

BY-LAWS
OF
SILVER LAKE CONDOMINIUMS ASSOCIATION, INC.

ARTICLE I

OBJECT OF ASSOCIATION

1. The purpose for which this non-profit Association is formed is to govern the condominium property, situate in the County of Clear Creek, State of Colorado, known as Tract B, Winterland Subdivision, Unit #14, (hereinafter referred to as "Silver Lake Condominiums *Association*" or the "*Association*"), which property is described in the Articles of Incorporation and which property has been submitted to the provisions of the Condominium Ownership Act of the State of Colorado by recorded Condominium Declaration
2. All present and future owners or tenants, or any other person that might use in any manner the facilities of the project located on the property described in the Articles of Incorporation are subject to the regulations set forth in these By-Laws. The mere acquisition or rental of any of the condominium units (hereinafter referred to as "units") of the project or the mere act of occupancy of any of said units will signify that these By-Laws are accepted, ratified, and will be complied with.

ARTICLE II

MEMBERSHIP, VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

1. Membership. Ownership of a condominium unit is required in order to qualify for membership in this Association. Any person becoming an owner of a condominium unit shall automatically become a member of this Association and be subject to these By-Laws. Such membership shall terminate without any formal Association action whenever such person ceases to own a condominium unit, but such termination shall not relieve or release any such former owner from any liability or obligation incurred under or in any way connected with this Association, or impair any rights or remedies which the Board of Directors of the Association or others may have against such former owner and member arising out of or in any way connected with ownership and membership and the covenants and obligations incident thereto. No certificates of stock shall be issued by the Association, but the Board of Directors may, if it so elects, issue one membership card to the owner(s) of a condominium unit. Such membership card shall be surrendered to the Secretary whenever ownership of the condominium unit designated thereon shall terminate.
2. Voting. Voting shall be based upon a percentage of the undivided interest of each unit owner in the general common elements. An owner of an undivided fractional interest in and to a condominium unit shall be entitled to a vote equal to his fractional ownership interest in such unit. Cumulative voting is prohibited.

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3. Majority of Unit Owners. As used in these By-Laws, the term "majority of unit owners" shall mean those owners of more than *fifty-one percent (51%) of all owners* of the undivided ownership of the general common elements.

4. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of the units owners, as defined in paragraph 3 of this Article, shall constitute a quorum.

5. Proxies. Votes may be cast in person, by *absentee ballot* or by proxy. *Absentee ballots* and Proxies must be filed with the Secretary before the appointed time of each meeting. *In the event that issues requiring voting for which no advance notice was given, the vote may be continued and ballots collected up until a point in time as determined by the Board of Directors.*

ARTICLE III ADMINISTRATION

1. Association Responsibilities. The owners of the units will constitute the Association of Unit Owners, hereinafter referred to as the "Association", who will have the administering the project through a Board of Directors, hereinafter referred to as the "Board of Directors".

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

3. Annual Meeting. The annual meetings of the Association shall be held *at such date, time and location as determined by the Board of Directors.* At such meetings, there shall be elected by ballot of the owners a Board of Directors in accordance with the requirements of paragraph 5, Article IV, of these By-Laws. The owners may also transact such other business of the Association as may properly come before them. *All owners voting, whether in person, by absentee ballot or by proxy at any meeting must be in good standing with the Association.*

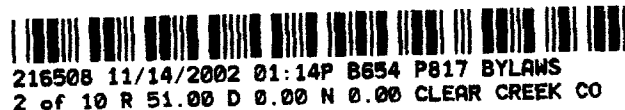
4. *Special Meeting of the owners may be called by the President, by a majority of the Board of Directors or upon the written request of not less than 25% of the unit owners.*

ARTICLE IV BOARD OF DIRECTORS

1. Number and Qualifications. The affairs of this Association shall be governed by a Board of Directors composed of *not less than three nor more than five* members of the Association.

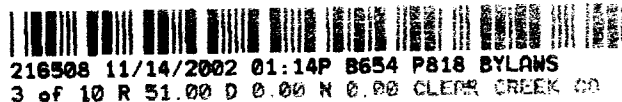
2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a residential condominium project. The Board of Directors may do all such acts and things as are not directed to be exercised by the owners by law or by these By-Laws or by the Condominium Declaration.

