

**BYLAWS
OF
RIVERWALK AT THE FRYINGPAN
CONDOMINIUM ASSOCIATION, INC.**

Dated: 4/05/03

TABLE OF CONTENTS

ARTICLE 1 -- INTRODUCTION, PURPOSES AND DEFINITIONS.....	1
Section 1.1 Introduction	1
Section 1.2 Purposes	1
Section 1.3 Definitions.....	1
ARTICLE 2 -- MEMBERSHIP	1
Section 2.1 Membership	1
Section 2.2 Suspension of Member Rights	1
ARTICLE 3 -- MEETINGS OF MEMBERS	2
Section 3.1 Annual Meetings	2
Section 3.2 Special Meetings	2
Section 3.3 Budget Meeting.....	2
Section 3.4 Notice of Meetings.....	2
Section 3.5 Owner Addresses for Notices	3
Section 3.6 Place of Meetings.....	3
Section 3.7 Quorum of Members	3
Section 3.8 Adjournment of the Meeting.....	3
Section 3.9 Voting.....	3
Section 3.10 Proxies of Members	4
Section 3.11 Majority Vote	4
Section 3.12 Voting by Mail	4
Section 3.13 Order of Business and Rules at Meeting.....	4
Section 3.14 Waiver of Notice	5
ARTICLE 4 -- EXECUTIVE BOARD.....	5
Section 4.1 Number, Qualification and Term of Office	5
Section 4.2 Election of Members of the Executive Board/Votes Required.....	5
Section 4.3 Removal of Directors	5
Section 4.4 Vacancies	6
Section 4.5 Compensation.....	6
ARTICLE 5 -- MEETINGS OF THE EXECUTIVE BOARD	6
Section 5.1 Regular Meetings	6
Section 5.2 Special Meetings	6
Section 5.3 Location of Meetings and Open Meetings	6
Section 5.5 Waiver of Notice	6
Section 5.6 Quorum	7
Section 5.7 Proxies.....	7
Section 5.8 Consent to Corporate Action.....	7
Section 5.9 Telephonic or Other Means of Communication in Lieu of Attendance in Person at a Meeting.....	7
ARTICLE 6 -- POWERS AND DUTIES OF THE EXECUTIVE BOARD.....	7
Section 6.1 Powers and Duties.....	7

Section 6.2	Manager	9
Section 6.3	Limits on Delegation, Requirements for Association Funds and Financial Statements	10
ARTICLE 7 --	OFFICERS AND THEIR DUTIES	10
Section 7.1	Enumeration of Offices	10
Section 7.2	Appointment of Officers	10
Section 7.3	Special Appointments	10
Section 7.4	Resignation and Removal	10
Section 7.5	Vacancies	11
Section 7.6	Duties	11
Section 7.7	Delegation	11
Section 7.8	Agreements, Contracts, Deeds, Checks, Etc	11
Section 7.9	Statements of Unpaid Assessments.....	12
Section 7.10	Compensation.....	12
ARTICLE 8 --	COMMITTEES.....	12
Section 8.1	Designated Committees	12
ARTICLE 9 --	ENFORCEMENT	12
Section 9.1	Enforcement	12
ARTICLE 10 --	BOOKS AND RECORDS	12
Section 10.1	Records.....	12
Section 10.2	Examination	13
ARTICLE 11 --	INDEMNIFICATION.....	13
Section 11.1	Obligation to Indemnify.....	13
Section 11.4	No Limitation of Rights	14
Section 11.5	Directors and Officers Insurance	14
ARTICLE 12 --	MISCELLANEOUS.....	14
Section 12.1	Notices to the Association.....	14
Section 12.2	Waiver	14
Section 12.3	Office	14
Section 12.4	Working Capital.....	14
ARTICLE 13 --	AMENDMENTS	15
Section 13.1	Bylaw Amendments.....	15
CERTIFICATION		15

**BYLAWS
OF
RIVERWALK AT THE FRYINGPAN CONDOMINIUM ASSOCIATION, INC.**

ARTICLE 1 -- INTRODUCTION, PURPOSES AND DEFINITIONS

Section 1.1 Introduction. These are the Bylaws of Riverwalk at the Fryingpan Condominium Association, Inc. (the "Association"), which Association operates under the Colorado Revised Nonprofit Corporation Act, as amended, and applicable portions of the Colorado Common Interest Ownership Act, as amended ("CCIOA" or the "Act").

Section 1.2 Purposes. The purposes for which the Association was formed are to preserve and enhance the value of the properties of Members and to operate, govern, manage, supervise and care for the Common Interest Community and the Common Elements of "Riverwalk at the Fryingpan" (the "Community"), situated in the Town of Basalt, Eagle County, State of Colorado, as the Community was created pursuant to the Declaration and Map.

Section 1.3 Definitions. Terms used herein shall have the meanings set forth in the Declaration, unless expressly defined herein.

ARTICLE 2 -- MEMBERSHIP

Section 2.1 Membership. Subject to the provisions of these Bylaws and the Declaration, every person or entity who is a record owner of a Unit which is subject to the Declaration shall be a Member of the Association. Members shall be of such classes, if any, established by the Declarant, or established in the Declaration, as the Declaration is amended from time to time. Membership shall be appurtenant to and may not be separated from ownership of any Unit. Ownership of a Unit shall be the sole qualification for membership. Each Member shall be allocated votes in accordance with the Declaration.

