

BY-LAWS
OF
CEDAR TWO CONDOMINIUMS

ARTICLE 1

NAME AND LOCATION

The name of the Corporation is Cedar Two Condominiums Management Association, Inc., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 1305 Walnut Street, Boulder, Colorado, 80302, but the meeting of members and directors may be held at such places within the State of Colorado, County of Boulder, as may be designated by the Board of Directors. The Corporation is not for profit.

ARTICLE 11

DEFINITIONS

Section 1. "Association" shall mean and refer to Cedar Two Condominiums Management Association, Inc., its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Condominium Declaration for Cedar Two Condominiums Management Association, Inc., and such additions thereto as may hereinafter be brought within the jurisdiction of the Association.

Section 3. "General common elements" or "common elements" means the "Property", exterior walls of the units, foundations, the buildings containing the condominium unit, all apparatus and installations existing for common use, and all of the other parts of such land and improvements thereon necessary or convenient to the existence, maintenance and safety which are reasonably and normally in common use. The general common elements shall have an undivided percentage or fractional interest in the general common elements as provided herein.

Section 4. "Unit" means an individual air space which is contained with the windows, doors and unfinished perimeter walls, floors (or lower floors, if is is an individual air

space unit containing more than one level) and ceilings (or the upper most ceilings, if it is an individual air space unit containing more than one level) of each Unit as shown on the Condominium MaP to be filed for record, together with all fixtures and improvements therein contained but not including any of the general common elements, if any, located within a Unit.

(a) The title to each unit together with that proportion of the Common Elements and limited Common Elements adjacent thereto, if any, will be conveyed in fee simple by reference to a unit number and a proportionate interest in the general Common Elements and such other documents as may be recorded as supplements to the Plat.

Section 5. "Owner" means a person, natural or corporate, firm, corporation, partnership, association, venture or other legal entity or combination thereof which or who owns the fee simple interest and title in and to a unit together with an undivided interest in the general common elements and the rights to the limited elements appurtenant to such unit.

Section 6. "Declarant" shall mean and refer to :PHASE ONE HOMES and its successors and assigns.

Section 7. "Declaration" shall mean and refer to the Condominium Declaration applicable to the properties recorded in the Office of the Clerk and Recorder of Boulder County, Colorado.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declarations.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the month of each year thereafter, at the hour of two o'clock P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who

are entitled to vote one-fourth (1/4th) of all the votes.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association of supplied by such member to the Association for the purpose of notice. 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.

Section 4. Quorum. The presence at the meeting of members entitled to vote, or of proxies entitled to vote, one-fifth (1/5th) of the votes of all Members entitled to vote shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Unit.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number The affairs of this Association shall be managed by a Board of three (3) directors. The Board of Directors (Managers) shall be elected for terms so as to comply with C.R.S. 38-33-106 (3)(a), so the terms of at least 1/3rd of them expire annually.

Section 2. Term of office. At the first annual meeting the members shall elect three directors, one of whom shall serve for a term of one year, another for a term of two years, and the last director for a term of three years, the anniversary date measured from the date of the annual meeting of the voting

members.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a two-thirds (2/3rds) vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board, and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors 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 the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among the unit owners only.

Section 2. Election. Election to the Board of Directors shall be made by secret written ballot. At such election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under

(b) Suspend the voting rights of a member during any period in which such member shall be in default in payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations.

(c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

(d) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties. The Board of Directors shall not be relieved of its responsibilities under the Declarations by this delegation of authority.

Section 2. Duties. • It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fifth (1/5th) of the members who are entitled to vote;

(b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) As more fully provided in the Declaration, to:

(1) Fix the amount of the annual assessment against each condominium unit at least thirty (30) days in advance of each annual assessment period.

(2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) Forclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same.

(d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a

the provision of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 3. Notwithstanding the above section, the Declarant shall have the exclusive right to nominate and elect all of the Association's Board of Directors until all of the Units have been sold.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular Meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

(a) Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guest thereon, and to establish penalties for the infraction thereof;

certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

(e) Procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) Cause all officers or employees having fiscal responsibilities to be bonded;

(g) Cause the Common Elements to be maintained, operated, repaired and replaced and to designate and remove personnel necessary thereto.

