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BYLAWS
OF
MID TOWN OWNERS ASSOCIATION

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BYLAWS
OF
MID TOWN OWNERS ASSOCIATION

ARTICLE I

GENERAL

1.1 Purpose of Bylaws. These Bylaws of Mid Town Owners Association (these “Bylaws”) are adopted for the regulation and management of the affairs of the Mid Town Owners Association (the “Association”). The Association is organized as a Colorado nonprofit corporation under the Colorado Revised Nonprofit Corporation Act, C.R.S. § 7-121-101 et seq. (the “Nonprofit Act”), in conformance with the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101 et seq. (“CCIOA”), and is the Association under the Declaration of Covenants, Conditions and Restrictions for Mid Town (the “Declaration”). The Declaration relates to the real property in Boulder County, Colorado, which is or may become subject to the Declaration (the “Property”).

1.2 Terms Defined in the Declaration. Initially capitalized terms used but not defined in these Bylaws are defined in the Declaration and have the same definition as in the Declaration.

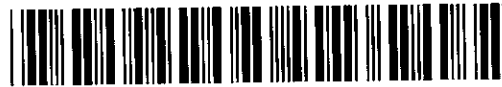
1.3 Controlling Laws and Instruments. These Bylaws are controlled by and shall always be consistent with the provisions of the Nonprofit Act, CCIOA, the Declaration and the Articles of Incorporation of the Association filed with the Secretary of State of Colorado (the “Articles”), as any of them are amended from time to time. The Declaration, the Articles and these Bylaws, as any of them may be amended from time to time, together with all exhibits or attachments to any of them, are herein collectively referred to as the “Association Instruments.”

ARTICLE II

OFFICES

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

2.2 Registered Office and Agent. The Board may change the Association’s initial registered office and initial registered agent specified in the Articles at any time by filing a statement as specified by law in the Office of the Secretary of State of Colorado. At all times, the street addresses of the Association’s registered office and the business office of the Association’s registered agent shall be identical.



ARTICLE III

MEMBERS AND VOTING RIGHTS

3.1 General.

(a) By this reference, these Bylaws incorporate the membership and voting rights provisions of the Declaration. Each Owner of a Lot is a member of the Association (a "Member"). An Owner's membership in the Association is hereinafter referred to as a "Membership." Each Membership is appurtenant to the fee simple title to a Lot. The Owner of fee simple title to a Lot is automatically the holder of the Membership appurtenant to the Lot, and the Membership automatically passes with fee simple title to the Lot.

(b) In any matter coming before the Association for which a vote of the Members is required, for any Lot owned by multiple owners (the "Multiple Owners"):

- (i) if only one such Multiple Owner is present when such vote occurs, such Multiple Owner shall be entitled to cast any and all votes allocated to such Lot;
- (ii) if more than one of the Multiple Owners are present, any and all votes allocated to such Lot shall be cast only in accordance with the agreement of a majority in interest of the Multiple Owners, provided that a majority agreement among the Multiple Owners shall be deemed to exist if any one of the Multiple Owners casts the vote or votes allocated to such Lot without protest being made promptly to the person presiding over the meeting by any of the other Multiple Owners, and provided further that the Multiple Owners shall not be entitled to cast any vote on such matter unless a majority agreement is reached among the Multiple Owners before the conclusion of the tabulation of votes on such matter by the Association.

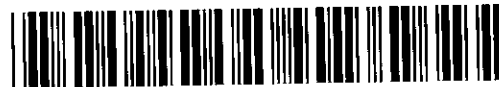
(c) The Association itself shall have no vote for any Lot it owns.

3.2 Votes. In all matters coming before the Association for which a vote of the Members is required, each Lot is allocated one vote in the Association. Notwithstanding the foregoing, the Association shall not exercise any votes allocated to any Lot(s) owned by the Association.

3.3 Authorized Representative.

(a) Any Owner that is not a natural person (i.e., an estate or a trust, corporation, partnership, limited liability company or other entity) shall appoint a natural person as such Owner's attorney-in-fact and authorized representative (an "Authorized Representative") and may vote only through its Authorized Representative. Any Owner who is a natural person may appoint a proxy to vote on behalf of the Owner in matters coming before the Members of the Association, provided that if such proxy is not a natural person, such proxy shall appoint an Authorized Representative pursuant to this Section 3.3.

(b) Any Owner required to appoint an Authorized Representative will do so immediately upon becoming an Owner. Any Owner who is required or elects to



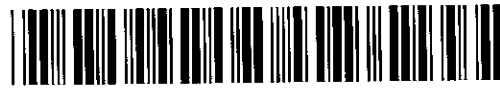
appoint an Authorized Representative will notify the Association of its Authorized Representative or any subsequent replacement for its Authorized Representative within 10 days after appointment. The notice will (i) be signed by all Persons constituting the Owner, (ii) be dated, and (iii) contain a statement that the natural person named as the Authorized Representative in the notice will remain the Authorized Representative of that Owner until a subsequent notice is given to the Association (A) appointing a replacement Authorized Representative or (B) in the case of an Authorized Representative appointed by an Owner who is a natural person, terminating the appointment of the Authorized Representative. The notice will have the effect of a proxy given by all Persons constituting that Owner to the Authorized Representative named in the notice for all purposes under the Association Instruments, CCIOA and the Nonprofit Act, except that the duration of the notice will be perpetual or as stated therein. The appointment of an Authorized Representative is binding upon all Persons comprising the appointing Owner and the vote of the Authorized Representative is conclusive as to the Association, unless and until the Association receives (A) a notice appointing a replacement Authorized Representative or (B) in the case of an Authorized Representative appointed by an Owner who is a natural person, a notice terminating the appointment of the Authorized Representative. Upon receiving any notice appointing an Authorized Representative, the Association may request additional evidence of authority that it reasonably deems necessary to verify the due appointment of the named Authorized Representative. If an Owner who is required or elects to appoint an Authorized Representative owns more than one Lot, the Owner may appoint (1) one natural person to serve as Authorized Representative for all of its Lots; or (2) a different natural person to serve as Authorized Representative for each of its Lots or any number of its Lots.