Section 2.2 Suspension of Member Rights. During any period in which a Member shall be in default in the payment of any Common Expense Assessment levied by the Association, the voting rights of such Member shall be deemed suspended by the Executive Board, without notice or hearing, until such Assessment has been paid. Such rights of a Member may also be suspended, after notice and hearing, during any period of violation of any other provision of the Declaration, the Articles of Incorporation ("Articles"), these Bylaws or the Rules and Regulations of the Association.

ARTICLE 3 -- MEETINGS OF MEMBERS

Section 3.1 Annual Meetings. An annual meeting of the Members shall be held during each of the Association's fiscal years, at such time of the year and on such date as determined by the Executive Board and set forth in the notice of the meeting. At these meetings, the members of the Executive Board shall be elected by ballot of the Members, in accordance with the provisions of these Bylaws, the Declaration and the Articles. The Members may transact such other business as may properly come before them at these meetings. Failure to hold an annual meeting shall not work a forfeiture or dissolution of the Association.

Section 3.2 Special Meetings. Special meetings of the Association may be called by the President, by a majority of the members of the Executive Board or by a petition signed by Unit Owners comprising twenty percent (20%) of the votes in the Association.

Section 3.3 Budget Meeting. Meetings of Unit Owners to consider proposed budgets shall be called in accordance with CCIOA. The CCIOA budget process allows three-quarters (3/4) of the total votes of the Unit Owners (or a higher percentage, if set in the Declaration) to veto a budget adopted by the Executive Board. CCIOA's budget process to be followed is as follows: The Association is to prepare and approve a budget at least annually. Each budget is to first be prepared and approved by the Executive Board as a proposed budget. Then, within the time frame allowed in the Act, after the Executive Board's adoption of the proposed budget, the Executive Board must mail or deliver a summary of the proposed budget to all Unit Owners and set a date for a special meeting of the Unit Owners to consider ratification of the proposed budget or include such ratification as an agenda item for the annual meeting, in which case the budget meeting will be combined with the annual meeting. Notice for the meeting at which the proposed budget will be considered by Unit Owners must be provided as set forth in the Act. At the meeting, unless three-quarters (3/4) of the total votes of the Unit Owners reject the budget, the budget is ratified and becomes the approved budget. CCIOA does not require that a quorum of Unit Owners be present at the meeting if the meeting is just a budget meeting, but does require a quorum if the meeting is also an annual meeting. In the event the proposed budget is rejected by three-quarters (3/4) of the total votes of the Unit Owners, the budget last ratified by the Unit Owners is continued until such time as the Owners ratify a subsequent budget proposed by the Executive Board.

Section 3.4 Notice of Meetings. Except as specified in Section 3.3 for budget meetings, written notice of each meeting of Members shall be given by or at the direction of the Secretary or person authorized to call the meeting, at least ten (10) days before, but not more than fifty (50) days before such meeting, to each Member entitled to vote, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Notice may be provided by telephone, facsimile, e-mail, or by first class mail, postage prepaid. 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. No matters shall be heard nor action adopted at a special meeting except as stated or allowed in the notice.

Section 3.5 Owner Addresses for Notices. Unless an Owner shall have notified the Association by registered or certified mail of a different address, any notice required to be given, or otherwise given by the Association under these Bylaws to any Owner or any other written instrument to be given to any Owner, may be mailed to such Owner in a postage prepaid envelope and mailed by first-class, registered or certified mail to the address of the Unit shown upon the Association's records as being owned by such Owner. If more than one (1) Owner owns a particular Unit, then any notice or other written instrument may be addressed to all of such Owners and may be mailed in one envelope in accordance with the foregoing. Any notice or other written instrument given by the Association in accordance with the foregoing will be deemed to have been given on the date that it is mailed.

Section 3.6 Place of Meetings. Meetings of the Members shall be held in the Community, or elsewhere in the Roaring Fork Valley, and may be adjourned to a suitable place convenient to the Members, as may be designated by the Executive Board or the President.

Section 3.7 Quorum of Members. The presence at the meeting of Members, in person or by proxy, entitled to cast at least twenty-five percent (25%) of all the votes shall constitute a quorum for any action except as otherwise provided in the Articles, the Declaration and these Bylaws. If the required quorum is not present at a meeting, the Members who are present shall have power to adjourn the meeting to another time.

Section 3.8 Adjournment of the Meeting. By majority vote (as provided herein), any meeting of the Owners may be adjourned to another time and place or to a time and place to be designated by notice.

Section 3.9 Voting. At all meetings of Members, each Member may vote in person or by proxy. If only one of several Owners of a Unit is present at a meeting of the Association, the Owner present is entitled to cast the votes allocated to the Unit. If more than one of the Owners is present, the votes allocated to the Unit may be cast only in accordance with the agreement of a majority of those Owners. Majority agreement exists if any one of the Owners casts the votes allocated to the Unit without protest being made promptly to the person presiding over the meeting by another Owner of the Unit. The votes of a corporation or business trust may be cast by any officer of that corporation or business trust in the absence of express written notice to the Association of the designation of a specific person by the board of directors or the bylaws of the owning corporation or business trust. The votes of a partnership may be cast by any general partner of the owning partnership in the absence of express written notice to the Association of the designation of a specific person by the owning partnership. The moderator of the meeting may require reasonable evidence that a person voting on behalf of a corporation, partnership or business trust Unit Owner is qualified to vote. Votes allocated to Units owned by the Association may not be cast.

