

**BYLAWS OF THE
TOWN CENTER LOT 19 CONDOMINIUM ASSOCIATION, INC.
(A Colorado Nonprofit Corporation)**

**ARTICLE I
OFFICES AND REGISTERED AGENT**

- 1.1 Principal Office. The principal office of the Corporation shall be maintained in the State of Colorado. For the purposes of these Bylaws, the term "Corporation" shall be used to designate the Town Center Lot 19 Condominium Association. Any reference herein to "Association" and "Corporation" shall carry the same meaning. The Corporation may have such other or additional offices within or without the State of Colorado as may be established from time to time.
- 1.2 Registered Agent. The registered agent shall be Silver Mountain Properties and the registered office for the corporation shall be 326 Hwy 133 Suite 120, Carbondale, Colorado 81623.

**ARTICLE II
MEMBERSHIP**

- 2.1 Class of Members. Each Owner of a lot shall be a Member of the Association. In the event that title to a lot is held by more than one person or entity, the membership appurtenant to that lot shall be shared by all such persons or entities in the same proportionate interest as title to the lot is held.
- 2.2 Place of Meetings. Meetings of Members may be held at such place, either within or without this state, as maybe provided by the Board of Directors. In the absence of any such provision, all meetings shall be held at the registered office of the Corporation in this state.
- 2.3 Annual Meeting. An annual meeting of Members shall be held as soon as practicable after January 1 of each calendar year. At the annual meeting, directors shall be elected, reports of the affairs of the Corporation shall be considered, and any other business may be transacted which is within the powers of the Members. Failure to hold the annual meeting at the designated time shall not work to cause forfeiture or dissolution of the Corporation.
- 2.4 Special Meetings. Special meetings of the Members may be called, for any purpose, by the president, secretary or by the Board of Directors. Special meetings may also be called by Members having one-half (1/2) of the votes entitled to be cast at such meetings.
- 2.5 Notice of Members' Meetings. Written notice stating the place, day and hour of the meeting, the purpose for which the meeting is called shall be delivered not less than ten nor more than fifty days before the date of the meeting, either personally or by mail (regular or electronic), by or at the direction of the president, the secretary or the officers or persons calling the meeting, to each Member of record, entitled to vote at that meeting. If mailed, such notice shall be deemed delivered when transmitted (electronic mail) or deposited in the United States mail addressed to the Member at his address as it appears on real property records of the County of Garfield, with postage thereon prepaid.

- 2.6 Waiver of Notice. When any notice is required to be given to any Member under the provisions of these bylaws, a waiver thereof in writing, signed by the person entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.
- 2.7 Voting. Subject to the General, Residential, and Commercial Membership voting rights outlined in Article 6 of the Declaration, Each Member shall be entitled to one vote on each matter submitted to a vote of Members. Any meeting of Members at which a quorum is present and unless a greater number is required by the Declaration or Articles of Incorporation, the affirmative vote of Members representing one (1) vote more than fifty percent (50%) of the votes present in person or by proxy and entitled to be voted, shall be the act of the Members. If a lot has multiple owners and more than one of the multiple owners are present to vote, the votes allocated to that lot may be cast only in accordance with the agreement of a majority in interest of the owners. There is a majority agreement if any one of the multiple owners casts the vote allocated to that unit without protest being made promptly to the person presiding over the meeting by any of the other owners of the lot.
- 2.8 Proxies and Voting by Mail. At all meetings of Members, each Member entitled to vote, may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary at least twenty-four (24) hours prior to the commencement of the meeting of Members at which such proxy is sought to be utilized. Every proxy shall be revocable and shall cease in the event of attendance in person by the Member who previously gave a proxy. A proxy shall also automatically cease upon conveyance by the Member of his lot to a new owner. No proxy shall be valid after the expiration of eleven (11) months from the date of its execution unless otherwise specifically provided in the proxy. A proxy shall not be valid if obtained through fraud or misrepresentation. Members may vote by mail for an amendment to the articles of incorporation or a proposed plan or merger, consolidation or dissolution, provided however that such vote shall require the affirmative vote of at least two-thirds of the votes entitled to be cast on that question.
- 2.9 Right to Revoke. The Association is entitled to reject a vote, consent, written ballot, waiver, proxy appointment or proxy appointment revocation if the Secretary or other agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of signature on it or about the signatory's authority to sign for the owner. The Association and its officer or agent who accepts or rejects a vote, consent, written ballot, waiver, proxy appointment or proxy appointment revocation in good faith and in accordance with the standards of this section are not liable for damages for any consequences of the acceptance or rejection.
- 2.10 Quorum. Members represented in person or by proxy holding votes equal to fifty percent (50%) of the votes entitled to be cast on any matter to be voted upon, shall constitute a quorum. A majority of the votes of the Members present or represented by proxy at a meeting at which a quorum is present shall be necessary for the adopting thereof.
- 2.11 Open Meetings. Notwithstanding any provision in the Declaration, or other documents to the contrary, all meetings (regular and special) of the Association and Board of Directors are open to every Member of the Association, or to any person designated by an owner in writing as the Member's representative. Before the Board of Directors votes on an issue under discussion, Members or their designated representatives shall be permitted to speak regarding that issue.