(c) Unless the context clearly indicates otherwise, the term "Member" as used in these Bylaws means a Member or its Authorized Representative.

3.4 Resignation of Members. No Member may resign from the Association. An Owner's Membership in the Association shall terminate only upon the conveyance by such Member of all of such Member's ownership interests in any and all Lots within the Property.

3.5 Membership Termination; Member Sanctions. No Member may be expelled from the Association and no Member's Membership may be terminated as long as such Member is an Owner. Notwithstanding the foregoing, if any Member fails to comply with any provision of the Association Instruments, the Association may impose such enforcement sanctions as are provided for in the Declaration. Without limiting the foregoing, the Board may suspend, after notice and hearing in accordance with the provisions of Article VIII, the voting rights of and/or any of the other privileges of Membership of any Member during and following any breach by such Member of any provision of the Declaration or any Rules adopted by the Board.

3.6 Purchase of Memberships by Association. The Association shall not purchase the Membership of any Member. The Association shall only be a Member, and shall only have such rights as are attendant to Membership, to the extent that it is also an Owner.



3.7 Resolution of Voting Disputes. In the event of any dispute as to the entitlement of any Member to vote or as to the results of any vote of the Members, the Board shall act as arbitrators and the decision of a disinterested majority of the Board shall, when rendered in writing, be final and binding as an arbitration award and may be acted upon in accordance with the Colorado Uniform Arbitration Act of 1975, as the same may be amended. No dispute as to the entitlement of any Member to vote shall postpone or delay any vote for which a meeting of the Members has been duly called pursuant to the provisions of these Bylaws if a quorum is present at such meeting.

3.8 Transfer of Memberships on Association Books. Transfers of Memberships shall be made on the books of the Association only upon presentation of evidence, satisfactory to the Board, of the transfer of ownership of the Lot to which the Membership is appurtenant. Prior to presentation of such evidence, the Association may treat the previous owner of the Membership as being entitled to all rights in connection with the Membership.

ARTICLE IV

MEETINGS OF MEMBERS

4.1 Place of Members' Meetings. Meetings of the Members shall be held at the principal office of the Association or at such other place, within or convenient to the Property, as may be fixed by the Board and specified in the notice of the meeting.

4.2 Annual Meetings of Members. Annual meetings of the Members shall be held on the date fixed in accordance with a resolution of the Board at such time of day as is fixed by the Board and specified in the notice of meeting. The annual meetings shall be held to transact such business that properly comes before each such meeting.

4.3 Special Meetings of Members. Special meetings of the Members may be called by the Board, the President of the Association, or by the Members holding not less than 20% of the total votes in the Association. No business shall be transacted at a special meeting of the Members except as indicated in the notice thereof.

4.4 Record Date. For the purpose of determining the Members entitled to notice of, or to vote at, any meeting of the Members, or for the purpose of determining such Members for any other proper purpose, the Board of the Association may fix in advance a future date as the record date for any determination of the Members. The record date may not be more than 70 days prior to the meeting of the Members or the event requiring a determination of the Members.

4.5 Notice of Members' Meetings. Written notice of any meeting of the Members will be delivered not less than 10 nor more than 50 days before the date of the meeting, either personally or by first class or registered mail to each Member entitled to vote at the meeting. The notice of any meeting will state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes and any proposal to remove a member of the Board. If mailed, the notice will be deemed to be delivered five business days after it is deposited in the United States



mail, first-class postage prepaid, addressed to the Member at the mailing address for the Member appearing in the Association's records.

4.6 Proxies.

(a) In addition to the appointment of an Authorized Representative pursuant to Section 3.3 of these Bylaws, a Member (including an Authorized Representative) that is entitled to vote may vote in person or by proxy if the proxy is executed in writing by the Member and delivered to the secretary of the meeting prior to the time the proxy is exercised. A Member may appoint a proxy by signing an appointment form, either personally or by the Member's attorney-in-fact, or by transmitting or authorizing the transmission of an electronic transmission providing a written statement of the appointment to the proxy or other person duly authorized by the proxy to receive appointments as agent for the proxy or to the Association, except that the transmitted appointment shall set forth or be transmitted with written evidence from which it can be determined that the Member transmitted or authorized the transmission of the appointment.

(b) A proxy may be revoked by a written revocation filed with the chairman of the meeting prior to the time the proxy is exercised or by voting in person. A proxy automatically ceases upon a change in the ownership of the Membership on the Association's books. No proxy is valid after 11 months from the date of its execution unless otherwise provided in the proxy appointment form. Any form of proxy or written ballot furnished or solicited by the Association will afford an opportunity for the Members to specify on the form a choice between approval and disapproval of each matter (or group of related matters) which is known, at the time the form of proxy or written ballot is prepared, and which may come before the meeting, and will provide, subject to reasonably specified conditions, that if a Member specifies a choice with respect to any matter, the vote will be cast in accordance with the Member's choice.

