

THE

BYLAWS

OF

THE RETREAT ON THE BLUE CONDOMINIUM ASSOCIATION

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1/18/02

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**BYLAWS**  
**OF**  
**THE RETREAT ON THE BLUE CONDOMINIUM ASSOCIATION**

**ARTICLE ONE: OBJECT**

1.1 Association. THE RETREAT ON THE BLUE CONDOMINIUM ASSOCIATION ("Association") is a nonprofit corporation, organized under the Colorado Nonprofit Corporation Act to operate in accordance with the Colorado Common Interest Ownership Act. These Bylaws are adopted for the administration, regulation and management of the affairs of the Association.

1.2 Purposes. The purposes for which the Association is formed are: (a) to promote the welfare, and be for the common benefit of the members of the Association and their Guests; (b) to be and constitute the Association to which reference is made in THE CONDOMINIUM DECLARATION OF THE RETREAT ON THE BLUE CONDOMINIUMS ("Declaration") recorded against the Condominium Community in Summit County, Colorado records; (c) to govern, in accordance with the Colorado Common Interest Ownership Act, the Colorado Nonprofit Corporation Act, the Declaration, the Articles of Incorporation, Bylaws and the Rules and Regulations of the Association, the residential and commercial (mixed use) community known as the RETREAT ON THE BLUE CONDOMINIUMS located in Silverthorne, Colorado; and (d) to provide for the administration, maintenance, repair and reconstruction of the Common Elements of the said Condominium Community.

1.3 Terms Defined in Declaration. Terms used in these Bylaws which are defined in the Declaration shall have the same meaning and definition in these Bylaws as such terms have in the Declaration.

**ARTICLE TWO: OFFICES**

2.1 Principal Office. The Board of Directors, in its discretion, may fix and may change, from time to time, the location of the principal office of the Association.

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.

## ARTICLE THREE: MEMBERSHIP AND VOTING RIGHTS

3.1 Membership. The Association shall have three classes of membership: General, Residential and Commercial. Every Owner of a Unit shall enjoy a General Membership. Residential Memberships shall be limited to Owners of Residential Units. Commercial Memberships shall be limited to Owners of Commercial Units.

### 3.2 Voting Rights.

(a) The vote of the General Membership shall be required for the determination of General Matters. The number of votes represented by each General Membership shall be determined on the basis of the proportion which the approximate square footage finished area of each Unit bears to the total approximate square footage finished area of all Units in the Condominium Community and is as set forth on Exhibit A attached to the Declaration.

(b) Residential Matters shall be determined by the vote of the Residential Membership. The number of votes represented by each Residential Membership shall be determined on the basis of the proportion which the approximate square footage finished area of each Residential Unit bears to the total approximate square footage finished area of all Residential Units in the Condominium Community and is as set forth on Exhibit A attached to the Declaration.

(c) Commercial Matters shall be determined by the vote of the Commercial Membership. The number of votes represented by each Commercial Membership shall be determined on the basis of the proportion which the approximate square footage finished area of each Commercial Unit bears to the total approximate square footage finished area of all Commercial Units in the Condominium Community and is as set forth on Exhibit A attached to the Declaration.

The vote for such Unit, the ownership of which is held by more than one 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 such 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 upon how they will vote any issue, they shall be passed over and their right to vote on such issue shall be lost.

(d) 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 manager of that limited liability company, and the vote of a trust may be cast by any trustee of that trust.

3.3 Presumption. A presumption shall exist in favor of generality of issues, and each matter shall be presumed a General Matter unless determined by the Board of Directors to be a Residential Matter or a Commercial Matter by an inference which is clear and objective. The categorization of an issue as a Residential Matter, Commercial Matter or General Matter shall be made by the Board of Directors.

#### ARTICLE FOUR: MEETINGS OF THE ASSOCIATION

4.1 Place of Meetings. Meetings of the Association shall be held at such place within Summit County, Colorado as the Board of Directors may determine.