- 2.12 Time Restrictions on Speakers. The Board of Directors may place the reasonable time restriction of five (5) minutes on those persons speaking during the meeting, but shall permit a Member or a Member's designated representative to speak before the Board of Directors takes formal action on an item under discussion.
- 2.13 Secret Ballot. At the discretion of the Board of Directors, or upon the request of twenty-five percent (25%) of the Members present at the meeting or represented by proxy, a vote on any matter affecting the Association on which all other Members are entitled to vote shall be by a secret ballot. Ballots shall be counted by a neutral third party or by a committee of volunteers. Such volunteers shall be Members who are selected or appointed at an open meeting in a fair manner, by the chair of the Board of Directors, or another person presiding during that portion of the meeting. The volunteers shall not be Board Members and, in the case of a contested election for a Board position, shall not be candidates.

ARTICLE III DIRECTORS, POWERS AND MEETINGS

- 3.1 Number of Directors. The property and business of the Corporation shall be managed by a board of three (3) Directors who shall be eligible based on the requirements of Article 6 of the Declarations of the Association for Commercial, Residential and General ownership class representation and elected at the annual meeting of Members, and shall hold office for one year, or until their successors shall have been elected and qualified.
- 3.2 Vacancies. Any vacancy occurring on the Board of Directors and any directorship to be filled by reason of an increase in the number of directors, may be filled by the affirmative vote of the Members, subject to quorum requirements as stated in section 3.9 below. A director either elected or appointed to fill a vacancy shall be elected or appointed for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors may be filled by the Board for a term of office continuing only until the next election of directors.
- 3.3 Resignations. Any director may resign at any time by mailing or delivering, or by transmitting by electronic mail, written notice of his resignation to the President or the Secretary of the Corporation. Any such resignation shall be effective at the time specified therein if so stated in such resignation. If the notice of resignation does not contain a specific effective time, the resignation of the director shall be effective at the time it is received by the President or Secretary of the Corporation.
- 3.4 Removal of Directors. When the notice indicates the purpose, directors may be removed at any meeting of Members, in the manner provided in this section. The entire Board or any lesser number may be removed, with or without cause, by a vote of a majority of the Members present in person or by proxy then entitled to vote at an election of directors.
- 3.5 Annual Directors' Meeting and Notice. The Annual Meeting of the Directors shall be held once every fiscal year on a date and time as specified by the Board of Directors. The President shall preside over all meetings and shall be responsible for running the meeting according to agenda. Regular meetings of the Board of Directors shall be held from time to time, as the Board of Directors, by

vote, may determine with written notice to the general Membership and at such place and hour as may be fixed, from time to time, by resolution of the Board.

- 3.6 Special Meetings. Special meetings of the Board shall be held when called by the President of the Board, or by any two Directors, after not less than seventy-two (72) hours notice to each Director.
- 3.7 Meetings by Telephone. The Directors may hold special meetings via a telephone conference call, and any action taken by the Board at such a telephone conference call meeting, shall have the same force and effect as such action taken at a meeting at which a quorum of the Board was physically present. Any actions taken will be included in the minutes of the next meeting. All meetings, including telephone conference meetings shall be "Open Meetings" as described in Article II above.
- 3.8 Waiver of Notice Directors. Attendance of a director at any meeting shall constitute a waiver of notice of the meeting, except when a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.
- 3.9 Quorum. A majority of the number of directors in office shall constitute a quorum for the transaction of business. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.
- 3.10 Committees. The Board by resolution adopted by a majority of the directors in office may designate and appoint one or more committees, each of which shall consist of two directors, which committee shall have full authority of the Board, except that no such committee shall have the authority of the Board in reference to amending, altering or repealing bylaws; electing, appointing or removing any Member of any such committee or any officer or director of the Corporation; amending articles of incorporation; restating articles of incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange or mortgage of all or substantially all property and assets of the Corporation; authorizing the voluntary dissolution of the Corporation or revoking proceedings; adopting a plan for the distribution of the assets of the Corporation; or amending, altering or repealing any resolution of the Board which by its terms provides that it shall not be amended, altered or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board or any individual director of any responsibility imposed upon him by law.
- 3.11 Compensation of Directors. Directors, as such, shall not receive any stated salary for their services, but by resolution of the Board, may receive reimbursement for expenses, if any, for attendance at each regular or special meeting of the board; provided, however, that nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefore.
- 3.12 Chairman of the Board. The president of the Corporation shall act as ex-officio chairman of the Board, unless the Board elects one other of its Members to fill the office of chairman of the Board.
- 3.13 Bank Accounts. Anything hereinabove to the contrary notwithstanding, the Board may, except as may