3. Other Powers and Duties. The Board of Directors shall be empowered and shall have the duties as follows:



- (a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Condominium Ownership Act of the State of Colorado.
- (b) To establish, make and enforce compliance with such reasonable house rules as may be necessary for the operation, use and occupancy of this condominium project and with the right to amend same from time to time. A copy of such rules and regulations shall be delivered, *electronically mailed*, or mailed to each member promptly upon the adoption thereof.
- (c) To keep in good order, condition and repair all o the general and limited common elements and all items of personal property, if any, used in the enjoyment of the entire premises
- (d) To fix, determine, levy and collect the monthly prorated assessments to be paid by each of the owners towards the gross expenses of the entire premises and by the majority vote of the Board of Directors to adjust, decrease, or increase the amount of the monthly assessments. To levy and collect special assessments, whenever in the opinion of the Board of Directors it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies.
- (e) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an owner as is provided in the Condominium Declarations and these By-Laws.
- (f) To protect and defend the entire premises from loss and damage by suit or otherwise.
- (g) To enter into contracts within their duties and powers.
- (h) To establish a bank account for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Directors.
- (i) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the owners.
- (j) To prepare and deliver annually to each owner a statement showing all receipts, expenses or disbursements since the last such statement.
- (k) To meet at least once each quarter.
- (l) In general, to carry on the administration of this Association and to do all those things, necessary and reasonable, in order to carry out the governing and the operation of this condominium property.
- (m) To employ for the Association, if deemed necessary, a management agent at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize.

4. Election and Term of Office. *Each Director shall be elected to serve a term of three (3) years.* The Directors shall hold office until their successors have been elected and hold their first meeting. *If at any point in time during the year a Director ceases to be on the Board, the Board may elect a Director to fill*



the vacancy, until the Annual meeting, at which an election of the entire membership shall be held to vote a Director into that vacancy.

5. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least one such meeting shall be held during each calendar quarter. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or *electronic mail*, at least five days prior to the day named for such meeting.

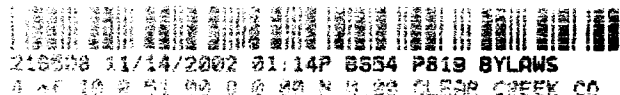
6. Special Meetings. Special meetings of the Board of Directors may be called by the President on five days' notice to each Director, given personally or by mail, telephone or *electronic mail*, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two Directors. *Any board meeting may be conducted via telephone conference.*

7. Action Taken Without Meeting. *The Directors shall have the right to take any action which they could normally take in a meeting, in the absence of a meeting, by obtaining the verbal or written approval of all of the directors, as in a telephone conference. Any action so approved shall have the same effect as though taken at a meeting of Directors, however it shall be ratified at the next occurring meeting of Directors.*

8. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board, *except for the attendance at the conception of such meeting for the sole purpose of disputing such notice,* shall be a waiver of notice by that Director of the time and place thereof. If all Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

9. Board of Director's Quorum. At all meetings of the Board of Directors, a simple majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. *Any business which might have been transacted at the meeting as originally called may be transacted at any subsequent meeting which meets the proper notice and quorum requirements.*

10. Qualifications. *All members of the Board of Directors must be in good standing with the Association in order to vote or to contribute to a quorum at any meeting of the Board of Directors. If a Director remains delinquent for 90 days or if they miss 3 consecutive meetings, they may be removed from the Board of Directors without further notice. Any member of the Association elected to the Board of Directors shall allow for a criminal background check to be performed by the Board of Directors, and the information may be permitted to the owners.*



ARTICLE V

OFFICERS

1. Designation. The officers of the Association shall be a President, *Vice President*, Secretary, Treasurer, all of whom shall be elected by and from the Board of Directors.
2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board. One person may hold concurrently any two offices, *with the exception, by state statutes, no one person may hold simultaneously the offices of President and Secretary.*
3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and that *officer's* successor elected *from and by the Board of Directors* at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose. *The Director removed from office shall remain a Director until his term is completed or until a majority of the homeowners properly vote to have him removed from the Board of Directors at an annual meeting or at any special meeting called for that purpose. Any officer or Director may resign from being an officer or Director 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 unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.*
4. President. The President shall be the chief executive officer of the Association
 - (a) The President shall preside at all meetings of the Association and of the Board of Directors.
 - (b) The President shall have all of the general powers and duties which are usually vested in the office of President of an association, including but not limited to the power to appoint committees, from among the owners from time to time as the President may decide is appropriate to assist in the conduct of the affairs of the Association or as may be established by the Board of Directors or by the members of the Association at any regular or special meetings.
5. Vice President. The Vice President shall act in the place and stead of the President in the event of the President's 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.
6. Secretary.
 - (a) The Secretary shall keep all the minutes of the meetings of the Board of Directors' meetings and the minutes of all meetings of the Association.
 - (b) The Secretary shall have charge of such books and papers as the Board of Director's may direct, and he shall, in general, perform all the duties incident to the office of Secretary.
 - (c) The Secretary shall compile and keep up to date at *such a location as shall be determined by the Board of Directors from time to time*, a complete list of members and their last known addresses as shown on the records of the Association. Such list shall also show opposite each member's name, the of the unit owned by such member, the undivided interest in the general