4.2 Annual Meeting. The first Annual Meeting of the Association shall be held within one year from the date of the adoption of these Bylaws. Thereafter, the Annual Meetings of the Association shall be held on a date and at a time selected by the Board in each succeeding year. The purpose of the Annual Meetings is for the election of members of the Board of Directors to replace Directors whose terms are expiring and for the transaction of such other business of the Association as may properly come before the meeting.

4.3 Budget Meetings. Within thirty days after adoption of the Budget for the Association, the Board of Directors shall mail, by ordinary first class mail, or otherwise deliver, a summary of the Budget to all the Members and shall set a date for a meeting of the Members to consider ratification of the Budget not less than fourteen nor more than sixty days after mailing or other delivery of the summary. Unless at that meeting sixty-seven percent of all Members reject the Budget, the Budget is ratified, whether or not a quorum is present. In the event that the Budget is rejected, the Budget last ratified by the Members must be continued until such time as the Members ratify a subsequent Budget adopted by the Board.

4.4 Special Meetings. Special Meetings of the Association may be called at any time by the President, or by any two members of the Board of Directors, or upon written request of Members to which at least twenty-five percent of the votes in the Association are allocated.

4.5 Notice of Meetings. Written notice of each meeting of the Association shall be given at the direction of the President by hand delivery or mailing a copy of such notice, postage prepaid, or a combination thereof, at least fifteen days before such meeting to each member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association. Such notice shall specify the place, day and hour of the meeting, and, in the case of a Special Meeting, the purpose of the meeting.

4.6 Quorum. The presence at a meeting of Members of the Association entitled to cast, or of proxies entitled to cast, twenty-five percent of the votes in each class of membership shall constitute a quorum for any action except as otherwise provided in the Declaration, these Bylaws or by the Act.

Except for Budget Meetings where a quorum is not required, an affirmative vote of a majority of the votes present at which a quorum is in attendance in person or by proxies shall be necessary to transact business and to adopt decisions binding on all Members for all purposes except where a higher percentage vote is required in the Declaration, these Bylaws or by the Act.

If such quorum shall not be present or represented by proxy at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented.

4.7 Proxies. At all meetings of the Association, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association at or before the time of such meeting. Facsimile copies of proxies will be accepted. Proxies may be given only to other Members of a class of membership. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his or her Unit. No proxy shall extend beyond a period of thirty days and proxies need not be notarized.

4.8 Cumulative Voting Not Permitted. Cumulative voting in the election of Directors is not permitted.

4.9 Waiver of Meeting and Consent to Action. Whenever the vote of Members of a class of membership at an Association meeting is required or permitted by any provision of these Bylaws to be taken in connection with any action of the Association, the meeting and vote of Members may be dispensed with and the action in question may be approved if all the Members of the class of membership eligible to vote concerning such matter consent in writing to dispense with the meeting and consent in writing to the action in question.

## ARTICLE FIVE: THE BOARD OF DIRECTORS

5.1 Number and Classification. During the Period of Declarant Control, the Board of Directors shall consist of three members. Upon the termination of the Declarant Control Period, the Board of Directors shall consist of four persons. The Board of Directors shall consist of two classes of Directors, Residential Directors and Commercial Directors. The elected Residential Directors shall be elected solely by the Residential Owners and the elected Commercial Directors shall be elected solely by the Commercial Owners. The Board of Directors shall consist of two Residential Directors and two Commercial Directors.

The Residential Directors shall have the sole and exclusive authority on all Residential Matters. The Commercial Directors shall have the sole and exclusive authority on all Commercial Matters. All members of the Board of Directors shall vote on any General Matters.

The names and addresses of the persons who are appointed by the Declarant to initially act in the capacity of Board of Directors until successors are duly elected and qualified are stated in the Articles of Incorporation.

5.2 The Board of Directors During the Period of Declarant Control. Subject to Paragraph 5.3 below, there shall be a "Period of Declarant Control" during which the Declarant

may appoint and remove officers and members of the Board. The Period of Declarant Control is the length of time expiring three years after the filing of the Articles of Incorporation of the Association; provided however, the Period of Declarant Control in any event terminates no later than either (a) sixty days after conveyance of seventy-five percent of the Units That May Be Created to Owners other than Declarant; (b) two years after the last conveyance of a Unit by the Declarant in the ordinary course of business; or (c) two years after any right to add new Units was last exercised.