otherwise be required by law, authorize any officer or officers, agent or agents in the name of and on behalf of the Corporation to sign checks, drafts, or other orders for the payment of money or notes or other evidences of indebtedness, to endorse for deposit, deposit to the credit of the Corporation at any bank or trust company or banking institution in which the company may maintain an account cash, checks, notes, drafts or other bankable securities or instruments and such authority may be general or confined to specific instances as the Board may elect, but unless so authorized by the Board, no officer or agent or employee shall have power or authority to bind the Corporation by contract or engagement or to pledge its credit or to render it pecuniary liable for any purpose or to any amount.

- 3.14 Board Member Conflicts of Interest. If any contract, decision, or other action taken by or on behalf of the Board of Directors would financially benefit any Member of the Board of Directors or any person who is a parent, grandparent, spouse, child or sibling of a Member of the Board of Directors or a parent or spouse of any of those persons, that Member of the Board of Directors shall declare a conflict of interest for that issue.
- 3.15 Duty to Disclose. Any Board of Director has a duty to disclose the existence of any actual or potential conflict of interest and all material facts relating to the actual or potential conflict in an open meeting prior to any discussion or action on that issue. After making such disclosure, the Director may participate in the discussion but shall not vote on that issue.
- 3.16 Attorney-Client Privilege. Upon final resolution of any matter for which the Board received legal advice or that concerned pending or contemplated litigation, the Board may elect to preserve the Attorney-Client Privilege in any appropriate manner, or it may elect to disclose such information, as it deems appropriate, about such matter in an open meeting.
- 3.17 Executive/Closed Door Meetings. The Board of Directors may hold an executive or closed door session and may restrict attendance to Board Members and such other persons requested by the Board. The matters to be discussed at such an executive session shall include only matters enumerated below: matters pertaining to employees of the Association or the managing agent's contract or involving the employment, promotion, discipline or dismissal of an officer, agent or employee of the Association; 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; investigative proceedings concerning possible or actual criminal misconduct; matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure; any matter the disclosure of which would constitute an unwarranted invasion of individual privacy; or review of or discussion relating to any written or oral communication from legal counsel.

ARTICLE IV OFFICERS AND AGENTS

- 4.1 Officers. The officers of the Corporation shall be a President, a Secretary and a Treasurer. The same person may hold any two, but not more than two offices, except that the offices of President and Secretary may not be held by the same person.

- 4.2 Election. The Board, at its first meeting after each annual meeting of Members, shall choose the officers and may, not inconsistent with the Bylaws, fix the powers and duties of any officer. Each officer so chosen shall hold office for one year or until his successor shall be chosen and shall qualify, unless he shall sooner resign or be removed as herein in these bylaws provided.
- 4.3 Removal of Officers. Any officer elected or appointed may be removed by the Board of Directors, when in its judgment the best interests of the Corporation will be served by the removal of such officer. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer so removed. Election or appointment of an officer or agent shall not of itself create contract rights.
- 4.4 Agents. The Board may appoint such agents as it shall deem necessary, including, without limitation, a Managing Agent, who shall act as such for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.
- 4.5 Salaries. The President, the Secretary and the Treasurer shall serve without compensation.
- 4.6 Vacancies. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.
- 4.7 The President. The President shall be the Chief Executive Officer of the Corporation; he/she shall preside at any meetings of the Members at which he/she is present and, in the absence of the Chairman of the Board, shall preside at any meeting of the Board at which he/she is present; and he/she shall be ex-officio a Member of all standing committees. He/she shall have general and active management of the business of the Corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect. The President or his/her duly authorized agent may prepare, execute, certify and record amendments to the Declaration on behalf of the Corporation.
- 4.8 The Secretary. The Secretary shall attend all sessions of the Board and all meetings of the Members and record all votes and minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the Members and special meetings of the Board, and shall perform such other duties as may be prescribed by the Board or President, under whose supervision he/she shall operate. He/she shall keep in safe custody the seal of the Corporation and, when authorized by the Board, affix the seal to any instrument requiring it and when so affixed, it shall be attested by his signature or by the signature of the Treasurer.
- 4.9 The Treasurer. The Treasurer shall have custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all monies and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meetings of the Board, or whenever they may require, an account of all his transactions as Treasurer and of the financial condition of the Corporation. If required by the Board, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of his/her office and for the restoration of removal from office, all books, papers, vouchers, money and other property of whatever kind, in his/her possession or under his/her control, belonging to the Corporation.