Section 3.10 Proxies of Members. The votes allocated to a Unit may be cast under a proxy duly executed by a Unit Owner. All proxies shall be in writing and filed with the Secretary or designee of the Association. If a Unit is owned by more than one person, each Unit Owner of the Unit may vote or register protest to the casting of the vote by the other Owners of the Unit through a duly executed proxy. A Unit Owner may revoke a proxy given under this section only by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven (11) months after its date, unless it specifies a shorter term or a specific purpose.

Section 3.11 Majority Vote. The vote of a majority of the votes present in person or by proxy at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where a different percentage vote is required in the Declaration, the Articles, these Bylaws or by law.

Section 3.12 Voting by Mail. The Executive Board may decide that voting of the Members on any matter required or permitted by the statutes of Colorado, the Declaration, the Articles or these Bylaws shall be by mail. In case of a vote by mail, the Secretary shall mail written notice to each Member at the Member's address as it appears in the records of the Association. The notice shall include: (i) a proposed written resolution setting forth a description of the proposed action, (ii) a statement that Members are entitled to vote by mail for or against such action, and (iii) a date, at least thirty (30) days after the date such notice shall have been given, on or before which all votes must be received at the office of the Association at the address designated in the notice. Voting by mail shall be acceptable in all instances in which the Declaration, the Articles or these Bylaws requires the vote of Members at a meeting.

Section 3.13 Order of Business and Rules at Meeting. The Executive Board may establish the order of business and prescribe reasonable rules for the conduct of all meetings of the Executive Board and Unit Owners. At meetings of the Members, the Executive Board may order the business of the meeting as follows:

- (a) Roll call (or check-in procedure);
- (b) Proof of notice of meeting;
- (c) Reading of minutes of preceding meeting;
- (d) Reports;
- (e) Establish number and term of memberships of the Executive Board (if required and noticed);
- (f) Election of inspectors of election (when required);
- (g) Election of members of the Executive Board (when required);
- (h) Ratification of budget (if required and noticed);
- (i) Unfinished business; and
- (j) New business.

Section 3.14 Waiver of Notice. Any Member may, at any time, waive notice of any meeting of the Members, in writing, and the waiver shall be deemed equivalent to the receipt of notice.

ARTICLE 4 -- EXECUTIVE BOARD

Section 4.1 Number, Qualification and Term of Office. The affairs of the Community and the Association shall be governed by an Executive Board which shall initially consist of three (3) members, elected or appointed as provided below (the "Executive Board"). The number of members of the Executive Board may be increased by amendment of these Bylaws. Members of the Executive Board need not be Unit Owners. The term of office of members of the Executive Board shall be one (1) year or until such time as a successor is elected. At any meeting at which members of the Executive Board are to be elected, the Unit Owners may, by resolution, adopt specific procedures which are not inconsistent with these Bylaws or the Colorado Revised Nonprofit Corporation Act for conducting the elections.

Section 4.2 Election of Members of the Executive Board/Votes Required. The Executive Board shall be elected by the Members at the Annual Meeting. The Members may adopt specific procedures which are not inconsistent with these Bylaws or the Act for conducting the elections by written ballot. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. The Declaration shall govern appointment of members of the Executive Board during the period of Declarant Control, as allowed under the Act. Following Declarant Control, at least one (1) member of the Executive Board shall have received at least a majority of the votes of the Members of the Association who own Residential Units entitled to be cast and at least one (1) member of the Executive Board shall have received at least a majority of the votes of the Members of the Association who own Commercial Units entitled to be cast.

Section 4.3 Removal of Directors. The Unit Owners, by a vote of at least two-thirds (2/3) of the votes at any meeting of the Owners at which a quorum of Members is present or represented by proxy, may remove any member of the Executive Board, other than a member appointed by Declarant, with or without cause, during that member's term, provided that in the case of a member of the Executive Board elected with the required vote (as set forth in Section 4.2) of one Class of Members, the vote to remove such Director shall require at least the same vote of such Class of members in addition to the two-thirds (2/3) total vote required by the preceding sentence. The entire Executive Board, other than members appointed by the Declarant, may be removed at any meeting of Members, with or without cause, by the vote required in this section, at any meeting of the Owners at which a quorum is present or represented by proxy. Members of the Executive Board sought to be removed shall have the right to be present at such meeting and shall be given the opportunity to speak to the Members prior to a vote to remove being taken. Upon removal of a Director, the Members shall elect, in accordance with the requirements of Section 4.2, a new Director to replace the Director removed.

Section 4.4 Vacancies. Vacancies in the Executive Board caused by any reason (other than removal) may be filled by the Executive Board at any time after the occurrence of the vacancy, even though the members of the Executive Board present at that meeting may constitute less than a quorum. These appointments shall be subject to the reserved rights of Declarant to appoint members of the Executive Board, unless those rights have expired, in which event, appointments shall be made by a majority of the remaining members of the Executive Board. Each person so appointed shall be a member of the Executive Board who shall serve for the remainder of the unexpired term.

Section 4.5 Compensation. No member of the Executive Board shall receive any compensation from the Association for acting as such, unless approved by a majority of the votes of the Members of the Association present in person or by proxy at a duly called meeting of the Members at which a quorum is present. The Executive Board may approve reimbursement of expenses incurred on behalf of the Association by any member of the Executive Board. Nothing herein shall prohibit the Association from compensating a member of the Executive Board, or any entity with which such member is affiliated, for services or supplies furnished to the Association in a capacity other than as a member of the Executive Board pursuant to a contract or agreement with the Association, provided that such member's interest was made known to the Executive Board prior to entering into such contract and such contract was approved by a majority of the members of the Executive Board, excluding the interested member.