The Declarant may voluntarily surrender the right to appoint and remove officers and members of the Board of 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.

5.3 Election by Owners. Not later than sixty days after the conveyance of twenty-five percent of the Units to Owners other than a Declarant, at least one Director must be elected by Owners other than the Declarant.

Not later than sixty days after the conveyance of twenty-five percent of the Units to Owners other than a Declarant, at least two Directors must be elected by Owners other than the Declarant.

One of the members of the Board of Directors appointed by the Declarant shall be classified as a Commercial Director and one member of the Board of Directors appointed by the Declarant shall be classified as a Residential Director. One Residential Director shall be elected by the Residential Owners and one Commercial Director shall be elected by the Commercial Owners.

Not later than the termination of the Period of Declarant Control as set forth in Paragraph 5.2 above, the Board shall call a Special Meeting of the Association, at which meeting: (a) two members of the Board of Directors shall be elected by the Commercial Unit Owners and designated as Commercial Directors, (b) two members of the Board of Directors shall be elected by the Residential Unit Owners and designated as Residential Directors, and (c) a majority of the members of the Board of Directors shall be Unit Owners other than Declarant or representatives of the Declarant to serve on the Board of Directors until the next Annual Meeting of the Association. Upon such election, the Directors then serving in office shall submit their resignations.

5.4 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. All members of the Board of Directors shall be elected by the Unit Owners; provided, however, that in all events: (a) two members of the Board of Directors shall be elected by the Commercial Unit Owners and designated as Commercial Directors; (b) two members of the Board of Directors shall be elected by the Residential Unit Owners and designated as Residential Directors; and (c) a majority of the



members of the Board of Directors are Unit Owners other than Declarant or a representative of Declarant.

The initial terms of the elected Directors shall be fixed at the time of their election as they among themselves shall determine. The term of one Director shall be fixed at one year, the term of one Director shall be fixed at two years, the term of two Directors (one Commercial and one Residential) shall be fixed at three years. At the expiration of the initial term of office of each respective member of the Board of Directors, a successor shall be elected to serve for a term of three years, provided, however, there shall always be two Commercial Directors and two Residential Directors. Directors shall continue in office until their successors have been elected, unless a Director is resigned, is removed, or becomes disqualified to be a Director.

The number of Directors and their terms may be changed by an amendment to these Bylaws. The Board shall elect the officers of the Association. The Owners elected to the Board shall take office upon election.

The Board of Directors and the officers of the Association shall have a duty to represent the interests of both the Commercial Unit Owners and Residential Unit Owners in a fair and just manner on all matters that may affect both or either Commercial Unit Owners or Residential Unit Owners.

5.5 Qualifications. An elected Director must be an owner of a Unit within the Condominium 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 Manager of a Limited Liability Company owning a Unit within the Condominium 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.

A Director may be reelected, and there shall be no limit as to the number of terms a Director may serve.

Directors appointed by the Declarant need not be Owners.

5.6 Resignation/Removal 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.

At any meeting of the Association at which a quorum is present, the Members of a class may, by a vote of Owners of Units to which at least sixty-seven percent of the votes in that class of membership in the Association are allocated, remove any Director of that class other than a Director appointed by the Declarant with or without cause.

5.7 Vacancies in Directors. Any vacancy occurring in the Board of Directors shall be filled by the affirmative vote of the members of the same Unit Classification from which the

Director came from so that at all times there are always two Commercial Directors and two Residential Directors, though less than a quorum of the Board of Directors. A Director elected or appointed to fill a vacancy shall be elected or appointed for the unexpired term of his or her predecessor in office.

Vacancies of Directors whom the Declarant appointed shall be appointed by the Declarant.

## ARTICLE SIX: MEETINGS OF THE BOARD OF DIRECTORS

6.1 Regular Meetings. Regular meetings of the Board of Directors shall be held as the needs of the Association dictate, but at least quarterly upon seven days' notice, at such place and hour as may be fixed from time to time by resolution of the Board.