4.7 Quorum at Members' Meeting. Except as may be otherwise provided in the Declaration, the Articles of Incorporation or these Bylaws, and except as hereinafter provided with respect to the calling of another meeting, the presence, in person or by proxy, of Members entitled to cast at least 20% of the votes in the Association shall constitute a quorum at any meeting of such Members. The Members present in person or by proxy at a duly organized meeting may continue to transact business until adjournment, notwithstanding that some of the Members withdraw from the meeting, leaving less than a quorum. If the required quorum is not present in person or by proxy at any meeting of the Members, another meeting may be called, subject to the notice requirements specified in these Bylaws, and the presence, in person or by proxy, of Members entitled to cast at least 10% of the votes in the Association, shall, except as may be otherwise provided in the Declaration, the Articles of Incorporation or these Bylaws, constitute a quorum at such meeting.

4.8 Adjournments of Members' Meetings. Members present in person or by proxy at any meeting may adjourn the meeting from time to time, whether or not a quorum is present in person or by proxy, without notice other than announcement at the meeting for a total period or periods not exceeding 60 days after the date set for the original meeting. At any



adjourned meeting held without notice other than announcement at the meeting, the quorum requirement may not be reduced or changed, but if the originally required quorum is present in person or by proxy, any business may be transacted which might have been transacted at the meeting as originally called. Notwithstanding the foregoing, if the adjourned meeting is set for a date that is more than 70 days after the record date initially fixed for the meeting pursuant to Section 4.4 of these Bylaws, then notice of the adjourned meeting (pursuant to Section 4.5 of these Bylaws) must be given to the Members of record as of the new record date fixed for such adjourned meeting pursuant to Section 4.4 of these Bylaws.

4.9 Vote Required at Members' Meeting. At any meeting of the Members called and held in accordance with these Bylaws, if a quorum is present, the affirmative vote of Members entitled to cast a majority (i.e., more than 50%) of the votes, present and voting either in person or by proxy, which may be cast on a matter are necessary to adopt the matter, unless a different percentage is required by law or by the Association Instruments, in which case the different requirement shall control. There shall be no cumulative voting for Directors or for any other action considered by the Members.

4.10 Officers of Meetings. At any meeting of the Members, the President (or in his or her absence, any Vice-President or other officer) of the Association shall act as chairman, and the Secretary of the Association shall act as secretary of the meeting unless the President designates another person to act as secretary of the meeting.

4.11 Expenses of Meetings. The Association shall bear the expenses of all meetings of the Members.

4.12 Waiver of Notice. A waiver of notice of any meeting of the Members, signed by a Member, whether before or after the meeting, shall be equivalent to the giving of notice of the meeting to such Member. Attendance of a Member at a meeting, either in person or by proxy, shall constitute waiver of notice of such meeting except when the Member attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

4.13 Action of Members Without a Meeting. Any action required to be taken or which may be taken at a meeting of the Members may be taken without a meeting if a written consent setting forth the action taken is signed by all of the Members, including any Multiple Owners, entitled to vote on the subject matter of the action. In order for any action taken without a meeting to be effective, the written consent of all Members entitled to vote on the subject matter of the action must be received by the Association within 60 days after the earliest date upon which the Association received any such written consent. Action taken without a meeting shall be effective when the last written consent necessary to effect the action is received by the Association (the "Effective Date"), unless the written consents set forth a different Effective Date. Any Member submitting a written consent under this Section 4.13 may revoke such consent by a writing signed and dated by the Member describing the action and stating that the Member's prior consent thereto is revoked, provided that such writing is received by the Association before the Effective Date. The record date for determining Members entitled to take action without a meeting or to receive notice of such action shall be the date that the first written consent concerning the action is received by the Association.



4.14 Action of Members by Mail Ballot.

(a) Any action required to be taken or which may be taken at a meeting of the Members may be taken by mail ballot without a meeting to the extent permitted by Section 7-127-109 of the Nonprofit Act. In order for an action taken by mail ballot to be effective: (i) the Association must have delivered a written ballot to every Member entitled to vote on the subject matter of the action, (ii) the number of votes cast by ballot must have satisfied the quorum requirement set forth in Section 4.7 of these Bylaws, (iii) the number of approvals must have satisfied the affirmative vote requirement set forth in Section 4.9 of these Bylaws, and (iv) all ballots and ballot solicitations must have satisfied the specific requirements therefor as set forth in Section 7-127-109 of the Nonprofit Act.

(b) With respect to any action taken by mail ballot, if only one ballot is received by the Association from among any group of Multiple Owners of a Lot, such ballot shall be deemed to represent the vote or votes, as the case may be, allocated to such Lot. If more than one ballot is received by the Association from among any group of Multiple Owners of a Lot, any and all votes allocated to such unit shall be cast only in accordance with the unanimous agreement of all such ballots received by the Association, provided that if any ballot received from among a group of Multiple Owners of a Lot conflicts with any other such ballot, none of the votes allocated to such Lot shall be entitled to be cast.

4.15 List of Members for Meeting and Action by Mail Ballot. After fixing a record date for notice of a meeting pursuant to Section 4.4 of these Bylaws or for determining the Members entitled to take action by mail ballot pursuant to Section 4.14 of these Bylaws, the Association shall prepare an alphabetical list of the names, addresses, and votes in the Association of all Members entitled to notice of, and to vote at, the meeting or to take such action by written ballot. The list shall be made available for inspection by the Members in accordance with the specific requirements set forth in Section 7-127-201 of the Nonprofit Act. Failure by the Association to prepare or make available the list of Members will not affect the validity of action taken at the meeting or by means of such written ballot.

