

BYLAWS
OF
THE GOLD RUN CONDOMINIUM ASSOCIATION

ARTICLE I

Object

1.01 Association. The Gold Run Condominium Association, "Association", is a nonprofit corporation organized under the Colorado Nonprofit Corporation Act.

1.02 Purpose. The purpose for which the Association is formed is to govern The Gold Run Condominiums situate in the County of Boulder, State of Colorado, hereinafter referred to as "The Project", and which property is subject to the provisions of the Condominium Ownership Act of the State of Colorado and to a recorded Condominium Declaration, hereinafter referred to as the "Declaration."

1.03 Owners Subject to Bylaws. All present or future owners, tenants, future tenants, or any other person that might use in any manner the facilities of The Project are subject to the regulations set forth in these Bylaws. The mere acquisition or rental of any of the condominium units (as defined in the Declaration and hereinafter referred to as "Units") or the mere act of occupancy of any of said Units will signify that these Bylaws are accepted, ratified and will be complied with.

ARTICLE II

Membership, Voting, Quorum, Proxies

2.01 Membership. Ownership of a Unit is required in order to qualify for membership in this Association. Any person on becoming an owner of a Unit shall automatically become a member of this Association and be subject to these Bylaws. Such membership shall terminate without any formal Association action whenever such person ceases to own a Unit, but such termination shall not relieve or release any such former owner from any liability or obligation to the Association or impair any rights or remedies which the Association may have against such former owner, arising out of or in any way connected with ownership of a Unit and membership in the Association. No certificates of stock shall be issued by the

Association, but the Board of Directors may, if it so elects, issue membership cards to the owners. Such membership card shall be surrendered to the Secretary whenever ownership of the Unit designated thereon shall terminate.

2.02 Voting Rights. Members will be entitled to one vote for each Unit in which they hold the interest required for membership by Paragraph 2.01. The vote for such Unit which is held by more than one Member may be exercised by any one of them, unless an objection or protest by any other holder of an interest in such Unit is made prior to the completion of the vote, in which case the vote for such Unit shall be exercised as the persons holding such interests shall determine between themselves, provided that in no event shall more than one vote be cast with respect to any such Unit.

2.03 Quorum. The presence in person or by proxy of ten percent of the votes of the membership shall constitute a quorum and an affirmative vote of a majority of the votes present at which a quorum is in attendance either in person or by proxy, shall be necessary to transact business and to adopt decisions binding on all Members. Any action governed by the Declaration shall require the quorum as therein provided.

2.04 Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting. All proxies must be in writing and notarized and may be either general or for a particular meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by a member of his Condominium Unit. No proxy shall extend beyond a period of eleven months.

ARTICLE III

Meetings

3.01 Place of Meeting. Meetings of the Association shall be held at such place within the State of Colorado as the Board of Directors may determine.

3.02 Annual Meetings. The annual meetings of the Association shall be held each year on such date as shall be selected by the Board of Directors, provided that such meeting shall occur in each year no later than three months after the end of the Association's fiscal year. The first annual meeting shall be called by the initial Board of Directors of the Association. At such meetings, the Members may transact such business of the Association as may properly come before the meeting.

Amended

3.03 Special Meetings. It shall be the duty of the President to call a Special Meeting of the Association as required by the President, a resolution of the Board of Directors or by petition of the Owners owning twenty-five percent or more of the Units then in the Project. The notice of any such special meeting shall state the time and place of such meeting and the specific purpose thereof. No business shall be transacted at a special meeting except as stated in the notice. Any such meeting shall be held within thirty (30) days after receipt by the President of such resolution or petition.

3.04 Notice of Meetings. It shall be the duty of the Secretary to personally serve or to mail, by regular United States mail, a notice of each annual or special meeting, stating the purpose thereof, as well as the time and place where it is to be held, to each Member of record. A waiver of notice, signed by any person not otherwise notified before, at or after any meeting shall be a valid substitute for notice. The certificate of the Secretary that notice was properly given as provided in these Bylaws shall be prima facie evidence thereof.

3.05 Adjourned Meetings. If any meeting of the Members cannot be convened because a quorum has not attended or if the business of the meeting cannot be concluded, the Members who are present, either in person or by proxy, may adjourn the meeting for periods of no longer than one week from time to time, until a quorum is obtained or until a conclusion can be reached.

3.06 Order of Business. The order of business at all meetings of the owners of Units shall be as follows:

- (a) Roll call;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading of minutes;
- (d) Reports of officers;
- (e) Reports of committees;
- (f) Election of directors (annual meetings only);
- (g) Unfinished business;
- (h) New business.

ARTICLE IV

Board of Directors

4.01 Association Responsibilities. Subject to the rights of the Declarant to control the Association, as set forth in Section 7.7 of the Declaration, the Owners of the

Units as Members will constitute the Association, which will have the responsibility of administering The Project through its Board of Directors.

