

THIS IS THE PROPOSED DRAFT OF THE BYLAWS OF THE GREENSTONES OWNERS ASSOCIATION. IT IS BEING REVIEWED BY DECLARANT, ITS ATTORNEYS, VARIOUS LENDERS AND OTHERS FOR THEIR COMMENT AND APPROVAL. THIS IS A DRAFT AND IS SUBJECT TO CHANGE AS MAY BE REQUIRED BY LENDERS OR GOVERNMENT AUTHORITIES OR AS MAY BE DEEMED ADVISABLE BY DECLARANT AND DECLARANT'S ATTORNEYS.

**THE
BYLAWS
OF
THE GREENSTONES OWNERS ASSOCIATION**

DRAFT-March 23, 2011

TABLE OF CONTENTS

ARTICLE ONE: OBJECT 1

1.1 Association..... 1

1.2 Purposes 1

1.3 Terms Defined in Declaration..... 1

ARTICLE TWO: OFFICES..... 1

2.1 Principal Office..... 1

2.2 Registered Office and Agent..... 1

ARTICLE THREE: MEMBERSHIP 1

3.1 General..... 2

3.2 Dissolution 2

ARTICLE FOUR: VOTING 2

4.1 Voting Entitlement..... 2

4.2 Voting Lists..... 2

4.3 Limitations on Use of Voting Lists..... 3

4.4 Quorum and Manner of Voting..... 3

4.5 Proxies..... 4

4.6 Secret Ballot Voting..... 4

4.7 Action by Written Ballot..... 4

ARTICLE FIVE: MEETINGS OF THE ASSOCIATION..... 5

5.1 Place of Meetings..... 5

5.2 Annual Meeting 5

5.3 Special Meetings..... 5

5.4 Notice of Meetings..... 5

5.5 Methods of Notice..... 6

5.6 Adjournment of Meeting..... 7

5.7 Meetings by Telecommunication..... 7

5.8 Fixing of Record Date..... 7

5.9 Budget Meetings 7

ARTICLE SIX: THE BOARD OF DIRECTORS 8

6.1 Number 8

6.2 Board of Directors During the Period of Declarant Control..... 8

6.3 Election by Owners..... 8

6.4 The Board of Directors After the Period of Declarant Control 9

6.5 Qualifications..... 9

6.6 Cumulative Voting..... 9

6.7 Resignation of Directors 9

6.8 Removal 9

6.9 Vacancy on the Board..... 9

6.10 Committees 10

ARTICLE SEVEN: MEETINGS OF THE BOARD OF DIRECTORS	10
7.1 Regular Meetings	10
7.2 Annual Meetings	10
7.3 Special Meetings	10
7.4 Purpose of Meetings	10
7.5 Quorum; Voting	10
7.6 Action Without a Meeting	10
7.7 Compensation	11
7.8 Notice	11
7.9 Waiver of Notice	11
7.10 Telephonic Meetings	12
7.11 Standard of Conduct for Directors and Officers	12
7.12 Conflict of Interest	12
7.13 Owner Attendance	13
7.14 Attorney-Client Privileged Information	13
ARTICLE EIGHT: POWERS AND DUTIES	14
8.1 Powers and Duties	14
8.2 Managing Agent	14
8.3 Investment of Reserve Funds	14
ARTICLE NINE: OFFICERS AND THEIR DUTIES	15
9.1 Enumeration of Officers	15
9.2 Election of Officers	15
9.3 Term	15
9.4 Special Appointments	15
9.5 Resignation and Removal	15
9.6 Vacancies	15
9.7 Multiple Offices	15
9.8 Duties	15
ARTICLE TEN: ASSOCIATION DOCUMENTS	16
10.1 Execution of Instruments	16
10.2 Statements of Unpaid Assessments/Transfer Fees	16
10.3 Inspection and Copying of Association Records	16
10.4 Record of Meeting Minutes	16
10.5 Record of Unit Owners	17
10.6 Other Required Records	17
10.7 Form of Records	17
10.8 Limited Scope	17
ARTICLE ELEVEN: NOTICE AND HEARING PROCEDURE	18
11.1 Procedure	18
11.2 Minutes	19
11.3 Nonpayment of Assessments	19
ARTICLE TWELVE: AMENDMENTS	19

ARTICLE THIRTEEN: INDEMNIFICATION.....	19
13.1 Liability of Directors.....	19
13.2 General Provisions.....	20
13.3 Successful Defense on the Merits: Expenses.....	20
13.4 Determination of Right to Indemnification.....	20
13.5 Advance Payment of Expenses: Undertaking to Repay	21
13.6 Other Employees and Agents.....	21
13.7 Nonexclusivity of Paragraph.....	21
ARTICLE FOURTEEN: SUPPLEMENTAL PROVISIONS.....	21
14.1 Public Disclosures.....	22
14.2 Responsible Governance Policies.....	23
14.3 Board Member Education.....	23
14.4 Owner Education	23
14.5 Audit	23
14.6 Adoption of Procedure for Addressing Disputes	24
ARTICLE FIFTEEN: MISCELLANEOUS.....	24
15.1 Financial Statements.....	24
15.2 Robert's Rules of Order.....	24
15.3 Minutes	24
15.4 Corporate Seal.....	24
15.5 Fiscal Year	25
15.6 Waiver.....	25
15.7 Interpretation.....	25

BYLAWS
OF
THE GREENSTONES OWNERS ASSOCIATION
(A Nonprofit Colorado Corporation)

ARTICLE ONE: OBJECT

1.1 Association. THE GREENSTONES OWNERS ASSOCIATION (the “Association”) is a nonprofit corporation, organized under the Colorado Revised Nonprofit Corporation Act (the “Nonprofit Act”) to operate in accordance with the Colorado Common Interest Ownership Act (the “Act”). These Bylaws are adopted for the administration, regulation and management of the affairs of the Association.

1.2 Purposes. The Association is formed: (a) to promote the interests and the welfare, and to be for the common benefit of the Owners of the condominium community known as THE GREENSTONES (the “Community”), Members of the Association and their Guests; (b) to be and to constitute the Association referred to in the CONDOMINIUM DECLARATION OF THE GREENSTONES (“Declaration”) recorded or to be recorded against the Community in the County of Boulder, Colorado records; (c) to govern the Community in accordance with the Colorado Common Interest Ownership Act, the Colorado Revised Nonprofit Corporation Act, the Declaration, and the Articles of Incorporation, Bylaws and Rules and Regulations of the Association; and (d) to provide for the administration, maintenance, repair and reconstruction of the Common Elements in the Community as provided for in the Declaration.