6.2 Special Meetings. Special Meetings of the Board of Directors shall be held when called by any Director, after not less than two days' notice to each Director.

6.3 Purpose of Meetings. Neither the business to be transacted at, nor the purpose of, any Regular or Special Meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

6.4 Quorum. At all meetings of the Board of Directors, fifty percent of the Directors shall constitute a quorum for the transaction of business and the majority vote of the Directors shall constitute a decision of the Board of Directors.

6.5 Proxies. A Director shall not be entitled to vote by proxy at any meeting of the Directors.

6.6 Waiver of Notice. Any Director may waive notice of any meeting in writing. Attendance by a Director at any meeting of the Board of Directors shall constitute a waiver of notice. If all the Directors are present at any meeting, no notice shall be required and any business may be transacted at such meeting.

6.7 Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

6.8 Telephone Communication in Lieu of Attendance. A Director may attend a meeting of the Board of Directors by using an electronic or telephonic communication method whereby the Director may be heard by the other members of the Board and may hear the deliberations of the members on any matter properly brought before the Directors. The Director's vote shall be counted and presence noted as if the Director were present in person on that particular matter.

6.9 Dispute Resolution. If the Board of Directors shall be equally divided respecting the management of the Condominium Community, the business affairs of the Association, or any aspect thereof, no Member or Director shall have the right in a suit at law or in equity because of such deadlock.

Any such equal division shall be resolved by binding arbitration in accordance with the Colorado Arbitration Act proceeding under the Rules of the American Arbitration Association. The parties shall agree upon a single arbitrator who shall be an experienced professional manager of a residential condominium project. In the event the parties are unable to agree upon an arbitrator within 30 days after written notice, the presiding judge of the County's District Court shall appoint an arbitrator qualified as set forth above upon application of a party. The arbitrator shall have authority, in the sound exercise of discretion, to award the prevailing party such party's costs and expenses, including reasonable attorney's fees.

Judgment upon the determination of the arbitrator shall be entered and enforced by the County's District Court.

## ARTICLE SEVEN: POWERS AND DUTIES

7.1 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 which are not specifically required to be done by the Members by the Colorado Nonprofit Corporation Act, the Colorado Common Interest Ownership Act, the Declaration, the Articles of Incorporation of the Association, these Bylaws or be otherwise required by law.

7.2 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.

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 Fifty Thousand Dollars or such higher amounts as the Board may require;

(b) the other person or Managing Agent shall maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the other person or managing agent and maintain all reserve accounts of each association so managed separate from operational accounts of the Association; and

(c) an annual accounting for 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.

## ARTICLE EIGHT: OFFICERS AND THEIR DUTIES

8.1 Enumeration of Officers. The officers of the Association shall be a President, Vice President, Secretary and Treasurer, and such other officers as the Board of Directors may from time to time by resolution create. All officers must be members of the Board of Directors.

8.2 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.

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

8.4 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 perform such duties as the Board of Directors may from time to time determine.

8.5 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 president. 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.

8.6 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.

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

8.8 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; serve notice of meetings of the Board of Directors and of the Association; keep appropriate current records showing the Members together with their addresses; 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; sign all checks of the Association unless the Board of Directors specifically directs otherwise; keep proper books of account; 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. The Treasurer shall cause an audit of the Association's books to be made by an accountant if so directed by the Board of Directors, or upon the written request of Members to which at least twenty percent of the votes in the Association are allocated.

8.9 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.

8.10 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 a Common Expense against the Unit for which the certificate or statement is furnished.

## ARTICLE NINE: AMENDMENTS

These Bylaws may be amended by a vote of a majority of a quorum of the Board of Directors at a regular or special meeting of the Board of Directors. These Bylaws may be amended at any Annual Meeting of the Association or at any Special Meeting called for the purpose of amending the Bylaws, by the affirmative vote of a majority of a quorum of Members present at the meeting voting in person or by proxy.