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common elements and a description of the limited common elements assigned for exclusive use in connection with such *condominium* unit. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

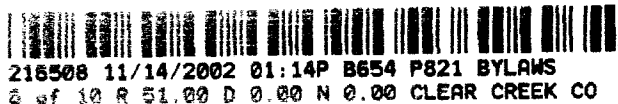
7. Treasurer.

- (a) The Treasurer shall have the responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association.
- (b) He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors.
- (c) Withdrawals of such deposits shall be made only by checks signed by any two Directors *or Managing Agents as the Board will determine from time to time. Such signatures will be held on file with the bank holding the Association's funds, and will be updated with every change in Board Member status.*
- (d) *The Treasurer may delegate the above duties to a Managing Agent as the Board of Director's deems appropriate.*

ARTICLE VI

INDEMNIFICATION OF OFFICERS AND DIRECTORS

1. Indemnification. The Association shall indemnify every Director, officer, his heirs, executors and administrators, against all loss, costs and expenses, including council fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been director or officer of the Association, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such director or officer may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association for reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses; provided, however that nothing in the Article VI contained shall be deemed to obligate the Association to indemnify any member or owner of a condominium unit who is or has been a director or officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Condominium Declaration as a member or owner of a condominium unit covered thereby.



ARTICLE VII

MORTGAGES

1. Notice to Association. An owner who mortgages his unit shall notify the Association through the Managing Agent, if any, or the *Secretary* of the board of Directors, giving the name and address of his mortgagee. The Association shall maintain such information in a book entitled "Mortgagee of Units."
2. Notice of unpaid assessments. The Association shall at the request of a mortgagee of a unit, report any unpaid assessments due from the owner of such unit.

ARTICLE VIII

EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS

AND REQUIRED PROXIES

1. Proof of Ownership. Except for those owners who initially purchase a condominium unit from Declarant, any person on becoming an owner of a condominium unit shall furnish to the Managing Agent or Board of Directors, a photocopy or a certified copy of the recorded instrument vesting that person with an interest or ownership, which instrument shall remain in the files of the Association. A member shall not be deemed in good standing nor shall he be entitled to vote at any annual or at a special meeting of members unless this requirement is first met.
2. Registration of Mailing Address. The owners of each condominium unit shall have one and the same registered mailing address to be used by the Association for mailing of statements, notices, demands and all other communications. *Such addresses may be electronic mail addresses as provided by the owner, and electronic notification of receipt will preclude the need to send notices to a physical mailing address. Hand delivered notices shall also be considered the equivalent of such mailed notices.* Such registered address of a condominium unit owner or owners shall be furnished by such owners to the Secretary within five days after transfer of title, or after a change of address, and such registration shall be in written form and signed by all of the owners of the condominium unit or by such persons as are authorized by law to represent the interests of all of the owners thereof.
3. Required Proxies. If the title to a condominium unit is held by more than one person or by a firm, corporation, partnership, association, or other legal entity, or any combination thereof, such owners shall execute a proxy in written form appointing and authorizing one person or alternate persons to attend all annual and special meetings of members and thereat to cast whatever vote the owner himself might cast if he were personally present. Such proxy shall be effective and in force unless voluntarily revoked, amended or sooner terminated by operation of law, provided, however, that within thirty days after such revocation, amendment or termination, the owners shall reappoint and authorize in written form one person or alternate persons to attend all annual and special meetings. The requirements herein contained in this Article shall be first met before an owner of a condominium unit shall be deemed in good standing and entitled to vote at any annual or special meeting of members.