4.02 Number. The affairs of the Association shall be governed by a Board of Directors composed of three persons. The number of Directors may be increased or decreased by amendment of these Bylaws; provided however, that the number of Directors shall not be reduced to less than three.

4.03 Election and Qualification. As more fully defined in Section 7.7 of the Declaration, the Declarant as defined therein, shall be entitled to appoint all of the Members of the Board of Directors until the occurrence of events or passage of time prescribed in said Section. Such directors need not be Members of the Association. As soon as this right of appointment is relinquished or expires, all of the Directors of the Association shall be elected by the membership. At the first annual meeting after the right of appointment has expired or at a special meeting if necessary, there shall be elected three Members of the Association to the Board of Directors. Commencing with the first election as aforesaid, all Members of the Board of Directors shall be Members of the Association. Thereafter Directors shall be elected at the annual meetings of the Association. Cumulative voting shall not be allowed.

4.04 Term of Office. At the first annual meeting in which Directors are to be elected, as provided for in paragraph 4.03 hereof, the term of office of one Director shall be for three years. The term of office of one Director shall be for two years, and the term of office of one Director shall be for one year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three years. The Directors shall hold office until their successors have been elected and duly qualified or until he is removed in the manner hereinafter provided.

4.05 Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be fulfilled by election of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association.

4.06 Removal of Directors. Subject to the rights of the Declarant as set forth in Section 7.7 of the Declaration, at any annual or special meeting of the Association, duly called, any one or more of the Directors may be removed with or

without cause by a majority of the Unit Owners, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting.

4.07 Organizational Meeting. The first meeting of a newly elected Board of Directors shall be held within thirty days of such election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order to convene such meeting, providing a majority of the new Board shall be present at such election meeting.

4.08 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors but at least one such meeting shall be held each year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

4.09 Special Meetings. Special meetings of the Board of Directors may be called by the President, on his own initiative on three (3) day's notice to each Director, given personally, or by mail, telephone or telegraph, which notice shall set forth the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner on like notice on receipt of a written request to call such a special meeting from at least two (2) Directors.

4.10 Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

4.11 Board of Director's Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any

business which might have been transacted at the meeting as originally called may be transacted without further notice.

4.12 Compensation; Fidelity Bonds. The members of the Board of Directors shall serve without salary or compensation. The Board of Directors shall require that all officers, directors and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association. All actions of members of the Board in good faith and using reasonable care shall be without recourse by the Association or any Owners.

4.13 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a first class residential condominium project. The Board of Directors may do all such acts and things as are not by law, the Articles of Incorporation of the Association, these Bylaws or the Declaration either prohibited or directed to be exercised and done by the Owners.

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

(a) Administer and enforce the covenants, conditions, restrictions, easements, uses, limitation, obligations and all other provisions set forth in the Declaration.

(b) Establish, make and enforce compliance with such reasonable rules and regulations as may be necessary for the operation, use and occupancy of The Project and the General and Limited Common Elements with the right to amend same from time to time.

(c) Keep in good order, condition and repair all of the Common Elements, subject to the requirements of the Declaration that each Owner shall be responsible for the repair and maintenance of certain of the Limited Common Elements which are appurtenant to his Unit.

(d) Collect assessments for Common Expenses from Unit Owners; collect such other assessments as are authorized in the Declaration and to collect delinquent assessments by suit or otherwise.

(e) From assessments collected to provide for the maintenance, repair and replacement of the Common Elements, to maintain all policies of insurance and to provide for such other expenses together with the establishment of the necessary reserves all as are required by the Declaration.

(f) Hire and terminate managing agents and other employees, agents and independent contractors.

(g) Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or an Owner on matters affecting The Project.

(h) Enter a Unit when necessary without being guilty of trespass in the performance of its duties outlined in the Declaration. In connection with such right, each Owner shall at all times provide to the Association a key to the Unit of such Owner.

(i) Enjoin or seek damages from, or after notice and an opportunity to be heard, assess fines and Individual Assessments against the Owner for violation of the provisions of the Declaration, the Bylaws or the Rules and Regulations of the Association as more fully provided for in the Declaration.

(j) Make contracts and incur liabilities.

(k) Grant easements through or over the General Common Elements.

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

(m) Exercise any other powers necessary and proper for the governance and operation of the Association.

ARTICLE V

Officers

5.01 Designation. The officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors.

5.02 Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board. All officers, except the initial officers, must be Members of the Association and the President must be elected from among the Board of Directors. One person may hold concurrently the office of Vice President and Secretary or Vice President and Treasurer or Secretary and Treasurer, but the President shall serve only in the office of the President.