1.3 Terms Defined in Declaration. Terms used in these Bylaws that are defined in the Declaration shall have the same meanings and definitions in these Bylaws as those terms have in the Declaration.

ARTICLE TWO: OFFICES

2.1 Principal Office. The principal office and place of business of the Association shall be designated from time to time by the Board of Directors.

2.2 Registered Office and Agent. The initial registered office and the initial registered agent are specified in the Articles of Incorporation of the Association (the “Articles”).

ARTICLE THREE: MEMBERSHIP

3.1 General. The Association shall have Members. There is one (1) class of membership as described in the Declaration. Membership shall be appurtenant to and may not be separated from ownership of any Unit. Ownership of a Unit shall be the sole qualification for such membership. Where more than one (1) person holds interest in any Unit, all such persons shall be Members.

Membership in the Association at all times shall consist exclusively of all Unit Owners or, following termination of the Community, of all former Unit Owners entitled to distribution of the proceeds under § 38-33.3-218 of the Act, or their heirs, personal representatives, successors or assigns.

3.2 Dissolution. Subject to the provisions of the Act and the Declaration, the Association may be dissolved with the consent of Members to whom at least sixty-seven (67%) percent of the votes in the Association are allocated and with the consent of the required percentage of the Eligible Mortgagees as may be provided in the Declaration.

Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event the dedication is not accepted, the assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization devoted to similar purposes.

ARTICLE FOUR: VOTING

4.1 Voting Entitlement. The Association shall have one (1) class of voting membership. Each of the Units is allocated one (1) vote. In any election of directors, however, each Unit shall have the number of votes equal to the number of directors to be elected, one (1) vote to be cast for each director.

The vote for a Unit, the ownership of which is held by more than one (1) Owner, may be exercised by any one of them, unless an objection or protest by any other holder of an interest of the Unit is made prior to the completion of the vote, in which case the vote for the Unit shall be exercised as the persons holding such interest shall determine between themselves. Should the joint Owners of a Unit be unable, within a reasonable time, to agree on how they will vote any issue, they shall be passed over and their right to vote on the issue shall be lost. In no event shall more than one (1) vote be cast with respect to any Unit.

In the absence of express notice to the Board of Directors of the designation of a specific person to cast a vote, the vote of a corporation may be cast by any officer of that corporation, the vote of a partnership may be cast by any general partner of that partnership, the vote of a limited liability company may be cast by any member or manager of that limited liability company, and the vote of a trust may be cast by any trustee of that trust.

4.2 Voting Lists. After a record date is fixed for a membership meeting or for determining the Members entitled to vote by written ballot, the Secretary may, at the sole discretion of the Board of Directors, make, at the earlier of ten (10) days before such meeting or

two (2) business days after notice of the meeting has been given, a complete list of the Members entitled to be given notice of the meeting or any adjournment thereof. The list shall be arranged in alphabetical order and shall show the name, address of each Member and number of votes that each Member is entitled.

For the period beginning the earlier of ten (10) days prior to the meeting or two (2) business days after notice of the meeting is given and continuing through the meeting and any adjournment thereof, this list shall be kept on file at the office of the Association. The list shall be available for inspection on written demand by any Member or the Member's agent or attorney during regular business hours and during the period available for inspection.

If the list is prepared in connection with a written ballot, the list shall be available for inspection beginning on the date the first written ballot is delivered and continuing through the time when the written ballots must be received by the Association in order to be counted.

Any Member or the Member's agent may obtain a copy of the voting list during regular business hours, at the Member's expense, and during the period the voting list is available for inspection, provided: (a) the Member has been a Member for at least three (3) months immediately preceding the request for the copy; (b) the request is made in good faith and for a purpose reasonably related to the requesting Member's interest; and (c) the Member pays a reasonable charge covering the costs of labor and material for such copies, not to exceed the actual cost of production and reproduction.

4.3 Limitations on Use of Voting Lists. Unless the Board of Directors gives its prior consent, the Association's voting lists or any part thereof may not be: (a) obtained or used by any person for any purpose unrelated to a Member's interest as a Member; (b) used to solicit money or property unless the money or property will be used solely to solicit the votes of the Members in an election by the Association; (c) used for any commercial purpose; or (d) sold to or purchased by any person.

4.4 Quorum and Manner of Voting. The presence at a meeting of Members of the Association and Members' proxies to whom at least forty (40%) percent of the votes in the Association are allocated shall constitute a quorum for any action, unless a greater number is required by law or the Project Documents.

If a quorum is not present or represented by proxy at any meeting, the members entitled to vote at the meeting shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented.

Except for Budget Meetings provided for in Section 5.9 and the election of directors provided for in Section 4.1, action on any matter is approved if there has been cast a greater number of affirmative votes in favor than negative votes in opposition by Members who are entitled to vote thereon at a meeting at which a quorum is present, unless a greater number is required by law or the Project Documents, and except that in the election of directors, those candidates receiving the highest number of votes in their favor (up to the number of directors to be elected) are elected to the Board of Directors.

4.5 Proxies. At all meetings of the Association, each Member may vote by proxy by signing an appointment form appointing another Member of the Association. A Member may also appoint a proxy by transmitting or authorizing the transmission of a telegram, teletype, facsimile or electronic mail transmission providing a written statement of the appointment to the proxy. The proxy shall be filed with the Secretary of the Association before or at the time of the meeting. The appointment of a proxy is effective when received by the Association and is valid for eleven (11) months unless a different period is expressly provided in the proxy.

An appointment of a proxy is revocable by the appointing Member and may be revoked by attending any meeting and voting in person or signing and delivering to the Secretary either a writing stating that the proxy is revoked or a subsequent appointment form.

The death or incapacity of the Member appointing a proxy does not affect the right of the Association to accept the proxy's authority unless notice of the death or incapacity is received by the Secretary or another person authorized to tabulate votes before the proxy exercises its authority under the appointment.

The Association is entitled to reject a vote, consent, waiver, proxy appointment or proxy appointment revocation if the Secretary or other person 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 Member.

The Association and its Officers or any agent who accepts or rejects a vote, consent, waiver, proxy appointment or proxy appointment revocation in good faith and in accordance with the standards of this Paragraph 4.5 may not be liable for 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.

Any proxy given in accordance with the above includes the right of the proxy to substitute a successor proxy.

A proxy shall not be valid if obtained through fraud or misrepresentation.

4.6 Secret Ballot Voting. To the extent required by the Act, votes to elect directors shall be taken by secret ballot. In addition, at the discretion of the Board or upon the request of twenty percent (20%) of the Owners who are present at the meeting or represented by proxy, if a quorum has been achieved, a vote on any matter affecting the Community on which all Owners are entitled to vote shall be by secret ballot. The conduct of any voting by secret ballot shall comply with the requirements of the Act.