ARTICLE 5 -- MEETINGS OF THE EXECUTIVE BOARD

Section 5.1 Regular Meetings. Regular meetings of the Executive Board shall be held at least twice per year at such place and hour as may be fixed by the Executive Board, without notice. The Executive Board may set a schedule of additional regular meetings by resolution and no further notice is necessary to constitute regular meetings, except as may be required by law.

Section 5.2 Special Meetings. Special meetings of the Executive Board shall be held when called by the President of the Association or by any two members of the Executive Board after not less than one (1) day notice to each member of the Executive Board. The notice shall be delivered in a manner whereby confirmation of receipt of the notice is received and shall state the time, place and purpose of the meeting.

Section 5.3 Location of Meetings and Open Meetings. All meetings of the Executive Board shall be open to attendance by Members (except for portions of such meetings which may be permitted by applicable Colorado law to be held in executive session). Except for meetings held by telephonic communication or other means or other action permitted to be taken pursuant to Sections 5.7 and 5.8, all meetings of the Executive Board shall be held within the Roaring Fork Valley, unless all members of the Executive Board consent in writing to another location.

Section 5.4 Waiver of Notice. Any member of the Executive Board may waive notice of any meeting of the Executive Board in writing. Attendance by a member of the Executive Board at any meeting of the Board shall constitute a waiver of notice. If all the members of the

Executive Board are present at any meeting, no notice shall be required and any business may be transacted at such meeting.

Section 5.5 Quorum. At all meetings of the Executive Board, a majority of the members of the Executive Board shall constitute a quorum for the transaction of business, unless there are less than three (3) members, in which case, all members must be present to constitute a quorum. The votes of a majority of the members of the Executive Board present at a meeting at which a quorum is present shall constitute a decision of the Executive Board unless there are less than three (3) members of the Executive Board, in which case, unanimity of the members is required to constitute a decision of the Executive Board. If at any meeting there shall be less than a quorum present, a majority of those present may adjourn the meeting.

Section 5.6 Proxies. For the purposes of determining a quorum with respect to a particular proposal and for the purposes of casting a vote for or against that particular proposal, a member of the Executive Board may execute, in writing, a proxy, to be held by another member. The proxy shall specify either a yes, no or abstain vote on each particular issue for which the proxy was executed. Proxies which do not specify a yes, no or abstain vote shall not be counted for the purpose of having a quorum present or as a vote on the particular proposal before the Executive Board.

Section 5.7 Consent to Corporate Action. The members of the Executive Board 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 of the members of the Executive Board. Any action so approved shall have the same effect as though taken at a meeting of the Executive Board. The Secretary shall file such consents with the minutes of the meetings of the Executive Board.

Section 5.8 Telephonic or Other Means of Communication in Lieu of Attendance in Person at a Meeting. Members of the Executive Board may hold meetings by telephone or on the Internet in lieu of meetings in person.

ARTICLE 6 -- POWERS AND DUTIES OF THE EXECUTIVE BOARD

Section 6.1 Powers and Duties. The Executive Board may act in all instances on behalf of the Association, except as provided in the Declaration, the Articles, these Bylaws or the Act. The Executive Board shall have, subject to the limitations contained in the Declaration, the Articles and the Act, the powers and duties necessary for the administration of the affairs of the Association and of the Community, and for the operation and maintenance of the Community as a first class mixed use property, including the following powers and duties:

- (a) Adopt and amend Bylaws and Rules and Regulations;
- (b) Adopt and amend budgets for revenues, expenditures and reserves (subject to the budget being distributed to the Owners and not vetoed by the Owners at a meeting

of the Owners, as that procedure is set forth in the Declaration, the Act and in these Bylaws);

(c) As a part of the adoption of the regular budget the Executive Board shall include an amount which, in its reasonable business judgment, will establish and maintain a reserve fund for the replacement of those improvements that the Association is obligated to maintain, based upon age, remaining life, quantity and replacement cost;

(d) Collect Assessments for Common Expenses from Owners;

(d) Allocate, assess and collect from each Unit Owner its proportionate share of the Assessments imposed by the Association;

(e) Hire and discharge managing agents, provided that any agreement for professional management of the Community may not exceed one (1) year and further provided that any such agreement must provide for termination by either party without cause and without payment of a termination fee or penalty upon ninety (90) days written notice (provided that in an emergency such notice may be reduced to not less than thirty (30) days);

(f) In addition to managing agents, hire and discharge employees, independent contractors and agents;

(g) Institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violations of the Declaration, the Bylaws or the Rules and Regulations of the Association in the Association's name, on behalf of the Association or two (2) or more Owners on matters affecting the Community;

(i) Make contracts and incur liabilities;

(j) Regulate the use, maintenance, repair, replacement and modifications of Common Elements;

(k) Cause additional improvements to be made as a part of the Common Elements;

(l) Acquire, hold, encumber and convey, in the Association's name, any right, title or interest to real estate or personal property, but Common Elements may be conveyed or subjected to a security interest only pursuant to Section 312 of the Act;

(m) Grant leases, licenses and concessions for any period of time and easements for not more than one (1) year, renewable annually, through or over the Common Elements, provided that easements, leases or licenses of longer than one (1) year may be granted subject to the requirements of the Act;