Any amendment adopted at an Annual or Special Meeting of the Association may thereafter only be amended at an Annual or Special Meeting of the Association.

These Bylaws are intended to comply with the requirements of the Act. If any of the Bylaws conflict with the provision of this Act, the provisions of the Act shall govern 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.

#### ARTICLE TEN: NOTICE AND HEARING PROCEDURE

The Board shall not impose a Fine, Individual Assessment, suspend voting rights, or infringe upon any other rights of a Member or other occupant for violations of Rules and Regulations of the Association or of the Declaration unless and until the following procedure is followed:

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

- (i) the alleged violation;
- (ii) the action required to abate the violation;
- (iii) a time period, not less than ten days, during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any additional similar violation may result in the imposition of a sanction after Notice and Hearing, if the violation is not continuing.

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

- (i) the nature of the alleged violation;
- (ii) the time and place of the Hearing, which time shall not be less than ten 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 Meeting. 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 such Notice. The Notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The Minutes of the Meeting 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.

However, in no event shall the Board suspend a Member's right to use the Condominium Community, or his or her voting rights for infraction of the Association's Rules and/or Regulations for a period in excess of sixty days.

These procedures shall not be necessary in order to impose any sanction or penalty for nonpayment of delinquent assessments.

#### ARTICLE ELEVEN: INSPECTION OF RECORDS

The Association shall make available to Members and their First Mortgagees current copies of the Declaration, Articles of Incorporation, Bylaws and other Rules and Regulations governing the Condominium Community and for any proper purpose the books, records and financial statements of the Association. "Available" means available for inspection in accordance with the following procedure:

(a) A written Request to Inspect must be submitted to the Association at least ten business days prior to the planned inspection. The Request must specify which records are to be inspected and the SPECIFIC PURPOSE of the inspection.

(b) All records shall be inspected at the office of the Association between the hours of 10:00 a.m. and 3:00 p.m., Monday through Friday.

(c) At the discretion of the Board, certain records may only be inspected in the presence of a Board member or his or her agent. No records may be removed from the Association's office without the express written consent of the Board of Directors.

(d) All costs of inspection and photocopies will be paid in advance by the person requesting them.

(e) Consistent with individual members' right to privacy, attorney-client confidentiality and other considerations, the following records will not be made available without the express written consent of the Board of Directors:

- (i) confidential personnel records;
- (ii) confidential litigation files;

- (iii) inter-office memoranda, preliminary data, working papers and drafts and general information or investigations which have not been formally approved by the Board of Directors;
- (iv) Minutes of confidential Executive Sessions;
- (v) Members' telephone numbers.

(f) In determining whether records may be inspected, the Board shall consider, among other things:

- (i) whether the request is made, in good faith, to ascertain the condition of the Association; or for a purpose other than that stated in the Request to Inspect;
- (ii) whether an inspector has improperly used information secured through a previous inspection of the records;
- (iii) whether disclosure is for an illegal or improper purpose, or would violate a constitutional or statutory provision or public policy;
- (iv) whether disclosure may result in an invasion of personal privacy, breach of confidence or privileged information; and
- (v) whether disclosure would unreasonably interfere with or improperly disrupt the operation of the Association.

(g) The Association reserves the right to pursue any individual for damages or injunctive relief or both, including reasonable attorney's fees, for abuse of these rights, including, but not limited to, use of any records for a purpose other than what is stated in the Request to Inspect.

## ARTICLE TWELVE: MISCELLANEOUS

12.1 Committees. The Board of Directors shall appoint committees as deemed appropriate in carrying out its purposes.

12.2 Financial Statements. Any mortgagee shall be entitled, upon written request, to an audited Financial Statement for the immediately preceding fiscal year, at such mortgagee's expense. Any Financial Statements so requested shall be furnished within a reasonable time following such request.

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

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



12.5 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.

12.6 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 ARTICLE ELEVEN hereof.

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

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

IN WITNESS WHEREOF, the undersigned have hereto set their hands this \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

THE RETREAT ON THE BLUE  
CONDOMINIUM ASSOCIATION

\_\_\_\_\_  
Director

#### CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of THE RETREAT ON THE BLUE CONDOMINIUM ASSOCIATION, a Colorado corporation.