4.7 Action by Written Ballot. Any action that may be taken at any Annual or Special Meeting of Members may be taken without a meeting if the Association delivers a written ballot to every Member entitled to vote on the matter.

The written ballot shall: (a) set forth each proposed action; and (b) provide an opportunity to vote for or against the proposed action. Approval by written ballot shall only be valid when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. (See Section 4.4 of these Bylaws.)

All solicitations for votes by written ballot shall: (a) indicate the number of responses necessary to meet the quorum requirements; (b) state the percentage of approvals necessary to approve each matter other than the election of Directors; and (c) specify the time by which the ballot must be received by the Association in order to be counted.

ARTICLE FIVE: MEETINGS OF THE ASSOCIATION

5.1 Place of Meetings. Meetings of the Association shall be held at such place as the Board of Directors may determine.

5.2 Annual Meeting. The annual meeting of the Association shall be held at a time, date and place established by the Board of Directors each year for the purpose of electing persons to serve on the Board of Directors of the Association to replace directors whose terms are expiring and to transact any other business that may come before the meeting.

A Member of the Association may apply to Boulder County District Court to seek an order that an annual meeting be held: (a) if an annual meeting was not held within six (6) months after the close of the Association's most recently ended fiscal year or fifteen (15) months after its last annual meeting, whichever is earlier, or (b) if the Member participated in a proper demand for an annual meeting and notice of the annual meeting was not given within thirty (30) days after the date of the demand necessary was received by the Association, or (c) if the annual meeting was not held in accordance with the notice.

5.3 Special Meetings. Special meetings of the Association may be called at any time by the Board of Directors, or by written demand of the Members stating the purpose or purposes for calling the meeting signed by Members to whom at least twenty (20%) percent of the votes in the Association are allocated.

Special meetings shall be held at such reasonable time and place as may be designated by the authority calling such meeting. The purpose of any special meeting of the Members shall be stated in such notice. Only business within the purpose or purposes described in the notice may be conducted at a special meeting.

5.4 Notice of Meetings. Notice of meetings shall be given to each Member of the Association entitled to vote at a meeting in a fair and reasonable manner, as set forth below.

Not less than ten (10) nor more than fifty (50) days in advance of any meeting of the Members, the Secretary or other officer of the Association shall cause notice to be hand

delivered or sent prepaid by U.S. mail to the mailing address of each Unit or to any other mailing address designated in writing by the Unit Owner.

Notice of any meeting of Members shall also be physically posted in a conspicuous place, to the extent that such posting is feasible and practicable.

The Association is encouraged to provide all notices of meetings and agendas required by these Bylaws in electronic form, in addition to print form. If 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. Electronic notice of a special meeting shall be given as soon as possible, but at least twenty-four (24) hours before the meeting. The Association may also post notice of any regular or special meeting of Unit Owners on its website if it has a website.

All notices of meetings shall state the time and place of the meeting and the items on the agenda, including (a) the general nature of any proposed amendment to the Declaration or Bylaws, (b) any budget changes, and (c) any proposal to remove any officer or director.

Notice of a special meeting shall include a description of the purpose or purposes of the meeting. Notice of an annual meeting need not include a description of the purpose or purposes, except the purpose or purposes shall be stated with respect to (a) an amendment to the Articles or Bylaws of the Association; (b) merger of the Association with another association or entity; (c) a sale, lease or exchange of all or substantially all of the property of the Association; (d) dissolution of the Association; (e) restatement of the Articles or Bylaws of the Association; (f) any proposal to remove an officer or director from office; and (g) any other purpose for which a statement of purpose is required by law or the Project Documents.

When giving notice of an annual or special meeting of the Association, the Association shall give notice of a matter a Member intends to raise at the meeting if a person entitled to call a special meeting submits a request, in writing, and it is received by the Secretary or President at least ten (10) days before the Association gives notice of the meeting.

5.5 Methods of Notice. Notice shall be given personally or by mail, personal service, telegraph, teletype, electronic mail, facsimile or other form of wire or wireless communication by or at the direction of the President, the Secretary, or the officer or persons calling the meeting, to each Member entitled to vote at such meeting.

If mailed, such notice shall be deemed to be given and effective at the earliest of: (a) the date received; (b) five (5) days after deposit in the United States mail properly addressed to the Member at the Member's address as it appears in the Association's current record of Members, with first class postage prepaid; or (c) the date shown on the return receipt, if mailed by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee or on the date of its rejection.

If notice is given by facsimile, electronic mail or other similar form of wire or wireless communication, such notice shall be deemed to be given and to be effective when sent, and with respect to a telegram, such notice shall be deemed to be given and effective when the telegram is delivered to the telegraph company.

Notice need not be sent to any Member if three (3) successive notices mailed to the last known address of such Member have been returned as undeliverable until such time as another address for such Member is made known to the Association by the Member. In order to be entitled to receive notice of any meeting, a Member shall advise the Association in writing of any change in the Member's mailing address as shown on the Association's books and records.

5.6 Adjournment of Meeting. When a meeting is adjourned to another date, time or place, notice need not be given of the new date, time or place if the new date, time or place of such meeting is announced before adjournment of the meeting at which the adjournment is taken. At the adjourned meeting the Association may transact any business that may have been transacted at the original meeting.

5.7 Meetings by Telecommunication. Any or all of the Members may participate in an annual or special meeting, or the meeting may be conducted through the use of any means of communication by which all Members participating in the meeting can hear each other during the meeting. A Member participating in a meeting in this manner is deemed to be present in person at the meeting.

5.8 Fixing of Record Date. The Board of Directors shall fix a record date for determining which of the Members are entitled to notice of any meeting of the Members and to vote or otherwise take action at any such meeting. If the Board of Directors fails to do so, then the record date for purposes of determining the Members entitled to notice of and to vote or otherwise take action at such meeting shall be the date that is thirty (30) calendar days before the date notice is to be given.

5.9 Budget Meetings:

(a) Annual Budget Meetings. The Board of Directors shall cause to be prepared, at least sixty (60) days prior to the commencement of each calendar year, the Budget for such calendar year. Within thirty (30) days after the adoption of any Budget by the Board, the Board shall mail, by ordinary first-class mail, or otherwise deliver, a summary of the Budget to each Owner and shall set a date for a meeting of the Owners to consider the Budget not less than ten (10) days and not more than fifty (50) days after delivery of the summary.