5.03 Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officers may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

5.04 President. The President shall be elected from among the Board of Directors and shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of the president of a nonprofit corporation, including but not limited to, the power to appoint committees from among the members from time to time as may be deemed appropriate to assist in the conduct of the affairs of the Association or as may be established by the Board or by the Members of the Association at any regular or special meetings.

5.05 Vice President. The Vice President shall have all the powers and authority and perform all the functions and duties of the President, in the absence of the President or in the President's inability for any reason to exercise such powers and functions or perform such duties.

5.06 Secretary. The Secretary shall keep the minutes of all the meetings of the Board of Directors and the minutes of all meetings of the Association; the Secretary shall have charge of such books and papers as the Board of Directors may direct; and shall, in general perform all the duties incident to the office of Secretary. The Secretary shall compile and keep up to date at the principal office of the Association a complete list of members and their last known addresses as shown on the records of the Association. Such list shall also show opposite each member's name the number of other appropriate designation of the Unit owned by such Member and the Ownership Interest attributable thereto. Such list shall be open to inspection by members and other people lawfully entitled to inspect the same at reasonable times during regular business hours. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the Secretary.

5.07 Treasurer. The Treasurer shall have responsibility for Association funds, shall keep the financial records and books of account of the Association and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in the name, and to the credit, of the Association in such depositaries as may from time to time be designated by the Board of Directors.

ARTICLE VI

Indemnification of Directors and Officers

6.01 Indemnification. The Association shall indemnify every director and officer, and his or her heirs, executors and administrators against all loss, costs and expense, including counsel fees, reasonably incurred in connection with any action,

suit or proceeding to which such person may be made a party by reason of being or having been a director or officer of the Association, except as to matters as to which such person shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such director or officer may be entitled.

All liability, loss damage, costs and expenses incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as Common Expenses. Nothing contained in this Section 6.01 shall, however, be deemed to obligate the Association to indemnify any Member or Owner of a Condominium Unit who is or has been a director or officer of the Association with respect to any duties or obligations assumed or liabilities incurred as a Member or Owner of a Unit under or by virtue of the Declaration.

ARTICLE VII

Amendments

7.01 Bylaws. These Bylaws may be amended at an annual or special meeting of the Members by an affirmative vote of a majority of the votes present at which a quorum is in attendance whether in person or by proxies as defined in Paragraph 2.03 hereof, provided that these Bylaws shall at all times comply with the provisions of Colorado Rev. Stat. Ann., Sec. 38-33-106 (1973, as amended).

ARTICLE VIII

Mortgages

8.01 Notice to Association. Every owner who mortgages his Unit shall notify the Association by giving the name and address of his mortgagees, purchaser, transferee or lessee to the President of the Association. The Association shall maintain such information in a book entitled "Mortgages of Units".

8.02 Notice of Default. The Association shall report to any First Mortgagee any default of an Owner of a Unit in which the First Mortgagee has a security interest which remains uncured for over sixty (60) days.

ARTICLE IX

Miscellaneous

9.01 Proof of Ownership. Except for those Owners who initially purchase a Unit from Declarant, every person becoming an Owner of a Unit shall immediately furnish to the Board of Directors a photocopy of the recorded instrument vesting in that person such ownership, which instrument shall remain in the files of the Association. A Member shall not be deemed to be in good standing nor shall he be entitled to vote at any annual or special meeting of the Members unless this requirement is first met.

9.02 Compliance. These Bylaws are intended to comply with the requirements of the Colorado Condominium Ownership Act. If any provisions of these Bylaws conflict with the provisions of said Act, as said Act may be amended, it is hereby agreed and accepted that the provisions of such Act will apply.

9.03 Character of Association. This Association is not organized for profit and no Member shall receive any pecuniary profit from the operation thereof. In no event shall any part of the funds or assets of the Association be distributed to, or inure to the benefit of, any of the Members, except upon a dissolution of the Association. Reasonable compensation may be paid to any Members, manager, director, or officer while acting as an officer, agent or employee of the Association for service rendered in effecting one or more of the purposes of the Association, and any Member, manager, director, or officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

9.04 Inspection of Records. Any Owner or First Mortgagee of a Unit may inspect the records or receipts and expenditures of the Board of Directors pursuant to Colo. Rev. Stat. Ann., Sec. 38-33-107 (1973, as amended) at convenient weekday business hours, and upon ten days' notice to the Board of Directors or Managing Agent, if any, and upon payment of a reasonable fee, not to exceed \$20.00, and Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner and/or an estoppel certificate.

9.05 Conflicts. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

9.06 Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

9.07 Committees. The Board of Directors shall appoint such committees as deemed appropriate and necessary for carrying out the purposes of the Association.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands this 16th day of SEPTEMBER, 1980.

BOARD OF DIRECTORS:

James W. Frazier
Thomas R. Frazier
Bruce Beauford