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

ARTICLE V

BOARD OF DIRECTORS

5.1 General Powers and Duties of Board. The Board has the duty to manage and supervise the affairs of the Association and has all powers necessary or desirable to permit it to do so. Without limiting the generality of the previous sentence, the Board has the power to exercise or cause to be exercised for the Association, all of the powers, rights and authority of



the Association not reserved to the Owners in the Association Instruments, the Nonprofit Act, or CCIOA. The Board may delegate any portion of its authority to an executive committee, officer, executive manager, manager or Director of the Association. In addition, except to the extent so provided in CCIOA, the Board may not act on behalf of the Association to amend the Declaration, to terminate the planned community established by the Declaration, or to elect members of the Board or determine the qualifications, powers and duties, or terms of office of Board members.

5.2 Special Powers and Duties of Board. Without limiting the general powers and duties set forth in Section 5.1 of these Bylaws, the Board has all the powers and duties set forth for it in the Declaration, including, without limitation, the specific powers and duties set forth in the Declaration.

5.3 Qualifications of Directors. Each Director shall be a natural person who is at least 18 years of age. A Director may be reelected, and there shall be no limit on the number of terms a Director may serve on the Board. Except as required by CCIOA, each Director not appointed by Declarant shall be required to be an Owner, the Authorized Representative of an Owner, or an officer, Director, member, trustee or partner of an Owner.

5.4 General Standards of Conduct for Board Members and Officers. To the extent not otherwise inconsistent with Colorado law, any Director and officer, in connection with the authority and powers granted to the Board and such officer by the Association Instruments or by any applicable law, including but not limited to, management, personnel, maintenance and operations, interpretation and enforcement of the Association Instruments, the development of rules and restrictions, insurance, contracts and finance, shall act in good faith, with such care as an ordinarily prudent person in a like position would use under similar circumstances, and in a manner that such Director or officer believes is in the best interests of the Association. In discharging his or her duties, a Director or officer is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by: (i) one or more officers or employees of the Association whom the Director or officer believes to be reliable and competent in the matters presented; or (ii) legal counsel, public accountants or other persons as to matters which the Director or officer believes to be within such person's professional or expert competence, so long as, in any such case, the Director or officer acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted. In addition to the limitations on liability set forth in Section 5.12 of these Bylaws, a Director or officer shall not be liable as such to the Association for any act or omission if, in connection with such act or omission, the Director or officer performed the duties of his or her position in compliance with this Section 5.4. A Director or officer 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.

5.5 Term of Directors. The term of each Director shall be one year.

5.6 Appointment and Election of Directors. Notwithstanding any other provision contained herein:



(a) Upon commencement of the Declarant Control Period, there shall be three Directors, all of whom shall be appointed by Declarant. From the date that is 60 days after the date on which 25% of the maximum number of Lots that may be created pursuant to Section 3.2 of the Declaration have been conveyed to Owners other than Declarant, until the end of the Declarant Control Period, the Board will consist of three Directors, two of whom will be appointed by Declarant and one of whom will be elected by Owners other than Declarant.

(b) Except as otherwise provided in Section 220(5) of CCIOA, from and after the end of the Declarant Control Period, the Board will consist of three Directors, elected by the Owners, at least a majority of which Directors must be Owners other than Declarant or Authorized Representatives of Owners other than Declarant. Directors elected under this Section 5.6(b) shall take office upon termination of the Declarant Control Period.

(c) The Directors elected or appointed pursuant to this Section 5.6 shall each serve until their successors are elected or appointed (as applicable) and qualified, or until their earlier death, resignation or removal.

5.7 Removal of Directors. Notwithstanding any provision of the Declaration or these Bylaws to the contrary, the Owners, by the affirmative vote of Owners holding more than 50% of the votes in the Association present, either in person or by proxy, and entitled to vote at any meeting of the Association at which a Quorum is present, may remove, with or without cause, any Director other than a Director appointed by Declarant. Any Director appointed by Declarant may be removed, with or without cause, only by Declarant.

5.8 Resignation of Directors. Any Director may resign at any time by giving written notice to the President, to the Secretary or to the Board stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective.

5.9 Vacancies in Directors. Any vacancy occurring in the Board, unless filled in accordance with Section 5.6(a), Section 5.65.6(b) or by election at a special meeting of the Members, shall be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board (except that any vacancy of a Board seat previously held by a Declarant appointee will be filled by a further appointment made by Declarant). 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. A vacancy in the position of a Director to be filled by reason of an increase in the number of Directors shall be filled only by vote of the Members.

5.10 Manager or Managing Agent.

(a) The Board, by resolution adopted by a majority of the Directors in office, may designate and appoint a manager, managing agent and/or other agent responsible for any of the affairs of the Association. The manager, managing agent and/or other agent will have and exercise those powers and will fulfill those duties of the Board as specified in the resolution, and may be Declarant or an affiliate of Declarant



(b) If those duties specified in the resolution delegate to any manager, managing agent or other agent any power relating to the collection, deposit, transfer or disbursement of Association funds, then such manager, managing agent and/or other agent shall (i) maintain fidelity insurance coverage or a bond in an amount not less than \$50,000, or such higher amount as the Board may require (the cost of which may be borne by the Association at the Board's election), (ii) maintain all Association funds and accounts separate from the funds and accounts of other associations managed by such manager, managing agent or other agent, and maintain all accounts of such other associations separate from the accounts of the Association, and (iii) prepare and provide to the Association an annual accounting and financial statement for the Association funds, which accounting and financial statement may be prepared by the manager, managing agent or other agent, a public accountant or a certified public accountant.

