

TRIANON CONDOMINIUM ASSOCIATION II
BYLAWS

BYLAWS
OF
THE TRIANON CONDOMINIUM ASSOCIATION II

ARTICLE I

Object

1. The purpose for which The Trianon Condominium Association II (the "Association"), is formed is to act as successor entity to govern the condominium property which has been submitted to the provisions of the Condominium Ownership Act of the State of Colorado by the recordation of the Declaration and Map bearing the name The Trianon Condominiums.

2. All present or future owners or tenants or any other person that might use in any manner any of the condominium units, or common elements appurtenant thereto, are subject to the provisions of these Bylaws. Acquisition, rental or occupancy of any of the condominium units shall constitute acceptance and ratification of these Bylaws, and signify that they will be complied with.

ARTICLE II

Membership, Voting, Quorum, Proxies

1. Membership. Any person, on becoming an owner of a condominium 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 condominium unit. Such termination shall not release any former owner from any liability arising under these Bylaws, or from membership in the Association, or by virtue of ownership of a condominium unit.

2. Quorum. Except as otherwise provided in the Bylaws, the presence in person or by proxy of members holding four-fifths (4/5) of the votes entitled to be cast shall constitute a quorum. An affirmative vote of a majority of the members present, either in person or by proxy, shall be required to transact the business of the meeting.

3. Mortgagees as Proxies. Condominium unit owners shall have the right to irrevocably constitute and appoint the beneficiary of a trust deed their true and lawful attorney to vote their membership in this Association at any and all meetings of the Association and to vest in such beneficiary or his nominee any and all rights, privileges and powers that they have as a unit owner under the Articles of Incorporation, Bylaws, and Declaration. Such proxy shall become effective upon filing of a notice by the beneficiary with the Secretary

of the Association at such time or times as the beneficiary shall deem its security in jeopardy by reason of the failure, neglect or refusal of the Association, the Manager or the unit owners to carry out their duties as set forth in the Declaration or Bylaws. A release of the beneficiary's deed of trust shall operate to revoke such proxy. Nothing herein contained shall be construed to relieve condominium unit owners, as mortgagors, of their duties and obligations as condominium unit owners or to impose upon the beneficiary of the deed of trust the duties and obligations of a unit owner.

ARTICLE III

Administration

1. Annual Meeting. The annual meetings of the Association shall be held during the month of January of each year. At such meetings there shall be elected by ballot members of the Board in accordance with the requirements of these Bylaws. The members may also transact such other business of the Association as may properly come before them.

2. Special Meetings. The President of the Board may call a special meeting of the members upon his own initiative, upon resolution of the Board adopted at a previous meeting, or upon receipt of a written request from at least one of the members. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business except as stated in the notice shall be transacted at a special meeting unless by consent of three of the members present, either in person or by proxy. Any such meetings shall be held at such place and time as the President determines, and if held at the instance of a member, then within thirty (30) days after receipt by the President of such written request.

3. Place of Meeting. The meetings of the Association shall be held at such place within or without the State of Colorado as the Board may determine.

4. Notice of Meetings. The Secretary shall cause to be mailed or delivered a notice of each annual or special meeting, stating the purpose thereof as well as the time and place it is to be held, to each member of record, at the registered address of each member, at least five (5) but not more than thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in this Section or the delivery of such notice shall be considered notice served, and the Certificate of the Secretary that notice was duly given shall be prima facie evidence thereof.

5. Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may

adjourn the meeting, to a time not less than forty-eight (48) hours from the time the original meeting was called.

6. Order of Business. The order of business at all meetings of the members shall be as follows:

- (a) Roll call and certifying proxies
- (b) Proof of notice of meeting or waiver thereof
- (c) Reading of Minutes of previous meeting
- (d) Reports of Officers
- (e) Reports of Committees
- (f) Election of Managers
- (g) Old business
- (h) New business
- (i) Adjournment

ARTICLE IV

Board of Directors

1. Number and Qualifications. The Board of Directors of the Association shall consist of three (3) natural persons, who shall govern the affairs of this Association.

2. Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the condominium project as a first-class residential condominium property. Such powers and duties of the Board shall include, but shall not be limited to, the following, all of which shall be done for and on behalf of the owners of the condominium units:

(a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Condominium Declaration submitting the property to the provisions of the Condominium Ownership Act of the State of Colorado, and the Articles and Bylaws of the Association, and the amendments thereto.

(b) To establish, make and enforce compliance with such rules as may be necessary for the operation, rental, use and occupancy of all of the condominium units, with right to amend such rules from time to time. A copy of the rules shall be delivered or mailed to each member upon adoption thereof.