ARTICLE V ASSESSMENTS

The following policy supplements Article VII of the Declaration of Covenants.

- 5.1 Obligation to Pay Assessments. All homeowners are obligated to pay Assessments as established by the Board of Directors ("Board") in accordance with Article 6 of the Declaration.
- 5.2 Assessments Defined. "Assessment" means a Regular Assessment or a Supplementary Assessment as established and defined in Article 6 of the Declaration.
- 5.3 Regular Assessment Defined. "Regular Assessment" means a charge against each owner and the owner's lot for purposes of covering the annual costs of operating and administering the Association and all other common expenses.
- 5.4 Special Assessment Defined. "Special Assessment" means an additional charge against each owner and owner's lot or condominium unit, upon determination by the Board that supplemental funds are necessary for the purpose of defraying insufficient capital reserves of the Association in connection with the cost of construction, reconstruction, repair, or replacement of the project or any part thereof. Supplementary Assessments may also be charged against the owner and owner's lot or condominium unit to defray any expenses incurred or to be incurred as provided for in the Declaration, or to cover any deficiency, in the event that, for whatever reason, the amount received by the Association from Regular Assessments is less than the amount determined and assessed by the Association.
- 5.5 Due Date. Regular Assessments are billed in advance and shall be due and payable within 30 days after delivery of statement or invoice.
- 5.6 Notice/Invoice. The Board shall mail to each owner a written notice/invoice / statement of the amount of the next monthly Regular Assessment that is due from each owner.
- 5.7 Late and Delinquent Assessments. Any Assessment is deemed late if not paid by the due date and will be deemed delinquent 10 days after the due date as provided for in 5.5 above.
- 5.8 Late Fee. Any Assessment deemed delinquent may also incur a late fee and interest (not to exceed 18%) in an amount set by the board in advance from time to time. Returned checks shall incur a charge set from time to time in advance by the Board.
- 5.9 Required Late Notice by Association The Association shall send a Notice of Past Assessments Due to the owner at the address on file with the Association. Before the Association turns over a delinquent account to an attorney or collection agency, the Association shall send the delinquent owner a written notice specifying:
 - a. The total amount of the arrearage, with an accounting of how the total arrearage was determined.

- b. Whether the opportunity to enter into a payment plan exists and instructions for contacting the Association to enter into the payment plan;
 - c. The name and contact information for the individual the owner may contact to request a copy of the owner's ledger to verify the amount of the debt; and
 - d. That action is required to cure the delinquency and failure to do so within 30 days may result in the account being turned over to a collection agency, a lawsuit being filed against the owner, the filing and foreclosure of a lien against the owner's property and other remedies available under Colorado law.
- 5.10 Statement of Unpaid Assessments. Upon written request the Association shall furnish a Statement of Unpaid Assessments in accordance with Colorado law.
- 5.11 Collection. In addition to the remedies provided for in Article 7 in the Declaration, Owners with delinquent Assessments may be referred to an attorney and/or collection agency for collection once the initial Notice of Past Assessments Due has been sent and there has been no satisfactory resolution of the issue. The delinquent owner will be liable for all collection costs, including attorney's fees.
- 5.12 Payment Plans. The Association shall provide a delinquent owner with a one-time opportunity to enter into a payment plan in writing and signed by the owner, lasting at least six months, to bring their delinquent account current. The delinquent owner must make the scheduled payment as required by the payment plan and remain current in the payment of current assessments. If the delinquent owner fails to make either the installment payment or the current assessment payment, the Association may immediately proceed with collections. This one-time opportunity to enter into a payment plan does not extend to owners who do not occupy the property and took title as a result of a default on a mortgage (i.e. public trustee foreclosure) or foreclosure of the Association's lien.
- 5.13 Foreclosure. The Association shall not foreclose its lien against a delinquent owner until the balance due equals or exceeds 6 months of assessment fees. The balance can include items in addition to assessment fees such as interest, late fees, fines, attorneys' fees, and other charges permitted to be charged by the governing documents. The Board of Directors shall vote and formally approve the filing of a foreclosure action on any given account.