5.11 Conflicting Interest Transactions.

(a) No loans shall be made by the Association to any Director or officer.

(b) No contract, transaction, or other financial relationship between the Association and a Director, or between the Association and a party related to a Director, or between the Association and an entity in which a Director of the Association is a Director or officer or has a financial interest (a "Conflicting Interest Transaction") shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by a Member or by or in the right of the Association, solely because the Conflicting Interest Transaction involves a Director of the Association or a party related to a Director or an entity in which a Director of the Association is a Director or officer or has a financial interest or solely because the Director is present at or participates in the meeting of the Association's Board that authorizes, approves, or ratifies the Conflicting Interest Transaction or solely because the Director's vote is counted for such purpose if: (i) 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 (ii) 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 (iii) the Conflicting Interest Transaction is fair as to the Association. Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board which authorizes, approves, or ratifies the Conflicting Interest Transaction.

5.12 Limitations of Liability and Indemnification of Directors and Officers.

(a) Except as provided in CCIOA with respect to officers and Directors appointed by Declarant, no Director or officer shall be liable for actions taken



or omissions made in the performance of such Director's or officer's duties as such, except for wanton and willful acts or omissions.

(b) Subject to any applicable provisions of CCIOA, and without limiting the generality of Section 5.12(a) of these Bylaws, no Director shall have any personal liability to the Association or its Members for monetary damages for breach of fiduciary duty as a Director; except that the personal liability of such Director shall not be eliminated for: (i) any breach of the Director's duty of loyalty to the Association or its Members; (ii) acts or omissions by the Director not in good faith or that involve intentional misconduct or a knowing violation of the law; (iii) voting for or assenting to any unlawful distributions as defined under Section 7-128-403 of the Nonprofit Act, provided that the extent of liability for such vote or assent shall be determined pursuant to Section 7-128-403 of the Nonprofit Act; (iv) consenting to or participating in the making of any loan by the Association to any Director or officer, provided that the extent of liability for such consent or participation shall be determined pursuant to Section 7-128-501 of the Nonprofit Act; or (v) any transaction from which the Director directly or indirectly derived an improper personal benefit.

(c) No Director or officer shall be personally liable for any injury to person or property arising out of a tort committed by an employee of the Association unless such Director or officer was personally involved in the situation giving rise to the injury or unless such Director or officer committed a criminal offense in connection with such situation.

(d) Nothing contained in this Section 5.12 will be construed to deprive any Director of his or her right to all defenses ordinarily available to a Director nor will anything herein be construed to deprive any Director of any right he or she may have for contribution from any other Director or other person.

(e) The Association will indemnify, to the maximum extent permitted by law, any person made a party to a proceeding because such person is or was a Director of the Association against liability incurred in the proceeding and against reasonable expenses incurred by the person in connection with the proceeding. The Association further may, to the maximum extent permitted by law, purchase and maintain insurance on behalf of a person who is or was a Director, officer, partner, member, manager, trustee, employee, fiduciary, or agent of another domestic or foreign corporation, nonprofit corporation, or other person or of an employee benefit plan, against liability asserted or incurred by the person in that capacity or arising from the person's status as a Director, officer, employee, fiduciary, or agent.

ARTICLE VI

MEETINGS OF DIRECTORS

6.1 Place of Directors' Meetings. Meetings of the Board shall be held at the principal office of the Association or at such other place, within or convenient to the Property, as may be fixed by the Board and specified in the notice of the meeting.



6.2 Annual Meeting of Directors. Annual meetings of the Board shall be held on the same date as, or within 10 days of, the annual meeting of the Members. The business to be conducted at the annual meeting of the Board shall consist of the appointment of officers of the Association, the adoption of the annual budget for the following Fiscal Year and the transaction of such other business as may properly come before the meeting. No prior notice of the annual meeting of the Board shall be necessary if the meeting is held on the same day and at the same place as the annual meeting of the Members at which the Board is elected or if the time and place of the annual meeting of the Board is announced at such annual meeting of the Members.

6.3 Special Meetings of Directors. Special meetings of the Board may be called by the President or a majority of the Directors.

6.4 Notice of Directors' Meetings. When notice is required for any meeting of the Board, notice stating the place, day and hour of the meeting will be delivered not less than two nor more than 50 days before the date of the meeting, by mail, facsimile, telephone or personally, by or at the direction of the persons calling the meeting, to each Director. If mailed, the notice will be deemed delivered five business days after it is deposited in the mail addressed to the Director at his or her home or business address as either appears in the records of the Association, with its first-class postage prepaid. If by facsimile, the notice will be deemed delivered when facsimiled to the Director at his or her home or business facsimile number as either appears on the records of the Association. If by telephone, the notice will be deemed delivered when given by telephone to the Director or to any person answering the telephone who sounds competent and mature at the Director's home or business phone number as either appears on the records of the Association. If given personally, the notice will be deemed delivered upon delivery of a copy of a written notice to, or upon verbally advising, the Director or some person who appears competent and mature at the Director's home or business address as either appears on the records of the Association. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting.

6.5 Proxies. For purposes of determining a quorum of Directors with respect to a particular proposal, and for purposes of casting a vote for or against a particular proposal, a Director may be deemed to be present at a meeting and to vote if the Director has granted a signed written proxy to another Director who is present at the meeting, authorizing the other Director to cast the vote that is directed to be cast by the written proxy with respect to the particular proposal that is described with reasonable specificity in the proxy.