(c) To incur such costs and expenses as may be necessary to keep in good order, condition and repair all of the general and limited common elements and all items of common personal property.

(d) To insure and keep insured all of the insurable

general and limited common elements in a reasonable amount for the benefit of the owners of the condominium units and their first mortgagees. Further, to obtain and maintain comprehensive liability insurance covering the entire premises.

(e) To annually prepare a budget for the Association in order to determine the amount of the common assessments necessary by the unit owners to meet the common expenses, to allocate and assess such common charges among the unit owners according to their respective common ownership in and to the common elements, and to adjust the amount of the periodic assessments, and remit or return any excess of assessments over expenses, working capital, sinking funds, reserves for deferred maintenance and replacement to the owners at the end of each operating year. To levy and collect special assessments whenever it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies.

(f) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from a member as is provided in the Declaration and these Bylaws.

(g) To protect and defend, in the name of the Association, any part or all of the condominium project from loss and damage by suit or otherwise.

(h) To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the recorded Declaration and these Bylaws, and to execute all such instruments evidencing such indebtedness as the Board may deem necessary and to give security therefor. Such indebtedness shall be the several obligation of all of the members in the same proportion as their interest in the common elements. The persons who shall be authorized to execute promissory notes and security instruments shall be the President and Secretary, but in any case, no encumbrance may be placed on the common elements unless written approval is obtained in advance from all condominium unit owners and all First Mortgagees.

(i) To enter into contracts to carry out their duties and powers.

(j) To establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable.

(k) To make repairs, additions, alterations and improvements to the common elements consistent with managing the condominium project in a first-class manner and consistent with the best interests of the unit owners.

(l) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the members.

(m) To prepare and deliver annually to each member a consolidated statement showing receipts, expenses or disbursements since the last such statement.

(n) To meet at least semi-annually.

(o) In general, to carry on the administration of this Association and to do all things necessary and reasonable in order to carry out the governing and the operation of this condominium property.

(p) To control and manage the use of all parking areas, open spaces, and other common property.

(q) To employ for the Association a Manager who shall have and exercise those duties and powers granted to him by the Board, including those set forth above, but not those powers which the Board may not delegate. Any management contract so entered into shall be for a term not exceeding three (3) years and shall provide that it may be cancelled upon sixty (60) days written notice without cause, and further, that no termination fee be provided for in such case.

3. No Waiver of Rights. The omission or failure of the Association or any condominium unit owner to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provisions of the Declaration or Bylaws, or the rules adopted pursuant thereof, and the Association shall have the right to enforce the same thereafter.

4. Election and Term of Office. The Directors shall be elected by the members at annual or special members' meetings. Each Director shall serve for one (1) year until his successor is elected at the following members' meeting, or until he resigns or is removed.

5. Vacancies. Vacancies in the Board caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until his successor is elected.

6. Removal of Directors. At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority of the members, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by

the members shall be given an opportunity to be heard at the meeting prior to the votes being taken.

7. Organizational Meeting. The first meeting of a newly elected Board following each annual meeting of the members shall be held within ten (10) days thereafter 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 legally to constitute such meeting, providing a majority of the whole Board shall be present.

8. Regular Meetings. Regular meetings of the Board 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 two such meetings shall be held during each calendar year. Notice of regular meetings for the Board shall be given to each Director, personally or by mail, telephone or telegraph, at least seven (7) days prior to the day named for such meeting.

9. Special Meetings. Special meetings of the Board may be called by the President on three (3) days notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of one Director.

10. Waiver of Notice. Before or at any meeting of the Board, 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 of the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

11. Quorum. At all meetings of the Board, 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 the meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board, 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.

12. Fidelity Bonds. The Board may require that all officers and employees of the Association who handle or are responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a common expense.

ARTICLE V

Officers

1. 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, and such assistant officers as the Board shall, from time to time, elect. Such officers need not be members of the Board, but each shall be an owner or tenant of a condominium unit in The Trianon Condominiums.
2. Election of Officers. The Officers of the Association shall be elected annually by the Board at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.
3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board, or any special meeting of the Board called for such purpose.
4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board. He shall have all of the general powers and duties which are usually vested in the office of president of a corporation, including but not limited to the power to appoint committees from among the owners from time to time as he may in his discretion decide is 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. Vice-President. The Vice-President shall have all powers and authority and perform all functions and duties of the President, in the absence of the President, or his inability for any reason to exercise such powers and functions or to perform such duties.
6. Secretary. The Secretary shall keep all the minutes of the meetings of the Board and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board may direct; and he 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 registered addresses as shown on the records of the Association. Such list shall also show opposite each member's name the number or other appropriate designation of the unit owner by such member and the undivided interest in the

common elements. Such list shall be open to inspection by the members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours. In addition, a list of all mortgagees of units shall be maintained.