(n) Impose and receive a payment, fee or charge for services provided to Unit Owners and for the use, rental or operation of the Common Elements, other than Limited Common Elements described in Subsections 202(1)(b) and (d) of the Act;

(o) Impose a reasonable charge for late payment of Assessments and, after notice and hearing, levy reasonable fines or Assessments provided for or allowed in the Declaration, the Bylaws, or the Rules and Regulations of the Association;

(p) Keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements of the Association;

(q) Borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration and these Bylaws, execute all such instruments evidencing such indebtedness as the Executive Board may deem necessary, and give security therefor;

(r) Impose a reasonable charge for the preparation and recording of amendments to the Declaration, liens and statements of unpaid Assessments;

(s) Provide for the indemnification of the Association's Officers and the members of the Executive Board and maintain directors' and officers' liability insurance;

(t) Procure and maintain adequate liability and hazard insurance on property owned by the Association and as further set forth in the Declaration;

(u) Cause all members of the Executive Board, Officers, employees and agents having fiscal responsibilities to be bonded or insured, as the Executive Board may deem appropriate and in such amounts as the Executive Board may deem appropriate;

(v) Declare the office of a member of the Executive Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Executive Board;

(w) Exercise for the Association all powers, duties, rights and obligations in or delegated to the Association and not reserved to the membership by other provisions of the Declaration, the Articles, these Bylaws or the Act; and

(x) Exercise any other powers conferred by the Declaration or these Bylaws.

Section 6.2 Manager. The Executive Board may employ a manager, at compensation established by the Executive Board, to perform duties and services authorized by the Executive Board. Licenses, concessions and contracts may be executed by the manager pursuant to specific resolutions of the Executive Board and to fulfill the requirements of the budget. Regardless of

any delegation to a manager or managing agent, the members of the Executive Board shall not be relieved of responsibilities under the Declaration, the Articles, these Bylaws or Colorado law.

Section 6.3 Limits on Delegation, Requirements for Association Funds and Financial Statements. Pursuant to the Act, if the Association has thirty (30) or more Units and the Association delegates powers of the Executive Board or Officers relating to collection, deposit, transfer or disbursement of Association funds to other persons or to a manager or managing agent, the Association requires the following:

- (a) That the other persons or managing agent maintain fidelity insurance coverage or a bond in an amount not less than fifty thousand dollars (\$50,000) or such higher amount as the Executive Board may require;
- (b) The other persons or managing agent maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the other persons or managing agent and maintain all reserve accounts of each association so managed separate from operational accounts of the Association;
- (c) That an annual accounting for Association funds and a financial statement be prepared and presented to the Association by the managing agent, a public accountant or a certified public accountant.

ARTICLE 7 -- OFFICERS AND THEIR DUTIES

Section 7.1 Enumeration of Offices. The Officers of the Association shall be a President, Secretary and Treasurer, and such other officers as the Executive Board may from time to time create by resolution. No person shall simultaneously hold more than one (1) office except in the case of special offices created pursuant to authority in these Bylaws, and except that the offices of the Secretary and Treasurer may be held by the same person.

Section 7.2 Appointment of Officers. The Officers shall be appointed by the Executive Board at the organizational meeting of each new Executive Board. The Officers shall hold office at the pleasure of the Executive Board.

Section 7.3 Special Appointments. The Executive Board 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 Executive Board may, from time to time, determine.

Section 7.4 Resignation and Removal. Any Officer may resign at any time by giving written notice to the Executive Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein. Acceptance of such resignation shall not be necessary to make it effective. Any Officer may be removed from office with or without cause by a majority of the members of the Executive Board.

Section 7.5 Vacancies. A vacancy in any office may be filled by appointment by a majority vote of the members of the Executive Board. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer he or she replaces.

Section 7.6 Duties. The Duties of the Officers are as follows:

7.6.1 President. The President shall have all of the general powers and duties which are incident to the office of president of a Colorado nonprofit corporation including, but not limited to, the following: preside at all meetings of the Executive Board, appoint committees, execute and deliver contracts on behalf of the Association, and see that orders and resolutions of the Executive Board are carried out. The President may cause to be prepared and may execute amendments, attested by the Secretary, to the Declaration and these Bylaws on behalf of the Association, following authorization or approval of the particular amendment, as applicable.

7.6.2 Secretary. The Secretary shall have charge or shall keep the Minutes of all meetings of the Owners and proceedings of the Executive Board. The Secretary shall have charge of the Association's books and papers and shall perform all the duties incident to the office of secretary of a nonprofit corporation organized under the laws of the State of Colorado. The Secretary may cause to be prepared and may attest to execution by the President of amendments to the Declaration and the Bylaws on behalf of the Association, following authorization or approval of the particular amendment, as applicable.

7.6.3 Treasurer. The Treasurer shall be responsible for Association funds and for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. This Officer shall be responsible for the deposit of all monies and other valuable effects in depositories designated by the Executive Board and shall perform all the duties incident to the office of treasurer of a nonprofit corporation organized under the laws of the State of Colorado. The Treasurer may endorse on behalf of the Association, for collection only, checks, notes and other obligations and shall deposit the same and all monies in the name of and to the credit of the Association in banks designated by the Association. The Treasurer shall also be responsible for overseeing the day to day accounting functions of the manager or managing agent of the Association.