(h) Cause the exterior of the dwellings to be maintained;

(i) Cause the Properties to be managed at the Board's discretion by a professional Real Estate Management Company licensed to do business in the State of Colorado. The Board shall not be relieved of its responsibility under the Declarations by this delegation of authority.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officer of this Association shall be a president and vice president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers/. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The 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 Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the 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, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by an appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one or any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follow:

President

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice President

(b) The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act. and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Associations and affix it on all papers requiring said seal; serve notice of meeting of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as

required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; shall keep proper books of account; cause of annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX

COMMITTEES

The Associations shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

INSPECTION OF RECORDS

Section 1. Inspection of Records by Unit Owners and Mortgagees. Any Unit Owner and their mortgagees, if applicable, shall have the right to inspect the books and records of the Association and any books and records of the Board of Directors (Managers) at convenient weekday business hours. Upon ten (10) days notice to the Manager or Board of Directors (Managers) and the payment of a reasonable fee, any Unit Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessment or other charges due and owing from such owner.

Section 2. Financial Reports. Any first mortgagee of a Unit, upon written request, shall be entitled to receive an annual financial statement of the Association within ninety (90) days from the end of its fiscal year.

Section 3. Notice of Meetings. Each owner shall have

the right to irrevocably constitute and appoint the beneficiary of a trust deed their true and lawful attorney to cast their vote in the Association at any and all meetings of the Association and to vest in the beneficiary any and all rights, privileges and powers that they have as Unit Owners under the Certificate of Incorporation and By-Laws of this Associations or by vurtue of the recorded Declaration of Covenants, Conditions and of notice by the beneficiary with the Secretary of the Association at such time or times at the failure, neglect or refusal of the Association , the Managing Agent or the Unit Owners to carry out their duties as set forth in the Declaration of Covenants, Conditions and Restrictions. A release of the beneficiary's deed of trust shall operate to revoke such proxy. Nothing herein contained shall be construed to relieve a Unit Owner as a mortgagor of their duties and obligations as a Unit Owner or to impose upon the beneficiary of the deed of trust the duties and obligations of a Unit owner.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessment which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of twelve (12%) percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessment provided for herein by nonuse of the Common Elements or abandonment of his Unit.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in a circular form having within its circumference the words:

CEDAR TWO CONDOMINIUMS MANAGEMENT ASSOCIATION, INC.
with the word "seal" in the center.

ARTICLE XIII

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote or two-thirds (2/3rds) of a quorum of members present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration or these By-Laws, the Declaration shall control.

Section 3. The particulars set forth in Colorado Revised Statutes, Condominium Ownership Act, 38-33-106 (1973 as amended) shall always be embodied in these By-Laws.

ARTICLE XIV

INDEMNIFICATION OF OFFICERS, DIRECTORS AND MANAGING AGENTS

Section 1. Indemnification. The Association shall indemnify every Director, Officer, Managing Agent, their respective successors, expenses, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director, Officer or Managing Agent or the Association, except as to matters as to which he shall be finally adjusted in such actions, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnifications 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, Officer or Managing Agent in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director, Officer or Managing Agent may be entitled. All liability, loss, damage or cost and expense 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; provided, however, that nothing in this Article XVI contained shall be deemed to obligate the Association to indemnify any member or owner of a Unit who is or has been a Director or Officer of the Association with respect to any duties or obligation assumed or liabilities incurred by him under and by virtue of the Declaration.

Section 2. Other. Contracts or other committments made by the Board of Directors, Office or the Managing Agent, shall be made as agent for the Corporation, and they shall have no personal responsibility on any such contract or commitment.

ARTICLE XV

MISCELLANEOUS

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.

IN WITNESS WHEREOF, we, being all of the directors of the Cedar Two Condominiums Management Association, Inc. 1980.