6.6 Quorum of Directors. A majority of the number of Directors fixed in these Bylaws shall constitute a quorum for the transaction of business by the Board.

6.7 Adjournment of Director's Meetings. The Directors present at any meeting of the Board may adjourn the meeting from time to time, whether or not a quorum is present, for a total period or periods not to exceed 30 days after the date set for the original meeting. Notice of an adjourned meeting will be given to all Directors. At any adjourned meeting, the quorum requirement will not be reduced or changed, but if the originally required



quorum is present, any business may be transacted which may have been transacted at the meeting as originally called.

6.8 Vote Required at Directors' Meeting. At any meeting of the Board, if a quorum is present either in person or by proxy, the affirmative vote of a majority of the Directors present shall be necessary for the adoption of the matter, unless a greater proportion is required by law or the Association Instruments.

6.9 Officers at Meetings. The President (or in his or her absence, any other Director) shall act as chairman and the Board shall designate a Director or other person to act as secretary at all meetings of Directors.

6.10 Waiver of Notice. A waiver of notice of any meeting of the Board, signed by a Director, whether before or after the meeting, shall be equivalent to the giving of notice of the meeting to such Director. Attendance of a Director at a meeting in person shall constitute waiver of notice of such meeting, except when the Director attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or conveyed.

6.11 Action of Directors Without a Meeting. Any action required to be taken or which may be taken at a meeting of the Board may be taken without a meeting if all of the Directors in writing: (i) vote for such action by the unanimous affirmative vote of the Directors then in office; or (ii) vote against such action or abstain from voting, and waive the right to demand that action not be taken without a meeting. Such action taken without a meeting shall not be effective unless and until all such writings necessary to effect the action, which have not been revoked as provided herein below, are received by the Association; except that the writings may set forth a different effective date. Any Director who has signed and submitted a writing pursuant to this Section 6.11 may revoke such writing by a subsequent writing signed and dated by the Director describing the action and stating that the Director's prior vote with respect thereto is revoked, if such writing is received by the Association before the last writing necessary to effect the action is received by the Association.

6.12 Meeting Attendance; Open Meetings; Executive Sessions.

(a) The Board may permit any Director to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all persons participating may hear each other during the meeting. A Director participating in a meeting by this means is deemed to be present in person at the meeting.

(b) Subject to Section 6.12(c) below, all regular and special meetings of the Board shall be open to attendance by all Members of the Association or their representatives, but notice to Members is not required. Agendas for meetings of the Board shall be made reasonably available for examination by all Members of the Association or their representatives.

(c) The Board or any committee thereof may hold an executive or closed door session and may restrict attendance to Directors and such other persons requested by the Board during a regular or specially announced meeting or a part thereof.



The matters to be discussed at such an executive session shall be limited to: (i) matters pertaining to employees of the Association or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the Association; (ii) consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client; (iii) investigative proceedings concerning possible or actual criminal misconduct; (iv) matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure; or (v) any matter the disclosure of which would constitute an unwarranted invasion of individual privacy. Prior to the time that the Board or any committee thereof convenes an executive session, the chair shall announce the general matter of discussion as enumerated above. No rule or regulation of the Board or any committee thereof shall be adopted during an executive session. The minutes of all meetings at which an executive session was held shall indicate that an executive session was held and the general subject matter of the executive session.

ARTICLE VII

OFFICERS

7.1 Officers, Employees and Agents. The officers of the Association shall consist of a President, one or more Vice-Presidents, a Secretary, a Treasurer and other officers, assistant officers, employees and agents as the Board deems necessary. Any two or more offices may be held by the same person.

7.2 Appointment and Term of Office of Officers. Except as otherwise provided in this Section 7.2, each officer of the Association shall be appointed by the Board at the annual meeting of the Board and shall hold office, subject to the pleasure of the Board until the next annual meeting of the Board or until the officer's successor is appointed, whichever is later, unless the officer resigns, or is earlier removed. During the Declarant Control Period, Declarant may appoint the officers of the Association.

7.3 Removal of Officers. Except as otherwise provided in this Section 7.3, any officer, employee or agent may be removed by the Board, with or without cause, whenever in the Board's judgment the best interests of the Association will be served thereby. The removal of an officer, employee or agent shall be without prejudice to the contract rights, if any, of the officer, employee or agent so removed. Election or appointment of an officer, employee or agent shall not of itself create contract rights. During the Declarant Control Period, Declarant may remove the officers of the Association with or without cause.

7.4 Resignation of Officers. Any officer may resign at any time by giving written notice to the President, to the Secretary or to the Board of the Association stating the effective date of his or her resignation. Acceptance of such resignation shall not be necessary to make the resignation effective.

7.5 Vacancies in Officers. Except as otherwise provided in this Section 7.5, any vacancy occurring in any position as an officer may be filled by the Board. During the



Declarant Control Period, any vacancy occurring in any officer position may be filled by Declarant. An officer appointed to fill a vacancy shall be appointed for the unexpired term of his or her predecessor in office.

7.6 President. The President shall be the principal executive officer of the Association and, subject to the control of the Board, shall direct, supervise, coordinate and have general powers generally attributable to the chief executive officer of a corporation. The President shall preside at all meetings of the Board and of the Members.

7.7 Vice-President. Any Vice-President may act in place of the President in case of his or her death, absence or inability to act, and shall perform such other duties and have such authority as is from time to time delegated by the Board or by the President. There may be more than one Vice-President.