Section 7.7 Delegation. The duties of any Officer may be delegated to the manager or managing agent or to another Officer or to an Executive Board member; provided, however, the Officer shall not be relieved of any responsibility under these Bylaws or under Colorado law.

Section 7.8 Agreements, Contracts, Deeds, Checks, Etc. Except as provided in these Bylaws, all agreements, contracts, deeds and leases of the Association shall be executed by the President or by any other person or persons designated by the Executive Board. All checks and other financial instruments of the Association shall be executed by the President or Treasurer of

the Association or, if so authorized by the Executive Board, by the managing agent or manager, if any..

Section 7.9 Statements of Unpaid Assessments. The Treasurer, assistant treasurer, a manager or managing agent employed by the Association, or, in their absence, any Officer having access to the books and records of the Association may prepare, certify, and execute statements of unpaid Assessments in accordance with Section 316 of the Act.

The Association may charge a reasonable fee for preparing statements of unpaid Assessments. The amount of this fee and the time of payment shall be established by resolution of the Executive Board. Any unpaid fees may be assessed as a Common Expense against the Unit for which the certificate or statement is furnished.

Section 7.10 Compensation and Reimbursement. Compensation and reimbursement of Officers shall be subject to the same limitations as imposed in these Bylaws on compensation and reimbursement of members of the Executive Board.

ARTICLE 8 -- COMMITTEES

Section 8.1 Designated Committees. The Executive Board may appoint committees, as deemed appropriate, in carrying out its purposes. Committees shall have authority to act only to the extent designated in the Governing Documents or delegated by the Executive Board.

ARTICLE 9 -- ENFORCEMENT

Section 9.1 Enforcement. The Executive Board shall have such powers to enforce the Governing Documents of the Association as are set forth in these Bylaws and in the Declaration.

ARTICLE 10 -- BOOKS AND RECORDS

Section 10.1 Records. The Association or its manager or managing agent, if any, shall keep the following records:

(a) An account for each Unit, which shall designate the name and address of each Unit Owner, the name and address of each mortgagee who has given notice to the Association that it holds a mortgage on the Unit, the amount of each Common Expense Assessment, the dates on which each Assessment comes due, any other Assessments, charges and fees payable by the Unit Owner, the amounts paid on the account and the balance due;

(b) An account for each Unit Owner showing any other amounts payable by the Unit Owner;

(c) The most recent regularly prepared balance sheet and income and expense statement, if any, of the Association;

- (d) The current operating budget;
- (e) A record of any unsatisfied judgments against the Association and the existence of any pending suits in which the Association is a defendant;
- (f) A record of insurance coverage provided for the benefit of Unit Owners and the Association;
- (g) Tax returns for state and federal income taxation;
- (h) Minutes of proceedings of meetings of the Unit Owners, members of the Executive Board, committees of members of the Executive Board and waivers of notice, if any; and
- (i) A copy of the most current versions of the Declaration, the Articles, the Bylaws, the Rules and Regulations of the Association, and the Resolutions of the Executive Board, along with their exhibits and schedules.

Section 10.2 Examination. The books, records and papers of the Association shall at all times, during normal business hours and after reasonable notice, be subject to inspection and copying by any Member, at their expense, for any proper purpose, as set forth in a records policy duly adopted by the Executive Board. The Executive Board or the manager or managing agent shall determine reasonable fees for copying.

ARTICLE 11 -- INDEMNIFICATION

Section 11.1 Obligation to Indemnify.

(a) To the extent permitted or required by the Act and any other applicable law, if any Director or Officer of the Association is made a party to or is involved in (for example, as a witness) any Proceeding (as defined below) because such person is or was a Director or Officer, the Association shall (i) indemnify such person from and against any judgments, penalties, fines, amounts paid in settlement and reasonable expenses (including but not limited to expenses of investigation and preparation, and fees and disbursements of counsel, accountants and other experts) incurred by such person in such Proceeding, and (ii) advance to such person expenses incurred in such Proceeding.

(b) The Association may in its discretion (but is not obligated to) indemnify and advance expenses to an employee or agent of the Association to the same extent as to a Director or Officer.

(c) Any repeal or modification of the foregoing provisions of this Article for indemnification or advancement of expenses shall not affect adversely any right or protection stated in such provisions with respect to any act or omission occurring prior to the time of such repeal or modification. If any provision of this Article or any part thereof shall be held to be prohibited by or invalid under applicable law, such provision or part thereof shall be deemed amended to accomplish the objectives of the provision or part thereof as originally written to the

fullest extent permitted by law, and all other provisions and parts thereof shall remain in full force and effect.

(d) The term "Proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal.

Section 11.3 No Limitation of Rights. The indemnification provided in this Article shall not be deemed exclusive of nor a limitation upon any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of the Members or disinterested members of the Executive Board, or otherwise, nor by any rights which are granted pursuant to C.R.S. § 38-33.3-101, *et seq.*, and the Colorado Revised Nonprofit Corporation Act, as those statutes may be amended from time to time.

Section 11.4 Directors and Officers Insurance. The Association may purchase and maintain insurance on behalf of any person who is or was a member of the Executive Board, the manager, committee members, or anyone acting at the direction of the Executive Board, covering defense and liability expenses arising out of any action, suit or proceeding asserted against such person by virtue of such person's actions on behalf of the Association or at the direction of the Executive Board, whether or not the Association would have the power to indemnify such person against such liability under provisions of this Article.