ARTICLE VI

INVESTMENT OF RESERVE FUNDS

Reserve funds shall be invested in such amounts as may be determined and authorized by the Board of Directors. The Board may delegate its investment authority.

Standard of Conduct. Investment of reserve funds shall be done in good faith, within the best interests of the Corporation and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances

Authorized Investments. Authorized investments are U.S. Treasury Bills and Notes, Money Market Funds and Certificates of Deposits. Derivative securities and mortgage backed securities are not authorized investments.

Investment Objectives. The following are the principal objectives for investment of reserve funds:

- a. Safety of Principal: The long-term goal is safety of the reserve funds and to promote and ensure the preservation of the reserve fund's principal.
- b. Liquidity: Funds shall be sufficiently liquid to meet anticipated or unanticipated expenditures. Liquidity can be achieved by structuring maturities to ensure the availability of assets when needed.
- c. Minimal Costs: Investment costs should be minimized.
- d. Professional Management: The Board may delegate its investment authority to professional managers.
- e. Return: Funds should be invested to seek the highest level of return consistent with the preservation of principal.

ARTICLE VII MISCELLANEOUS

Accounting Period. The Corporation shall keep its books and file its tax returns on a business year as determined by the Board. The Association shall maintain accurate and complete accounting records in accordance with generally accepted accounting principles.

Books and Records. The Corporation shall keep correct and complete books and records of account; shall keep minutes of the proceedings of its Members, Board and committees having any of the authority of the Board; and shall keep, at its registered office or principal office in this state, a record of the homes and addresses of its Members entitled to vote.

Association Records to be Kept. The Association shall keep a copy of the following records at its principal office:

- a. Articles of Incorporation;
- b. Bylaws;
- c. Declaration;
- d. resolutions adopted by the Board;
- e. minutes of all Member and Director meetings for the past three (3) years;
- f. all written communications within the past three (3) years to owners;
- g. name and address of each owner;
- h. name and address of each director and/or officer;
- i. annual financial statements;
- j. current insurance policies;
- k. all financial audits and reviews conducted within the past three (3) years;

- l. current annual budget;
- m. a list, by lot owner, of the Association's current and delinquent Assessments.

Dividend Prohibited. No dividend shall be paid and no part of the income or profit of this Corporation shall be distributed to the Corporation's Members, directors or officers. The Corporation may pay compensation in a reasonable amount to its Members, directors or officers for services rendered, may confer benefits upon its Members in conformity with its purposes and, upon dissolution or final liquidation, may make distributions to its Members as permitted by Colorado law, and no such payments, benefit or distribution shall be deemed to be a dividend or a distribution of income or profit.


Loans to Directors and Officers Prohibited. No loans shall be made by the Corporation to its Directors or Officers.

Action by Members or Directors Without a Meeting. Any action required to be taken at a meeting of the Members or Directors of the Corporation or any action which may be taken at a meeting of the Members or Directors may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all of the Members or of the directors entitled to vote with respect to the subject matter thereof, as the case may be. This consent shall have the same force and effect as a unanimous vote and may be stated as such in any articles or document filed with the secretary of state.

Liability of Directors, Officers, Employees and Members. The Directors, Officers, employees and Members of the Corporation shall not, as such, be liable for any of the obligations of the Corporation.

Amendments. These bylaws may be amended, altered or repealed from time to time by action of a majority of the Board or by the affirmative vote of a majority of the Members at any annual meeting of the Members or at any special meeting of the Members if notice of the proposed amendment alteration or repeal is contained in the notice of such special meeting; provided, however, that no change of time or place for the election of Directors shall be made within sixty(60) days before the day on which such election is to be held, and that in case of any change of such time or place, notice thereof shall be given to each Member in person or by letter mailed to the last known post office address at least twenty(20) days before the election.


We, the undersigned, being the Board of Directors of the Town Center Lot 19 Building Condominium Association, do hereby certify that we have, pursuant to the authority contained in the Declaration and Articles of Incorporation, adopted the foregoing Bylaws as and for the Bylaws of the Corporation.

Dated: 8.30.10


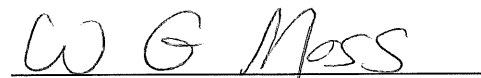
President of Board of Directors




Printed Name



Secretary of the Board of Directors



Printed Name



Treasurer of the Board of Directors



Printed Name