Unless at that meeting Owners to whom at least sixty-seven (67%) percent of the votes in the Association are allocated vote to reject the Budget, whether or not a quorum is present, the Budget shall be deemed approved by the Owners. In the event the Budget is rejected, the Budget last deemed approved by the Owners must be continued until such time as a subsequent budget adopted by the Board of Directors is not rejected by Owners to whom at least sixty seven percent (67%) of the votes in the Association are allocated.

(b) Amended Budget Meetings. If the Board of Directors deems it necessary or advisable to amend a Budget that has been approved by the Owners pursuant to Section 5.9(a) above, the Board may adopt a proposed amendment to the Budget, deliver a summary of the proposed amendment to all Owners and set a date for a meeting of the Owners to consider ratification of the proposed amendment. The date of such meeting shall not be less than ten (10) days and not more than fifty (50) days after the delivery of the summary of the proposed amendment.

Unless at that meeting Owners to whom at least sixty-seven (67%) percent of the votes in the Association are allocated vote to reject the amended Budget, whether or not a quorum is present, the amended Budget shall be deemed approved by the Owners.

ARTICLE SIX: THE BOARD OF DIRECTORS

6.1 Number. The initial Board of Directors shall consist of two (2) directors appointed by Declarant. Directors appointed by Declarant do not need to be Owners. Following turnover of control of the Association by Declarant or the expiration of the Period of Declarant Control, the Board of Directors shall consist of three (3) directors, elected by the Owners, as provided herein and in the Bylaws and subject to the provisions of Sections 4.6, 4.8 and 4.9 of the Declaration.

6.2 Board of Directors During the Period of Declarant Control. Subject to the provisions of Sections 6.2 and 6.3 of these Bylaws and the provisions of the Declaration, there is a "Period of Declarant Control" during which time the Declarant shall have the right to appoint and may remove any director or officer of the Association.

The Period of Declarant Control is the length of time commencing with the recording of the Declaration and terminating fifteen (15) years thereafter; provided, however, pursuant to the Act, the Period of Declarant Control in any event terminates no later than (a) sixty (60) days after conveyance of seventy-five (75%) percent of the Units That May Be Created to Owners other than the Declarant, (b) two (2) years after the last conveyance of a Unit by the Declarant in the ordinary course of business, or (c) two (2) years after any right to add new Units was last exercised.

The Declarant may voluntarily surrender the right to appoint and remove officers and directors before termination of the Period of Declarant Control. In that event, the Declarant may require, for the duration of the Period of Declarant Control, that specified actions of the Association or Board of Directors, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

6.3 Election by Owners:

(a) Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units That May Be Created to Owners other than Declarant, the number of directors shall be expanded to three (3) directors and at least one (1) director on the Board of Directors must be elected by Owners other than Declarant.

(b) Not later than the termination of the Period of Declarant Control, as set forth in Section 6.2 above, the Board shall call a Special Meeting of the Association. At that meeting the Owners shall elect a Board of Directors consisting of three (3) directors elected by the Owners. The Board of Directors shall serve on the Board until the next Annual Meeting of the Association. Upon such election, the directors then serving in office shall submit their resignations.

6.4 The Board of Directors After the Period of Declarant Control. At the first annual meeting of the Association after the termination of the Period of Declarant Control and at each annual meeting thereafter, directors shall be elected.

The initial terms of the elected directors shall be fixed at the time of their election as they among themselves determine. The term of one director shall be fixed at one (1) year, the term of one director shall be fixed at two (2) years and the term of one director shall be fixed at three (3) years. At the expiration of the term of office of each respective director, a successor shall be elected to serve for a term of three (3) years.

Directors shall continue in office until their successors have been duly elected and qualified, unless a director resigns, is removed or becomes disqualified to be a director. A director may be re-elected, and there shall be no limit as to the number of terms a director may serve. The number of directors and their terms may be changed by amendment to these Bylaws.

6.5 Qualifications. A director elected by the Owners must be an Owner of a Unit within the Community or be an officer of a corporate owner of a Unit, or a partner in a partnership owning a Unit, or a trustee of a trust owning a Unit, or a member or manager of a limited liability company owning a Unit within the Community. If a director ceases to be an Owner of a Unit, or a corporate officer, partner, trustee or manager of an entity which owns a Unit, such director's term as director shall immediately terminate, and a new director shall be selected as promptly as possible to take such director's place. Directors appointed by the Declarant need not be Owners.

6.6 Cumulative Voting. Cumulative voting shall not be allowed in the election of directors.

6.7 Resignation of Directors. Any director may resign at any time by giving written notice to the Secretary of the Association, stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective.

6.8 Removal. Any director elected by the Owners may be removed by the Members with or without cause at a meeting duly called for and stating that purpose at which a quorum is present. A director appointed by the Declarant may only be removed by the Declarant.

6.9 Vacancy on the Board. Any vacancy in the Board of Directors shall be filled as soon as possible. A director appointed to fill a vacancy shall be appointed for the unexpired term of such person's predecessor in office and until such person's successor is duly elected and shall

have qualified. Any position on the Board of Directors to be filled by reason of an increase in the number of directors shall be filled by a vote of the Members of the Association as soon as practicable after the time such increase is authorized.

Vacancies of directors that the Declarant appointed and that Declarant still has the right to appoint shall be appointed by the Declarant.

6.10 Committees. The Board may establish one or more committees. The committees may provide the advice, service and assistance as requested, but may not exercise any power or authority reserved to the Board of Directors.

ARTICLE SEVEN: MEETINGS OF THE BOARD OF DIRECTORS

7.1 Regular Meetings. Regular meetings of the Board of Directors shall be held as the needs of the Association dictate, but at least quarterly, at a place and hour as may be fixed from time to time by the Board.

7.2 Annual Meetings. The annual meeting of the Board of Directors shall be held immediately following and in the same place as the annual meeting of the Association in each calendar year, or on another date and time and place as the President may determine. The annual meeting of the Board of Directors shall be for the purpose of electing officers and for the transaction of such other business as may come before the meeting.

7.3 Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) directors.

7.4 Purpose of Meetings; Agenda. The business to be transacted at and the purpose of any meeting of the Board of Directors do not need to be specified in the notice or waiver of notice of the meeting. Notwithstanding the foregoing, agendas for meetings of the Board shall be made reasonably available for examination by all members of the Association or their representatives, which may be by physically posting the agenda, within a reasonable time before the meeting, in a conspicuous place.

7.5 Quorum; Voting. A quorum at all meetings of the Board of Directors shall consist of a majority of the directors holding office. Less than a quorum may adjourn from time to time without further notice until a quorum is secured. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

For purposes of determining a quorum and for purposes of casting a vote, a director may be deemed to be present and to vote if the director grants a signed, written proxy to another director. The proxy must direct a vote to be cast with respect to a particular proposal that is described with reasonable specificity in the proxy. No other proxies are allowed.