ARTICLE 12 -- MISCELLANEOUS

Section 12.1 Notices to the Association. All notices to the Association or the Executive Board shall be delivered to the office of the manager, or if there is no manager, to the office of the Association, or to such other address as the Executive Board may designate by written notice to all Unit Owners.

Section 12.2 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.

Section 12.3 Office. The principal office of the Association shall be within the Community or at such other place as the Executive Board may from time to time designate.

Section 12.4 Working Capital. A working capital fund is established pursuant to the Declaration. Any amounts paid into this fund shall not be considered as advance payment of Assessments. Each Unit's share of the working capital fund may be collected and then contributed to the Association by the Declarant at the time the sale of the Unit is closed or at the termination of Declarant Control. Until paid to the Association, the contribution to the working capital fund shall be considered an unpaid Common Expense Assessment.

ARTICLE 13 -- AMENDMENTS

Section 13.1 Bylaw Amendments. Except as otherwise provided in the Declaration, during Declarant Control, the Executive Board may amend these Bylaws. After Declarant Control, amendment of these Bylaws shall require the assent of at least a majority of the total number of votes of the Members of the Association entitled to be cast, including at least twenty-five percent (25%) of the votes of the Members of each Class of Members entitled to be cast, in each case voting in person or by proxy at a meeting at which a quorum of the Members is present, or voting by mail. No amendment of these Bylaws shall be adopted which would affect or impair the validity or priority of any security interest covering any Unit, or which would materially change the provisions of these Bylaws with respect to a first lien security interest or the interest of an institutional mortgagee of record.

CERTIFICATION

I, the undersigned, do hereby certify that I am the Secretary of Riverwalk at the Fryingpan Condominium Association, Inc., a Colorado nonprofit corporation, and that the foregoing Bylaws constitute the Bylaws of said Association, as duly adopted by the Executive Board.

Secretary

BYLAW AMENDMENTS
(Series 12-01; adopted December 10, 2012)

The following text to be a new section in Article 3:

SECTION 3.15 Secret Ballots Required When.

(a) Applicability. “Contested” elections of members of the Executive Board (i.e. elections in which there are more candidates than open positions), shall be conducted by secret ballot. Any votes on matters affecting the community shall be held by secret ballot at the discretion of the Executive Board or upon the request of twenty percent of the owners who are present at the meeting or represented by proxy.

(b) Procedure. Each owner entitled to vote shall receive a ballot. The ballot shall contain no identifying information concerning the ballot holder. In the event an Owner holds a proxy for another Owner, upon presentation of such proxy to the Secretary of the Association or the Secretary’s designee, the owner shall receive a secret ballot to cast the vote of the Owner who provided the proxy. The proxy shall be kept and retained by the Association. The Executive Board may enlist a third party, such as a property management company, to conduct the secret ballot process.

The following text to supersede and replace Article 10 in its entirety:

ARTICLE 10 – ASSOCIATION RECORDS

(a) Association Information. The following information shall be available to all owners at no cost upon reasonable notice or by posting to a webpage and providing the web address to all owners: (i) the name of association; (ii) the name of the management company or designated agent; (iii) a valid physical address and phone number for association and designated agent/management company; (iv) the name of the common interest community; and (v) the initial date of recording the declaration and the reception number for main document that constitutes the declaration.

(b) Operating Information. Within 90 days after each fiscal year, the following information shall be available to all owners at no cost upon reasonable notice or by posting to a webpage and providing the web address to all owners: (i) dates of the fiscal year; (ii) and operating budget for the current fiscal year; (iii) a list, by unit type, of current assessments, including regular and special assessments; (iv) annual financial statements, including amounts held in reserve from the fiscal year immediately preceding the current annual disclosure; (v) the results of the most recent available financial audit/review, if any; (vi) a list of all Association insurance policies and the provider, limits, deductibles, additional insureds, and expiration dates for each; (vii) a copy of all Bylaws, articles, and Rules and Regulations, as amended; and (viii) the minutes of Board and member meetings for fiscal year immediately preceding current annual disclosure.

(c) Association Records. In addition to the foregoing, the Association shall maintain the following, all of which shall be deemed to be the sole records of the Association for purposes of document retention and production to owners:

- (i) detailed records of receipts and expenditures affecting the operation and administration of the Association;
- (ii) records of claims for construction defects and amounts received pursuant to settlement of those claims;
- (iii) minutes of all meetings of its unit owners and Executive Board, a record of all actions taken by the Members or Executive Board without a meeting, and a record of all actions taken by any committee of the Executive Board;
- (iv) written communications among, and the votes cast by, Executive Board Members that are:
 - (1) directly related to an action taken by the board without a meeting pursuant to section 7-128-202, C.R.S.; or
 - (2) directly related to an action taken by the board without a meeting pursuant to the Association's Bylaws;
- (v) the names of Members in a form that permits preparation of a list of the names of all Members and the physical mailing addresses at which the Association communicates with them, showing the number of votes each unit owner is entitled to vote; except that this paragraph (e) does not apply to a unit, or the owner thereof, if the unit is a time-share unit, as defined in section 38-33-110(7);
- (vi) its current Declaration, covenants, Bylaws, articles of incorporation, if it is a corporation, or the corresponding organizational documents if it is another form of entity, rules and regulations, responsible governance policies adopted pursuant to section 38-33.3-209.5, and other policies adopted by the Executive Board;
- (vii) financial statements as described in section 7-136-106, C.R.S., for the past three years and tax returns of the Association for the past seven years, to the extent available;
- (viii) a list of the names, electronic mail addresses, and physical mailing addresses of its current executive board Members and officers;
- (ix) its most recent annual report delivered to the secretary of state, if any;
- (x) financial records sufficiently detailed to enable the Association to comply with section 38-33.3-316 (8) concerning statements of unpaid assessments;
- (xi) the Association's most recent reserve study, if any;
- (xii) current written contracts to which the Association is a party and contracts for work performed for the Association within the immediately preceding two years;
- (xiii) records of Executive Board or committee actions to approve or deny any requests for design or architectural approval from unit owners;
- (xiv) ballots, proxies, and other records related to voting by Members for one year after the election, action, or vote to which they relate;