7.8 Secretary. The Secretary shall be the custodian of the records and the seal (if any) of the Association and shall affix the seal (if any) to all documents requiring the same; shall prepare, execute, certify, and record amendments to the Declaration on behalf of the Association; shall see that all notices are duly given in accordance with the provisions of these Bylaws and as required by law and that the books, reports and other documents and records of the Association are properly kept and filed; shall take or cause to be taken and shall keep minutes of the meetings of the Members, of the Board and of committees of the Board; shall keep at the principal office of the Association a record of the names and addresses of the Members and the Authorized Representative, if any, of each Member; and, in general, shall perform all duties incident to the office of Secretary and such other duties as may, from time to time, be assigned to him or her by the Board or by the President. The Board may appoint one or more Assistant Secretaries who may act in place of the Secretary in case of his or her death, absence or inability to act.

7.9 Treasurer. The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Association in such depositories as shall be designated by the Board; shall keep correct and complete financial records and books of account and records of financial transactions and condition of the Association and shall submit such reports thereof as the Board may, from time to time, require; shall arrange for the annual report required under Section 9.4 of these Bylaws; and, in general, shall perform all the duties incident to the office of Treasurer and such other duties as may from time to time be assigned to him or her by the Board or by the President. The Board may appoint one or more Assistant Treasurers who may act in place of the Treasurer in case of his or her death, absence or inability to act.

7.10 Amendments to the Declaration. The President and, in the President's absence or unavailability, any Vice President, may prepare, execute, certify, and record duly made amendments to the Declaration on behalf of the Association.



ARTICLE VIII

NOTICE AND HEARING PROCEDURE

8.1 Notice and Hearing. For the purposes of this Section 8.1, the term “Enforcement Action” shall refer to any action or demand taken or made by the Association against any Owner or Permittee that, pursuant to CCIOA, may not be taken or made until such Owner or Permittee has been given notice and an opportunity to be heard as provided in these Bylaws. Before taking any Enforcement Action, the Association shall determine that such Enforcement Action is permitted by and warranted pursuant to the following procedures:

(a) Notice. If the Association determines that an Enforcement Action may be warranted against an Owner or Permittee, it shall prepare a written notice (an “Enforcement Notice”) setting forth in ordinary and concise language: (i) the Enforcement Action the Association believes is warranted; (ii) the alleged act or omission by the Owner or the Permittee giving rise to the proposed Enforcement Action; (iii) the specific provisions of the Association Instruments under which such Enforcement Action allegedly is warranted; and (iv) a statement notifying the recipient of the Enforcement Notice (the “Respondent”) that he, she or it shall be entitled to a hearing before the Board on the merits of the matter addressed in the Enforcement Notice only if a written request for such a hearing is received by the Association within 10 days after receipt of the Enforcement Notice. An Enforcement Notice may be prepared and delivered by any Director, officer or managing agent of the Association, and action by the Board shall not be necessary to authorize the preparation or delivery of an Enforcement Notice. If the Association seeks to take any Enforcement Action against a Permittee, then an Enforcement Notice shall be delivered to such Permittee’s Owner, and such Owner shall be considered a Respondent with respect to such Enforcement Notice.

(b) Hearing Request. Any Respondent who desires a hearing before the Board on the merits of the matter addressed in an Enforcement Notice shall so notify the Association by written request received by the Association within 10 days after the Respondent received the Enforcement Notice. If a Respondent timely requests a hearing pursuant to this Section 8.1(b), the Association shall set a date and time for the hearing and deliver notice of the hearing to the Respondent at least 10 days prior to the date of the hearing; provided that the hearing shall be held no sooner than 14 days after the Association receives the Respondent’s timely request for a hearing. Upon a showing of good cause, the Board may reschedule the date or time of a scheduled hearing at the request of a Respondent.

(c) The Hearing. The President of the Association shall preside at the hearing and shall ensure that the hearing is conducted in an orderly and civil manner. After calling the hearing to order, the President shall designate another Director or officer or the manager or managing agent of the Association to describe the Enforcement Action the Association believes is warranted and to present the reasons and evidence on which such belief is based. Once the reasons and evidence supporting the Enforcement Action have been presented, the Respondent or Respondents shall have an opportunity to present to the Board any reasons and evidence indicating why the Board should not take the



proposed Enforcement Action. Any presentation to the Board under this Section 8.1(c) may be supported by documentary or testimonial evidence; provided, however, that formal rules of evidence shall not apply to the presentation of such evidence to the Board. The Board may adopt rules governing hearings conducted under this Section 8.1(c) that are not inconsistent with this Section 8.1(c). A Respondent may be represented at a hearing by legal counsel.

(d) Decision. The Board shall decide whether an Enforcement Action is permitted and warranted based on the evidence and information made available to it and the applicable provisions of the Association Instruments. If a Respondent fails to request a hearing in response to an Enforcement Notice pursuant to Section 8.1(b) or fails to appear at the hearing held pursuant to Section 8.1(c), the Board may reach its decision based on the evidence and information available to it without further notice to the Respondent. The Board shall render its decision in writing and shall explain its reasons for the decision it reaches. The Board's written decision shall be delivered to the Respondent and shall become effective and final upon the Respondent's receipt of it.