7.6 Action Without a Meeting. Any action required by law to be taken at a meeting of the Board of Directors, or any other action which may be taken at a meeting of directors, may be taken without a meeting if every Member of the Board in writing either: (a) votes for such

action or (b) votes against such action or abstains from voting and waives the right to demand that a meeting be held. Action is taken only if the affirmative votes for the action equals or exceeds the minimum number of votes that would be necessary to take such action at a meeting at which all of the directors then in office were present and voted.

The action shall only be effective if there are writings that describe the action, signed by all directors, received by the Association and filed with the minutes. Any such writings may be received by electronically transmitted facsimile or other form of wire or wireless communication providing the Association with a complete copy of the document including a copy of the signature. Actions taken shall be effective when the last writing necessary to effect the action is received by the Association unless the writings set forth a different date.

Any director who has signed a writing may revoke it by a writing signed, dated and stating the prior vote is revoked. However, the writing must be received by the Association before the last writing necessary to effect the action is received. All such actions shall have the same effect as action taken at a meeting.

7.7 Compensation. The Board of Directors may authorize and fix the reasonable compensation of directors and may reimburse any director for reasonable expenses incurred in connection with service on the Board.

7.8 Notice. Notice of the date, time and place of any special meeting of the Board shall be given to each director at least five (5) days prior to the meeting by written notice either personally delivered or mailed to each director at the director's business address or home address, or by notice transmitted by private courier, telegraph, electronic mail, facsimile transmission or other form of wire or wireless communication.

If mailed, the notice shall be deemed to be given and to be effective on the earlier of: (a) five (5) days after the notice is deposited in the United States mail, properly addressed, with first class postage prepaid; or (b) the date shown on the return receipt, if mailed by registered or certified mail return receipt requested, provided that the return receipt is signed by the director to whom the notice is addressed, or date of rejection.

If notice is given by facsimile, electronic mail or other similar form of wire or wireless communication, such notice shall be deemed to be given and to be effective when sent, and with respect to a telegram, such notice shall be deemed to be given and effective when the telegram is delivered to the telegraph company.

7.9 Waiver of Notice. A director may waive notice of a meeting before or after the time and date of the meeting by a writing signed by the director. The waiver shall be delivered to the Secretary for filing with the Association records, but delivery and filing shall not be conditions to the effectiveness of the waiver.

A director's attendance at or participation in a meeting waives any required notice to the director of the meeting unless at the beginning of the meeting, or promptly upon the director's 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. The business to be transacted at and the purpose of any annual or special meeting of the Board of Directors do not need be specified in the notice or waiver of notice of such meeting.

7.10 Telephonic Meetings. The Board of Directors may permit any director to participate in an annual or special meeting of the Board of Directors through the use of any means of communication by which all directors participating in the meeting can hear each other during the meeting. A director participating in a meeting in this manner is deemed to be present in person at the meeting.

7.11 Standard of Conduct for Directors and Officers. Each director and officer shall perform their duties as a director or officer in good faith, in a manner the director or officer reasonably believes to be in the best interests of the Association, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

In the performance of his or her duties, a director or officer shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case, prepared or presented by the persons designated below.

A director or officer shall not be considered to be acting in good faith if the director or officer has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A director or officer shall not be liable to the Association or its Members for any action the director or officer takes or fails to take as a director or officer if, in connection with such action or omission, the director or officer performs their duties in compliance with this Paragraph. A director or officer, regardless of title, shall not be deemed to be a trustee with respect to the Association or with respect to any property held or administered by the Association.

A director or officer is entitled to rely on the following designated person: (a) one or more officers or employees of the Association whom the director or officer reasonably believes to be reliable and competent in the matters presented; (b) legal counsel, professional property manager, public accountant, or other persons as to matters that the director or officer reasonably believes to be within such person's professional or expert competence; or (c) a committee of the Board of Directors on which the director or officer does not serve if the director reasonably believes the committee merits confidence.

7.12 Conflict of Interest. The provisions of the Colorado Revised Nonprofit Corporation Act (CRNCA) § 7-128-501, C.R.S. shall govern the Board with respect to any existing or potential conflict of interest. For purposes of these Bylaws and the other Project Documents, the terms "Corporation" and "Nonprofit Corporation" as used in the CRNCA mean the Association, the term "director" means a director of the Association, and the term "officer" means an officer of the Association and/or any person to whom the Board delegates responsibilities under the provisions of the Project Documents, including, without limitation, a managing agent, attorney or accountant employed by the Board.

As defined in CRNCA, a “conflicting interest transaction” is a contract, transaction or other financial relationship between an Association and (i) a director, (ii) a party related to a director, or (iii) an entity of which a director is a director or officer, or in which the director has a financial interest.

Pursuant to CRNCA, a conflicting interest transaction shall not be void or voidable, enjoined, set aside or give rise to an award of damages or other sanctions solely because (i) it meets the definition of a “conflicting interest transaction,” (ii) the director is present at or participates in the meeting of the Association or Board at which the conflicting interest transaction is authorized, approved or ratified, or (iii) the director’s vote is counted for such purpose if:

(a) The material facts as to the director’s relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Board, and the Board in good faith authorizes, approves or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors are less than a quorum; or

(b) The material facts as to the director’s relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Members entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved or ratified in good faith by a vote of the Members entitled to vote thereon; or

(c) The conflicting interest transaction is fair as to the Association.

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 corporation for the amount of such loan until the repayment thereof.

7.13 Owner Attendance. All meetings of the Association and Board of Directors are open to every Member of the Association, or to any person designated by a Member in writing as the Member’s representative.

At an appropriate time determined by the Board, but before the Board votes on an issue under discussion, a Member or his/her designated representative shall be permitted to speak regarding that issue. The Board may place reasonable time restrictions on persons speaking during the meeting. If more than one person desires to address an issue, and there are opposing views, the Board shall provide for a reasonable number of persons to speak on each side of the issue.

7.14 Attorney-Client Privileged Information. Upon the final resolution of any matter for which the Board received legal advice or that concerned pending or contemplated litigation, the Board may elect to preserve the attorney-client privilege in any appropriate manner, or it may elect to disclose such information, as it deems appropriate, about such matter in an open meeting.

