sections of the Colorado Common Interest Ownership Act.

Section 16.4 Owner Education. The Association shall provide, or cause to be provided, education to Unit Owners at no cost on at least an annual basis as to the general operations of the Association and the rights and responsibilities of Owners, the Association and its Executive Board under Colorado law. The criteria for compliance with this Section shall be determined by the Executive Board.

ARTICLE XVII - ASSOCIATION RECORDS

Section 17.1 Record Keeping. The Association shall keep financial records sufficiently detailed to enable the Association to comply with Section 38-33.3-316(8) C.R.S. concerning statements of unpaid assessments as detailed in Section 11.8 above.

The Association shall keep as permanent records, minutes of all meetings of Unit Owners and the Executive Board, a record of all actions taken by the Unit Owners or Executive Board by written ballot or written consent in lieu of a meeting, a record of all actions taken by a committee of the Executive Board in place of the Executive Board on behalf of the Association, and a record of all waivers of notices of meetings of Unit Owners and of the Executive Board or any committee of the Executive Board.

The Association or its agent shall maintain a record of Unit Owners in a form that permits preparation of a list of the names and addresses of all Unit Owners, showing the number of votes each Unit Owner is entitled to vote.

In addition to the records specified above, the Association shall keep a copy of each of the following records at its principal office:

- (a) Its Articles of Incorporation;
- (b) The Declaration;
- (c) Any covenants in addition to those contained in the Declaration;
- (d) Its Bylaws;
- (e) Resolutions adopted by its Executive Board relating to the characteristics, qualifications, rights, limitations and obligations of Unit Owners or any class or category of Unit Owners;
- (f) The minutes of all Unit Owners' meetings and records of all action taken by Unit Owners without a meeting for the past three (3) years;
- (g) All written communications within the past three (3) years to Unit Owners generally as Unit Owners;
- (h) A list of the names and business or home addresses of its current directors (Executive Board members) and officers;
- (i) Its most recent annual report, if any; and
- (j) All financial audits or reviews conducted pursuant to Section 38-33.3-303(4)(b) C.R.S. during the immediately preceding three (3) years.

Section 17.2 Form of Records. The Association shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

Section 17.3 Availability of Records. All financial and other records shall be made reasonably available for examination and copying by any Unit Owner and such Owner's authorized agents. The Association may charge a fee, not to exceed the Association's actual cost per page, for copies of Association records. As used in this Section, "reasonably available" means available during normal business hours, upon notice of five (5) business days, to the extent that: the request is made in good faith and for a proper purpose; the request describes with reasonable particularity the records sought and the purpose of the request; and the records are relevant to the purpose of the request.

ARTICLE XVIII - MISCELLANEOUS

Section 18.1 Amendments. To the extent permitted by the Act, these Bylaws may be amended by the Association members at a duly constituted meeting for such purpose. No amendment shall take effect unless approved by owners representing a majority of the votes present or represented by proxy at such meeting, or such greater number as may be required by the Declaration or the Act, in respect to any specific matter. The notice of such meeting shall contain a summary of the proposed changes or a copy of such proposed changes.

Section 18.2 Proof of Ownership. Any person, on becoming an owner of a Unit, shall furnish to the Executive Board a photocopy of the recorded instrument vesting that person with an interest or ownership, which instrument shall remain in the files of the Association. A member shall not be deemed to be in good standing nor shall he be entitled to vote at any annual or at a special meeting of members unless this requirement is first met.

Section 18.3 Registration of Mailing Address. The owners of each Unit shall have one registered mailing address to be used by the Association for mailing of monthly statements, notices, demands, and all other communications, and such registered address shall be the only mailing address used by the Association. Such registered address of a Unit Owner or owners shall be furnished by owners to the Secretary within five (5) days after transfer of title. Such registration shall be in written form and signed by all of the owners of the Unit or by such persons as are authorized by law to represent the interests of such owners. If no such address is registered or if all of the owners cannot agree, then the address of the Unit shall be the registered address until another registered address is furnished as permitted under this Article. Registered addresses may be changed from time to time by similar designation.

Section 18.4 Bylaws shall Comply with Law. These Bylaws are intended to comply with the requirements of the Colorado Non-Profit Corporation Act, and the Colorado Common Interest Ownership Act. If any of these Bylaws should, at any time, conflict with the provisions of either Act in any manner not permitted, the provisions of the applicable Act will apply.

Section 18.5 Non-Profit Purpose. This Association is not organized for profit. No member, member of the Executive Board, or officer of the Association

shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or inure to the benefit of any member of the Executive Board; provided, however: (1) reasonable compensation may be paid to any director, officer or member while acting as an agent or employee of the Association, for services rendered in effecting one or more of the purposes of the Association; and (2) any director, officer or 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 (3) any member of the Executive Board (director) may be compensated for attendance at regular or special meetings of the Executive Board.

Section 18.6 Corporate Seal. The Corporate Seal of this non-profit corporation shall be circular in form and shall contain the name of the corporation and the words "Seal, Colorado."

THE UNDERSIGNED Secretary of Triangle Park Lofts Owners Association, a Colorado corporation not for profit, does hereby certify that the above and foregoing Bylaws were duly adopted by the Executive Board as the Bylaws of the corporation on the ____ day of _____, _____, and that the same do now constitute the Bylaws of the corporation.

Secretary