ARTICLE IX

MISCELLANEOUS

9.1 Amendment of Bylaws. Except as provided in the Nonprofit Act, the Board may alter, amend or repeal these Bylaws or adopt new Bylaws. These Bylaws may contain any provision for the regulation or management of the affairs of the Association not inconsistent with law, the Declaration or the Articles of Incorporation. These Bylaws may not be amended, repealed or replaced by vote of the Members.

9.2 Compensation of Officers, Directors and Members. No Director or officer shall have the right to receive any compensation from the Association for serving as a Director or officer except for reimbursement of expenses as may be approved by resolution of the disinterested Directors. Agents and employees shall receive such compensation as may be approved by the Board. Appointment of a person as an agent or employee of the Association shall not, of itself, create any right to compensation.

9.3 Books and Records. The Association shall keep correct and complete books and records of account and shall keep, at its principal office, a record of the names and addresses of its Members (including Declarant) and copies of the Declaration, the Articles of Incorporation, these Bylaws and any Rules which may be purchased by any Member at reasonable cost. All books and records of the Association, including the Articles of Incorporation and these Bylaws, as amended, and minutes of meetings of the Members and the Board, may be inspected by any Member, or such Member's agent or attorney, for any proper purpose. The right of inspection shall be subject to any reasonable rules adopted by the Board requiring advance notice of inspection, specifying hours and days of the week during which inspection will be permitted and establishing reasonable fees for any copies to be made or furnished.



9.4 Annual Report. The Board shall cause to be prepared and distributed to each Member, not later than 90 days after the close of each Fiscal Year of the Association, an annual report of the Association. At the discretion of the Board, the financial statements of the Association may be reviewed by an independent public accountant and, if applicable, a report based upon such review shall be included in the annual report.

9.5 Statement of Account. Upon payment of a fee to be determined by the Association and upon written request of an Owner or any person with any right, title or interest in a Lot or intending to acquire any right, title or interest in a Lot, the Association shall furnish a written statement of account setting forth the amount of any unpaid Assessments, Fees or other amounts, if any, due or accrued and then unpaid with respect to the Lot or the Owner of the Lot and the amount of the Assessments for the current fiscal period of the Association payable with respect to the Lot. Such statement shall, with respect to the party to whom it is issued, be conclusive against the Association and all parties, for all purposes, that no greater or other amounts were then due or accrued and unpaid and that no other Assessments have then been levied.

9.6 Biennial Corporate Reports. The Association shall file with the Secretary of State of Colorado, within the time prescribed by law, biennial corporate reports on the forms prescribed and furnished by the Secretary of State and containing the information required by law and shall pay the fee for such filing as prescribed by law.

9.7 Fiscal Year. The Fiscal Year of the Association shall be determined by the Board.

9.8 Seal. The Board may, but is not required to, adopt a seal which shall have inscribed thereon the name of the Association and the words "SEAL" and "COLORADO."

9.9 Shares of Stock and Dividends Prohibited. The Association shall not have or issue shares of stock and no dividend shall be paid and no part of the income or profit of the Association shall be distributed to its Members, Directors or officers.

Notwithstanding the foregoing paragraph, the Association may issue certificates evidencing Membership therein, may confer benefits upon its Members in conformity with its purposes and, upon dissolution or final liquidation, may make distributions as permitted by law, and no such payment, benefit or distribution shall be deemed to be a dividend or distribution of income or profit.

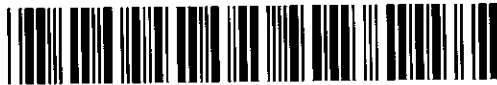
9.10 Minutes and Presumptions Thereunder. Minutes or any similar records or the meetings of the Members, or of the Board, when signed by the Secretary or acting secretary of the meeting, shall be presumed to truthfully evidence the matters set forth therein. A recitation in any such minutes that notice of the meeting was properly given shall be prima facie evidence that the notice was given.

9.11 Checks, Drafts and Documents. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Association, shall be signed or endorsed by such person or persons, and in such manner as, from time to time, shall be determined by resolution of the Board.



9.12 Budget. The Board will cause a proposed budget for the Association to be prepared and adopted annually, not less than 30 days prior to the beginning of each Fiscal Year of the Association (except that, for the first Fiscal Year of the Association, the Board may adopt the estimated budget prepared by Declarant). Such budget shall be prepared in accordance with the requirements of the Declaration. Within 30 days after the Board adopts any proposed budget for the Association, the Board will mail, by ordinary first-class mail, or otherwise deliver a summary of the proposed budget to all Members and will set a date for a meeting of the Members to consider ratification of the proposed budget not less than 14 nor more than 60 days after mailing or other delivery of the summary. Unless at that meeting Members representing more than 50% of all the Lots vote to reject the proposed budget, the proposed budget will be ratified, whether or not a quorum is present. In the event that the proposed budget is rejected, the periodic budget last ratified by the Members will continue in effect until such time as the Members ratify a subsequent budget proposed by the Board. For the first Fiscal Year of the Association, the Board may adopt Declarant's estimated budget for the Association if the Board submits such budget to the Members for ratification in accordance with this Section 9.12 within 60 days after adopting it. Pursuant to Section 4.14, any action of the Members required pursuant to this Section 9.12 may be taken by mail ballot.

[end of Bylaws]




CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that:

1. I am the duly elected and acting Secretary of Mid Town Owners Association, a Colorado nonprofit corporation (the "Association"); and

2. The foregoing Bylaws constitute the Bylaws of the Association duly adopted by unanimous consent of the Board of the Association.

IN WITNESS WHEREOF, I have hereunto subscribed my hand this 24th day of August, 2007.



Robert S. Von Eschen, Secretary