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ARTICLE IX

OBLIGATIONS OF THE OWNERS

1. Assessments. Except as is otherwise provided in the Condominium Declaration, all owners shall be obligated to pay the monthly, *or special* assessments imposed by the Association to meet the common expenses. The assessments shall be made pro rata according to percentage interest in and to the general common elements and shall be due monthly in advance. A member shall be deemed to be in good standing and entitled to vote at any annual or at a special meeting of members, within the meaning of these By-Laws, if and only if he shall have fully paid all assessments made or levied against him and the condominium unit owned by him.

2. Mechanic's Lien. Each owner agrees to indemnify and hold each of the other owners harmless from any and all claims of mechanic's lien filed against other units and the appurtenant general common elements for labor, materials, services or other products incorporated into the owner's unit.

3. General

(a) Each owner shall comply strictly with the provisions of the recorded Condominium Declaration.

(b) Each owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which this condominium project was built.

4. Rules and Regulations.

(a) No member or occupant shall post any advertisement, or posters of any kind in any part of the condominium property, except as authorized by the Association.

(b) Owners and occupants shall exercise reasonable care to avoid making or permitting to be made loud or objectionable noises, and in using or playing or permitting to be used or played musical instruments, radios, television sets, amplifiers and any other instruments or devices in such manner as may disturb or tend to disturb other owners, tenants or occupants of the condominium units.

(c) The Board of Directors shall have the power to establish, *amend, repeal* and enforce compliance with such additional house rules, *and to establish penalties for the infraction thereof*, as may be necessary for the operation, use and occupancy of this project with the right to amend from time to time.

ARTICLE X

COMPENSATION

1. Compensation. This Association is not organized for profit. No member, member of the Board of Directors, officer, or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid or distributed to, or inure to the benefit of any member of the Board of Directors, officer or member; provided, however, always (1) that reasonable

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compensation may be paid to any member, manager, or officer while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (2) that any member, Director or officer may be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

ARTICLE XI

AUTHORIZED AGENT

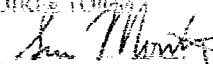

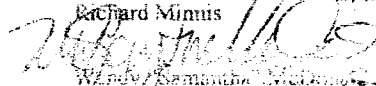
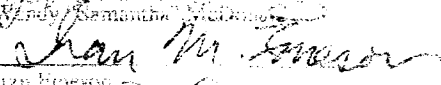
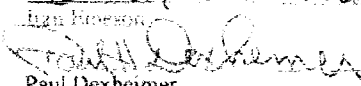
1. Authorized Agent. The persons who shall be authorized to execute any and all contracts, documents, instruments of conveyances or encumbrances, including promissory notes, shall be the **members of the Board of Directors** of the Association **or their Authorized Agent**.

ARTICLE XII

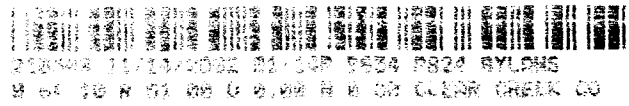
AMENDMENTS & CONFLICT OF DOCUMENTS

1. Amendments. These By-Laws may be amended from time to time, by a vote of a majority of the Board of Directors at a regular or special meeting of the Board of Directors.
2. Conflict of Documents. In the event of a conflict between the Articles of incorporation and these By-Laws, the Articles shall control; in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

IN WITNESS WHEREOF, we the undersigned, being all of the members of SILVER LAKE CONDOMINIUMS ASSOCIATION, INC. have hereunto set their hands this 29th day of September 2002


THREE WITNESSES

Sean Montague

Richard Minnis

Wendy Semantha

Sean M. Emerson

Paul Dexheimer

I, the undersigned, do hereby certify THAT I am the elected and acting Secretary of SILVER LAKE CONDOMINIUMS ASSOCIATION, INC , a Colorado non profit corporation, and



THAT the foregoing By-Laws constitute the By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 13th day of September 2002, and that as of the date hereinafter subscribed, said By-Laws are in full force and effect

IN WITNESS WHEREOF, I have hereunto subscribed my name this 11th day of November 2002.


Wendy "Samantha" McDonald, Secretary

County of Clear Creek)

) ss.

State of Colorado)

SUBSCRIBED AND SWORN TO BEFORE ME this 11th day of November, 2002, by 2002

Wendy McDonald as Secretary of Silver Lake Condominiums Association, Inc.

Witness my hand and seal Ramona P. Spright

Notary Public

My commission expires: 8-30-2003



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