ARTICLE EIGHT: POWERS AND DUTIES

8.1 Powers and Duties. The Board of Directors shall have the powers and duties necessary, desirable or appropriate for the administration of the affairs of the Association and for the operation and maintenance of the Condominium Community. The Board of Directors may do all such acts and things in the best interest of the Association including acts not specifically required to be done by the Members of the Association or by the Board of Directors by the Colorado Nonprofit Corporation Act, the Colorado Common Interest Ownership Act, the Declaration, the Articles, these Bylaws or be otherwise required by law.

Any Board member appointed by the Declarant is required, in the performance of his or her duties, to exercise the care required of fiduciaries of the Owners. If not appointed by the Declarant, no Board member shall be liable for actions taken or omissions made in the performance of his or her duties except for wanton and willful acts or omissions.

8.2 Managing Agent. The Board may employ for the Association a managing agent at a compensation established by the Board, to perform such duties and services as the Board shall authorize; provided, however, that the Board in delegating such duties shall not be relieved of its responsibility under the Declaration.

The Association's contract with any managing agent or other person shall be terminable for cause without penalty to the Association. Any such contract shall be subject to renegotiation.

Should the Board delegate to any managing agent or other person the powers relating to collection, deposit, transfer or disbursement of Association funds:

(a) the other person or managing agent shall maintain fidelity insurance coverage or a bond in an amount not less than \$50,000 or as the Board may require;

(b) the other person or managing agent shall maintain all funds and accounts of the Association separate from any other funds or accounts under the control of the other person or managing agent and shall maintain all reserve accounts of the Association separate from the operating accounts of the Association; and

(c) an annual accounting of Association funds and a financial statement shall be prepared and presented to the Association by the managing agent, a public accountant, or a certified public accountant.

8.3 Investment of Reserve Funds. With regard to the investment of reserve funds of the Association, the Board shall be subject to the standards set forth in the Colorado Revised Nonprofit Corporation Act, C.R.C. § 7-128-401. In particular, each director shall use his or her discretionary authority, and shall act (i) in good faith; (ii) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (iii) in a manner the director reasonably believes to be in the best interests of the Association.

ARTICLE NINE: OFFICERS AND THEIR DUTIES

9.1 Enumeration of Officers. The officers of the Association shall be a President, Vice President, Secretary and Treasurer. All officers must be Owners (except for officers appointed by directors appointed by the Declarant) and directors.

9.2 Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors and thereafter at the first meeting of the Board of Directors following each annual meeting of the Association.

9.3 Term. The officers shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless such officer shall sooner die, resign or shall be removed or otherwise disqualified to serve.

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

9.5 Resignation and Removal. Any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and the acceptance of such resignation shall not be necessary to make it effective.

9.6 Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

9.7 Multiple Offices. Any two (2) or more offices may be held by the same person.

9.8 Duties. The duties of the officers are as follows:

(a) President. The President shall preside at all meetings of the Association and the Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out, shall sign on behalf of the Association all leases, mortgages, deeds, notes and other written instruments, and shall exercise and discharge such other duties as may be required of the President by the Board of Directors.

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

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Association, shall serve notice of meetings of the Board of Directors and of the Association; keep appropriate current records

showing the Members together with their addresses, shall and shall perform such other duties as required by the Board of Directors.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the Board of Directors, shall sign all checks of the Association unless the Board of Directors specifically directs otherwise, keep proper books of account, and shall prepare an annual budget and a statement of income and expenditures to be presented to the Members at the regular annual meeting of the Association.

ARTICLE TEN: ASSOCIATION DOCUMENTS AND RECORDS

10.1 Execution of Instruments. All agreements, contracts, deeds, leases, checks, notes and other instruments of the Association may be executed by any officer as designated by resolution of the Board of Directors. In the absence of such designation, the President shall have such authority. Any officer may prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

10.2 Statements of Unpaid Assessments/Transfer Fees. Any officer having access to the books and records of the Association or managing agent may prepare, certify and execute statements of unpaid assessments, in accordance with § 38-33.3-316 of the Act.

The Association may charge a reasonable fee for preparing these statements of unpaid assessments and for transferring a membership on the books and records of the Association. Any unpaid fees may be assessed as an Individual Assessment against the Unit for which the certificate or statement is furnished.

10.3 Inspection and Copying of Association Records. To the extent that (a) the request is made in good faith and for a proper purpose; (b) the request describes with reasonable particularity the records sought and the purpose of the request; and (c) the records are relevant to the purpose of the request, upon written request of at least five (5) business days, or at the next regularly scheduled meeting if such meeting occurs within thirty (30) days after the request, the financial and other records of the Association shall be made available for examination and copying by an Owner or the Owner's authorized agent during regular business hours at the Association's office, or at the place of the meeting or at such other location as may be reasonably designated by the Association.

The Association may charge a fee for copies of Association records, which may be collected in advance, but which shall not exceed the Association's actual cost per page.

The rights set forth herein are not intended to limit or diminish any additional rights an Owner or Member may have to access, inspect or copy Association records that may be provided in the Declaration or under Colorado law.

10.4 Record of Meeting Minutes. The Association shall keep a permanent record of (a) minutes of all meetings of Members of the Association and the Board, (b) all actions taken by

the Members of the Association or the Board by written ballot or written consent in lieu of a meeting, (c) all actions taken by a committee of the Board in place of the Board on behalf of the Association, and (d) all waivers of notices of meetings of Members of the Association, the Board, or any committee of the Board.

10.5 Record of Unit Owners. 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.

10.6 Other Required Records. In addition to all other records required to be kept by the Association under these Bylaws, 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) Bylaws of the Association;
- (d) Resolutions adopted by the Board relating to the characteristics, qualifications, rights, limitations, and obligations of Unit Owners or any class or category of Unit Owners;
- (e) The minutes of all Unit Owners' meetings, and records of all action taken by Unit Owners without a meeting, for the past three years;
- (f) All written communications within the past three years to Unit Owners generally as Unit Owners;
- (g) A list of the names and business or home addresses of its current directors and officers;
- (h) Its most recent annual report, if any; and
- (i) All financial audits or reviews conducted during the immediately preceding three years.

10.7 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.

10.8 Limited Scope. This Article Ten shall not be construed to affect (a) the right of a Unit Owner to inspect records (i) under corporation statutes governing the inspection of lists of shareholders or members prior to an annual meeting or (ii) if the Unit Owner is in litigation with the association, to the same extent as any other litigant; or (b) the power of a court, to compel the production of Association records for examination on proof by a Unit Owner of proper purpose.

This Article Ten shall not be construed to invalidate any provision of the Declaration, these Bylaws, the corporate law under which the Association is organized, or other documents that more broadly define records of the Association that are subject to inspection and copying by Unit Owners, or that grant Unit Owners freer access to such records.