7. Treasurer. The Treasurer shall have the responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association; provided, however, that when a Manager has been delegated the responsibility of collecting and disbursing funds, the Treasurer's responsibility shall be to review the accounts of the Manager not less often than semi-annually.

ARTICLE VI

Indemnification of Officers, Directors and Manager

1. Indemnification. The Association shall indemnify every Director, Officer, Manager, their respective successors, personal representatives and heirs, against all loss, costs and expenses, including attorney's 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 Manager of the Association, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable of negligence or 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 negligence or misconduct in the performance of his duty as such Director, Officer or Manager in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director, Officer or Manager may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason of 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 the Article VI contained shall be deemed to obligate the Association to indemnify any member or owners 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 by him under and by virtue of the Condominium Declaration.

2. Other. Contracts or other commitments made by the Board of Directors, an Officer or the Manager shall be made as an agent for the Association, and they shall have no personal responsibility on any such contract or commitment.

ARTICLE VII

Amendments

1. The Articles of Incorporation may be amended in the manner provided by law.

2. These Bylaws may be amended by the members at a duly constituted meeting of the members for such purpose; provided, however, that no amendment shall conflict with or minimize the intended effect of the provisions of the Articles of Incorporation or the Declaration.

ARTICLE VIII

Evidence of Ownership, Registration of Mailing Address, Designation of Voting Representative and Mortgages

1. Proof of Ownership. Except for those members who initially purchase a condominium unit from Declarant, any person on becoming an owner of a condominium unit shall furnish to the Board a copy of the recorded instrument vesting that person with an interest or ownership in the condominium unit, which copy shall remain in the files of the Association.

2. Registration of Mailing Address. The owner or several owners of an individual condominium unit shall have one and the same registered mailing address to be used by the Association for mailing of monthly statements, notices, demands and all other communications, and such registered address shall be the only mailing address of a person or persons, firm, corporation, partnership, association or other legal entity or any combination thereof to be used by the Association. Such registered address of a member or members shall be furnished by such member(s) to the Board within fifteen (15) days after transfer of title, or after a change of address, and such registration shall be in written form and signed by all of the owners of the condominium unit or by such persons as are authorized by law to represent the interest of (all of) the owner(s) thereof.

3. Designation of Voting Representative - Proxy. If a condominium unit is owned by one person, his right to vote shall be established by the record title thereto. If title to a condominium unit is held by more than one person or by a firm, corporation, partnership, association or other legal entity, or any combination thereof, such owners shall execute a proxy appointing one of their co-members to cast the vote of that membership and to attend all annual and special meetings of members. Such vote shall be cast as the Owners thereof have agreed but in no event shall more than one vote per question be cast with respect to any one Unit. If the co-members cannot agree as to the manner in which their vote should be cast when

called upon to vote, then they shall be treated as having abstained. Such proxy shall be effective and remain in force unless voluntarily revoked, amended or sooner terminated by operation of law; provided, however, that within thirty (30) days after such revocation, amendment or termination, the owners shall reappoint and authorize one person or alternate persons to attend all annual and special meetings as provided by the Section 3.

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

5. Notice of Default. The Association shall, upon request, report to any first mortgagee any assessment which remains unpaid for over thirty days or any other default of an owner which remains uncured for over thirty days.

The requirements herein contained in this Article VIII shall be first met before any owner of a condominium unit shall be deemed in good standing and entitled to vote at any annual or special meeting of members.

ARTICLE IX

Miscellaneous

1. Association Not-for-Profit. This Association is not organized for profit. No member, Director, Officer or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any Director, Officer or member; provided, however, that:

(a) Only reasonable compensation be paid to any member, Director or Officer while acting as an agent or employee of the Association; and

(b) Any member, 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.

The provisions herein are not applicable to the Manager who shall perform his duties and functions according to written agreement for the compensation stated therein.

2. 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.

3. Inspection of Records. Any owner or mortgagee of a Unit may inspect the records of receipts and expenditures of the Board of Directors pursuant to § 38-33-107, C.R.S., 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, any 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.

The above Bylaws were adopted and approved by the Board of Directors on _____, 1987.

Kate Knickrehm
Secretary