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a Meeting of the Board of Directors thereof, held on the \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
Secretary

Residential Membership Votes. The number of votes represented by each Residential Membership shall be determined on the basis of the proportion which the approximate square footage finished area of each Residential Unit bears to the total approximate square footage finished area of all Residential Units in the Condominium Community and is as set forth above.

Commercial Membership Votes. The number of votes represented by each Commercial Membership shall be determined on the basis of the proportion which the approximate square footage finished area of each Commercial Unit bears to the total approximate square footage finished area of all Commercial Units in the Condominium Community and is as set forth above.

**MINUTES OF THE  
ORGANIZATIONAL MEETING OF THE BOARD OF DIRECTORS OF  
THE RETREAT ON THE BLUE CONDOMINIUM ASSOCIATION**

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The organizational meeting of the Board of Directors of the Association was duly called and held in the offices of the Association on the \_\_\_\_ day of \_\_\_\_\_, 200\_\_ at 7:00 p.m.

The first order of business was the appointment by the Declarant of the members of the Board of Directors of the Association and its officers in accordance with Paragraph 6.2 of the Association's Bylaws. The following persons were appointed:

Thomas M. Silengo	President/Director
Michael Cuthbertson	Vice President/Director
Vicki C. Kibler-Silengo	Secretary/Treasurer/Director

The persons so appointed accepted the offices to which they were respectively appointed to assume their duties and responsibilities as of the date hereof, and to hold such offices at the pleasure of the Declarant until their respective successors are duly qualified.

The President then advised the Board that duplicated originals of the Articles of Incorporation had been filed with the Secretary of the State of Colorado and presented to the meeting a copy of the Articles of Incorporation. A copy of said Articles date stamped by the Secretary of State are attached to the Minutes of this meeting as Exhibit A.

Since the Articles of Incorporation had been filed, the Certificate of Incorporation issued and this meeting duly constituted, it was agreed that the Incorporator should be discharged. Thereupon, pursuant to a motion duly made, seconded and unanimously approved, it was:

RESOLVED, that the Incorporator of the Association be and is hereby forever discharged and indemnified by the Association from and against any expense or liability actually incurred by reasons of having been the Incorporator of the Association.

The President then advised the Board that the Colorado Revised Nonprofit Corporation Act provides that the initial Bylaws of the Association shall be adopted by its Board of Directors, and presented to the meeting a set of proposed Bylaws of the Association. After full discussion of said Bylaws, and upon motion duly made, seconded and unanimously approved, it was:

RESOLVED, that the proposed Bylaws presented at this meeting, a copy of which is attached to these Minutes as Exhibit B, be and the same are hereby approved, ratified and adopted as the Bylaws of the Association.

The President then advised the Board that the Bylaws provide that the fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of each year unless changed by the Board of Directors. Therefore, pursuant to a motion duly made, seconded and unanimously approved, it was:

RESOLVED, that the fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of each year.

The President then advised the Board that they will need to discuss the Association's Budget and the Common Expense Assessment and other related financial matters. After full discussion, and pursuant to a motion duly made, seconded and approved, it was:

RESOLVED, that the determination of (a) the Association's Budget, (b) the amount of the Common Expense Assessment, and (c) the date of the commencement of the Common Expense Assessments shall be determined at a later date, along with the assessments' due date, date of delinquency, and amount of the late fees incurred.

There being no further business to come before the meeting, the same was and by motion duly made, seconded and unanimously approved, adjourned.

\_\_\_\_\_  
Secretary

NOTICE WAIVED, MINUTES APPROVED  
AND ACTION SO RECORDED, CONSENTED  
TO IN ACCORDANCE WITH § 7-128-202  
OF THE COLORADO REVISED  
NONPROFIT CORPORATION ACT

DECLARANT:

RETREAT ON THE BLUE, L.L.C.

\_\_\_\_\_  
Director

By: \_\_\_\_\_  
Manager

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director