ARTICLE ELEVEN: NOTICE AND HEARING PROCEDURE

11.1 Procedure. The Board shall not impose a Fine, Individual Assessment, suspend voting rights, limit or deny any other rights of a Member or other lawful occupant of a Unit or impose any other sanctions for violations of Rules of the Association or of the Declaration unless and until the following procedure is followed:

(a) Demand for Abatement. Written demand to cease and desist from the alleged violation shall be personally served or sent by certified mail (return receipt requested) upon the alleged violator specifying:

- (i) the alleged violation;
- (ii) the action required to abate the violation; and
- (iii) a time period, not less than ten (10) days, during which the violation may be abated without further sanction, if the violation is a continuing one. If the violation is not a continuing one, the demand will contain a statement that any additional similar violation could result in the imposition of a sanction after notice and hearing.

(b) Notice. If the violation continues past the time period allowed in the demand for abatement or if the same violation subsequently occurs, the Board or its agent shall serve the violator with written notice of a hearing to be held by the Board. The notice shall contain:

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

(c) Hearing. The hearing shall be held pursuant to this notice affording the Member a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the hearing. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered the notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the hearing.

Failure by the Member to attend the hearing after notice given as required above shall be considered a default and thereupon the Member shall be subject to the sanctions set forth herein and/or the Declaration.

In no event shall the Board suspend a Member's right to use the Condominium Community amenities, or his or her voting rights for violating the Association's Project Documents for a period in excess of sixty (60) days from the date the violation ceases.

11.2 Minutes. The minutes of the hearing shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The decision of the Board shall be final.

11.3 Nonpayment of Assessments. These procedures shall not be necessary in order to impose any sanction or penalty for nonpayment of Assessments.

ARTICLE TWELVE: AMENDMENTS

Subject to the requirements of the Act, the Nonprofit Act, the Declaration and the Articles, these Bylaws may be amended by the Board of Directors. These Bylaws may also be amended at any annual meeting of the Members of the Association or at any special meeting of the Members of the Association called for the purpose of amending the Bylaws, by a vote of the Members.

Any amendment adopted at an annual or special meeting of the Members of the Association may thereafter only be amended at an annual or special meeting of the Members of the Association.

If the Condominium Community has been or is to receive Veterans Administration and/or Federal Housing Administration approval, then at any time during the Period of Declarant Control, such agencies shall have the right to veto amendments.

During the Period of Declarant Control, any proposed amendment of any provisions of these Bylaws shall not be effective unless Declarant has given its written consent to such amendment.

ARTICLE THIRTEEN: INDEMNIFICATION

13.1 Liability of Directors. No director shall be personally liable to the Association for monetary damages for any breach of fiduciary duty as a director, except that no director's liability to the Association for monetary damages shall be eliminated or limited on account of any of the following: (a) any breach of the director's duty of loyalty to the Association or its Members, (b) any acts or omissions of the director not in good faith or that involve intentional misconduct or a knowing violation of law, or (c) any transaction in which the director received improper personal benefit.

Nothing herein will be construed to deprive any director of the right to all defenses ordinarily available to a director or to deprive any director of any right for contribution from any other director or other person.

13.2 General Provisions. The Association shall indemnify any person who is or was a party or is threatened to be made a party to any proceeding by reason of the fact that the person is or was a director or officer of the Association, against expenses including attorney's fees, liability, judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with the proceeding if the person: (a) acted in good faith; (b) reasonably believed, in the case of conduct in an official capacity with the Association, that the conduct was in the best interests of the Association, and, in all other cases, that the conduct was at least not opposed to the best interests of the Association; and (c) with respect to any criminal proceeding, had no reasonable cause to believe that the conduct was unlawful.

However, no person shall be entitled to indemnification under this Paragraph 13.2 if: (a) in connection with a proceeding brought by or in the right of the Association in which the director or officer was adjudged liable to the Association; or (b) in connection with any other proceeding charging improper personal benefit to the director or officer, whether or not involving action in that person's official capacity, in which the officer or director is ultimately adjudged liable on the basis that the director or officer improperly received personal benefit.

Indemnification under this Section 13.2 in connection with a proceeding brought by or in the right of the Association shall be limited to reasonable expenses incurred in connection with the proceeding. The termination of any action, suit or proceeding by judgment, order, settlement or conviction or on a plea of nolo contendere or its equivalent shall not of itself be determinative that the person did not meet the standard of conduct set forth in this Section 13.2.

13.3 Successful Defense on the Merits: Expenses. To the extent that a director or officer of the Association has been wholly successful on the merits in defense of any proceeding to which he or she was a party, that person shall be indemnified against reasonable expenses, including attorney's fees actually and reasonably incurred in connection with such proceeding.

13.4 Determination of Right to Indemnification. Any indemnification under Section 13.2 (unless ordered by a court) shall be made by the Association only as authorized in each specific case on a determination that indemnification of the director or officer is permissible under the circumstances because that person met the applicable standard of conduct set forth in Section 13.2.

The determination shall be made: (a) by the Board of Directors by a majority vote of a quorum of disinterested directors who at the time of the vote are not, were not, and are not threatened to be made parties to the proceeding; or, (b) if a quorum of the Board of Directors cannot be obtained, by independent legal counsel selected by the Board of Directors. Authorization of indemnification and evaluation as to the reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that, if the determination that indemnification is permissible is made by independent legal counsel,

authorization of indemnification and evaluation of legal expenses shall be made by the body the Board of Directors.

13.5 Advance Payment of Expenses: Undertaking to Repay. The Association shall pay for or reimburse the reasonable expenses including attorney's fees incurred by a director or officer who is a party to a proceeding in advance of the final disposition of the proceeding if: (a) the director or officer furnishes the Association a written affirmation of the director's or Officer's good faith belief that the person has met the standard of conduct set forth in Section 13.2; (b) the director or officer furnishes the Association with a written undertaking, executed personally or on the director's or officer's behalf, to repay the advance if it is determined that the person did not meet the standard of conduct set forth in Section 13.2.

The undertaking shall be an unlimited general obligation of the director or officer but it does not need to be secured. It may be accepted without reference to financial ability to make repayment and a determination by the Board of Directors that the facts then known to the Board of Directors would not preclude indemnification.

13.6 Other Employees and Agents. The Association shall indemnify other employees and agents of the Association to the same extent and in the same manner as is provided in Section 13.2 with respect to directors and officers, by adopting a resolution by a majority of the Members of the Board of Directors specifically identifying by name or by position the employees or agents entitled to indemnification.