- (xv) resolutions adopted by its board of directors relating to the characteristics, qualifications, rights, limitations, and obligations of Members or any class or category of Members; and
- (xvi) all written communications within the past three years to all Members generally as Members.

(d) Inspection by Owners. Except as expressly provided herein, all Association records shall be available for examination and copying by a unit owner or the owner's authorized agent. The Association may require Members to submit a written request, describing with reasonable particularity the records sought, at least ten days prior to inspection or production of the documents, and may limit examination and copying times to normal business hours or the next regularly scheduled Executive Board meeting if the meeting occurs within thirty days after the request. Until January 1, 2013, a Member may inspect the records of the Association if the Member first makes written request describing with particularity the records sought and the purpose of the request, the records are relevant to the purpose of the request, and the request is made in good faith and for a proper purpose. Any contrary provision of the Declaration, Bylaws, articles, or rules and regulations of the Association notwithstanding, on or after January 1, 2013, the Association may not condition the production of records upon the statement of a proper purpose.

(e) When Inspection by Owners Is Discretionary. Association records may be withheld from inspection and copying to the extent that they are or concern:

- (i) architectural drawings, plans, and designs, unless released upon the written consent of the legal owner of the drawings, plans, or designs;
- (ii) contracts, leases, bids, or records related to transactions to purchase or provide goods or services that are currently in or under negotiation;
- (iii) communications with legal counsel that are otherwise protected by the attorney-client privilege or the attorney work product doctrine;
- (iv) disclosure of information in violation of law; (e) records of an executive session of an Executive Board; or
- (v) individual units other than those of the requesting owner.

(f) When Inspection by Owners is Prohibited. Association records are not subject to inspection and copying, and must be withheld, to the extent that they are or concern:

- (i) personnel, salary, or medical records relating to specific individuals; or
- (ii) personal identification and account information of Members, including bank account information, telephone numbers, electronic mail addresses, driver's license numbers, and social security numbers.

(g) Reproduction Fees. The Association may impose a reasonable charge, which may be collected in advance and may cover the costs of labor and material, for copies of Association records. The charge may not exceed the estimated cost of production and reproduction of the records or, if charged in arrears, the actual cost of production and reproduction.

(h) Form of Copies. A Member's right to copy records under this section includes the right to receive copies by photocopying or other means, including an electronic transmission

if available, upon request by the Member. The Association is not obligated to compile or synthesize information.

(i) Commercial Use Prohibited. Association records and the information contained within those records shall not be used for commercial purposes.

(j) Improper Use of Member List Prohibited. A Member list or any part thereof may not be obtained or used by any person for any purpose unrelated to a Member's interest as a unit owner without consent of the Executive Board. Without limiting the generality of the foregoing, without the consent of the Executive Board, a Member list or any part thereof may not be:

- (i) used to solicit money or property unless such money or property will be used solely to solicit the votes of the Members in an election to be held by the Association;
- (ii) used for any commercial purpose; or
- (iii) sold to or purchased by any person.

(k) Statement of Unpaid Assessments. The Association shall keep financial records sufficiently detailed to enable the Association to issue statements of unpaid assessments within fourteen days of a request by a unit owner or one holding a security interest. Upon written request by any unit owner or holder of a security interest, the Association shall provide, to such unit owner or the owner's designee or the holder of a security interest or its designee, a written statement setting forth the amount of unpaid assessments currently levied against such owner's unit, if any. That statement shall be furnished within fourteen calendar days after receipt of the request, shall be delivered personally or be certified mail, return receipt requested, and is binding on the Association, the Board, and every owner.

The following text to supersede and replace Article 13 in its entirety:

ARTICLE 13 – BYLAW AMENDMENTS

Section 13.1 Amendments By the Board. The Board may amend these Bylaws at any time to add, change, or delete a provision, unless:

(a) the power to amend such provision is reserved to the Members in the Articles of Incorporation or the Colorado Nonprofit Corporations Act (Articles 121 to 137 of Title 7, Colo. Rev. Stat.);

(b) a particular bylaw expressly prohibits the Board from doing so;

(c) the amendment would result in a change of the rights, privileges, preferences, restrictions, or conditions of a membership class as to voting, dissolution, redemption, or transfer, by changing the rights, privileges, preferences, restrictions, or conditions of another class; or

(d) the provision to be amended fixes a lesser or greater quorum requirements or a greater voting requirement for Members.

Section 13.2 Amendments by the Members. Anything to the contrary in Section 13.1 notwithstanding, the Members may amend these Bylaws by majority vote of the total number of votes of the Members of the Association entitled to be cast, including at least twenty-five percent (25%) of the votes of the Members of each Class of Members entitled to be cast, in each case voting in person or by proxy at a meeting at which a quorum of the Members is present, or voting by mail.