13.7 Nonexclusivity of Paragraph. The indemnification provided by this Article shall not be deemed exclusive of any other rights and procedures that a party may be entitled under the Articles, Bylaws, agreements, resolution of disinterested directors, or otherwise. This includes actions in the person's official capacity and actions in another capacity while holding an office, and shall continue as to a person who has ceased to be a director or officer, and shall inure to the benefit of that person's heirs, executors and administrators.

ARTICLE FOURTEEN: SUPPLEMENTAL PROVISIONS

The following provisions are contained in these Bylaws in response to various bills enacted by the Colorado State Legislature which have amended the Act. It is anticipated and recommended that as the Act may be further amended from time to time the Board of Directors and/or the Owners will adopt amendments to these Bylaws so that these Bylaws are consistent with the Act. The requirements set forth in this ARTICLE FOURTEEN and in Sections 4.5, 4.6, 4.7, 5.4, 7.4, 7.12, 7.13, 7.14, 8.2, 10.3, 10.4, 10.5, 10.6 and 10.7 and ARTICLE ELEVEN of these Bylaws that incorporate provisions of the Act as amended by the Colorado legislature are not intended to impose stricter or greater obligations or burdens on the Board of Directors than are required by the Act as it may exist from time to time, it being intended that these requirements are included for informational purposes so that the Members and the Board will be aware of the requirements of the Act and that the Board must comply with those requirements only if and to the extent then required by the Act. These Bylaws shall be interpreted and applied with that in mind and with the further intention that these Bylaws may be amended from time to time to reflect future changes to the Act.

14.1 Public Disclosures. Within ninety (90) days after the Members of the Association assume control from the Declarant pursuant to the Act and the Declaration, and within ninety (90) days after the end of each fiscal year thereafter, the Association shall make the following information available to Owners upon reasonable notice:

- (a) The date on which the Association's fiscal year commences;
- (b) The Association's 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) The Association's annual financial statements, including any amounts held in reserve for the fiscal year immediately preceding the current annual disclosure;
- (e) The results of its most recent available financial audit or review;
- (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, which list shall include the company names, policy limits, policy deductibles, additional named insureds, and expiration dates of the policies listed;
- (g) All of the Association's bylaws, articles, 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 14.2 herein.

In addition, within ninety (90) days after the Members of the Association assume control from the Declarant pursuant to the Act and the Declaration, the Association shall make the following information available to Owners upon reasonable notice:

- (a) the name of the Association;
- (b) the name of the Association's designated agent or management company, if any;
- (c) a valid physical address and telephone number for both the Association and the designated agent or management company, if any;
- (d) the name of the condominium community;

- (e) the initial date of recording of the declaration; and
- (f) the reception number for the Declaration.

If the Association's address, designated agent or management company changes, the Association shall make updated information available within ninety (90) days after the change.

The Association may accomplish the above disclosures by one of the following means: (a) posting on an internet web page with accompanying notice of the web address via first class mail or email, (b) the maintenance of a literature table or binder at the Association's principal place of business, (c) first class mail, postage prepaid, or (d) personal delivery. The cost of such distribution shall be accounted and paid for by the Association as part of the Common Expenses of the Association.

14.2 Responsible Governance Policies. To promote responsible governance, the Association shall:

- (a) Maintain accurate and complete accounting records; and
- (b) Adopt policies, procedures, and rules and regulations concerning:
 - (i) Investment of reserve funds;
 - (ii) Procedures for the adoption and amendment of policies, procedures, and rules; and
 - (iii) Procedures for addressing disputes arising between the Association and Owners. *See also* Section 14.6 herein.

14.3 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 the Association. The course content of such educational meetings and seminars shall be specific to Colorado and shall make reference to applicable sections of the Act.

14.4 Owner Education. The Association shall provide, or cause to be provided, education to 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 Board under Colorado law. The criteria for compliance with this Section 14.4 shall be determined by the Board.

14.5 Audit. At the discretion of the Board or upon request as provided in this Section 14.5, the books and records of the Association shall be subject to an audit or review.

An audit shall be required under this Section 14.5 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 (\$250,000.00); and
- (b) An audit is requested by the Owners of at least one-third (1/3) of the Units represented by the Association.

A review shall be required only when requested by the Owners of at least one-third (1/3) of the Units represented by the Association.

Any audit shall be conducted using generally accepted auditing standards. Any review shall be conducted using statements on standards for accounting and review services. The audit or review shall be conducted by an independent and qualified person selected by the Board. In the case of an audit, the person selected must be a certified public accountant. In the case of a review, the person selected must have at least a basic understanding of the principles of accounting as a result of prior business experience, education above the high school level or bona fide home study.

The audit or review shall cover the Association's financial statements, which shall be prepared using generally accepted accounting principles or the cash or tax basis of accounting.

Copies of any audit or review required under this Section 14.5 shall be made available upon request to any Owner beginning no later than thirty (30) days after its completion.

14.6 Adoption of Procedure for Addressing Disputes. The Board shall adopt a written policy setting forth its procedure for addressing disputes arising between the Association and Owners. The Association shall make a copy of this policy available to Owners upon request.

ARTICLE FIFTEEN: MISCELLANEOUS

15.1 Financial Statements. Any First Mortgagee shall be entitled, on written request, to an audited financial statement for the immediately preceding fiscal year at the mortgagee's own expense. Any requested financial statements shall be furnished within a reasonable time following the request.

15.2 Robert's Rules of Order. All meetings of the Association and all meetings of the Board of Directors shall be held in accordance with Robert's Rules of Order.

15.3 Minutes. At all meetings of the Association and at all meetings of the Board of Directors, minutes shall be taken and kept in a permanent file and be available for review by the Members in accordance with Section 10.3 hereof.

15.4 Corporate Seal. The Board of Directors shall adopt a seal that shall have inscribed thereon the name of the Association and the words "Seal" and "Colorado."

15.5 Fiscal Year. The fiscal year of the Association shall begin January 1st and end on December 31st of every year, unless changed by the Board of Directors. The first year shall begin on the date of incorporation.

15.6 Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

15.7 Interpretation. The provisions of these Bylaws shall be liberally construed to effect the purpose of ensuring that the Condominium Community shall at all times be operated and maintained in a manner so as to optimize and maximize its enjoyment and utilization by each Owner.

IN WITNESS WHEREOF, the undersigned adopted these Bylaws, as of _____, 2011.

, Director

, Director

CERTIFICATION

I, the undersigned, do hereby certify that:

I am the duly elected and acting Secretary of THE GREENSTONES OWNERS ASSOCIATION, a Colorado nonprofit corporation.

The foregoing Bylaws constitute the original Bylaws of the Association, as duly adopted by the unanimous written consent of the Board of Directors of the Association, dated _____, 2011.

Secretary