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OF
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BYLAWS
 OF
 CLAY/28TH CONDOMINIUM ASSOCIATION, INC.

ARTICLE I
 GENERAL

Section 1.1. Name . The name of the corporation is Clay/28th Condominium Association, Inc. It is a Colorado nonprofit corporation (the "Association").

Section 1.2. Purpose of Bylaws . The purpose for which the Association is formed is to govern the Units, exercise the rights, power and authority, and fulfill the duties of the Association, as provided in the Condominium Declaration of Clay/28th Residences, and any amendments and supplements thereto, recorded in the office of the Clerk and Recorder of City and County of Denver, Colorado ("Declaration"), and the Association's Articles of Incorporation, and any amendments thereto, filed with the Colorado Secretary of State ("Articles of Incorporation"), and these Bylaws. All Members and any other Person who may use the Units, or any portion thereof, or any facilities or appurtenances thereto or thereon shall be subject in all respects to the covenants, conditions, restrictions, reservations, easements, regulations, and

all other terms and provisions set forth in the Association Documents. The mere acquisition, rental or occupancy of any Unit, or any portion thereof, shall signify that all terms and provisions of the Association Documents are accepted and shall be complied with.

Section 1.3. Terms Defined in Declaration. Terms which are defined in the Declaration shall have the same meanings in these Bylaws unless such terms are otherwise defined in these Bylaws.

Section 1.4. Controlling Laws and Instruments . These Bylaws are controlled by and shall always be consistent with the provisions of the Act, the Colorado Revised Nonprofit Corporation Act, the Declaration and the Articles of Incorporation of the Association, as any of the foregoing may be amended or supplemented from time to time. In the event of a conflict in the terms of the Declaration and the Articles of Incorporation, the Declaration shall control. In the event of a conflict in the terms of the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control.

ARTICLE II OFFICES

Section 2.1. Principal Office . The principal office of the corporation shall be as determined by the Executive Board, but meetings of Members and Directors may be held at such places within the State of Colorado as may from time to time be designated by the Executive Board (“Board”).

Section 2.2. Registered Office and Agent . The Colorado Revised Nonprofit Corporation Act requires that the Association have and continuously maintain in the State of Colorado a registered office and a registered agent who resides in the State of Colorado and whose business office is identical with such registered office. The registered office need not be the same as the principal office of the Association. The initial registered office and the initial registered agent are specified in the Articles of Incorporation of the Association, but may be changed by the Association at any time, without amendment to the Articles of Incorporation, by filing a statement as specified by law in the office of the Secretary of State of Colorado.

ARTICLE III MEMBERS

Section 3.1. Members . A “Member” of the Association is as defined in the

Declaration. The Association shall have one class of Members.

Section 3.2. Memberships Appurtenant to Units . Each Membership shall be appurtenant to the fee simple title to a Unit. The Member(s) which has fee simple title to a Unit shall automatically be the holder of the Membership therefor, and the Membership shall automatically pass with fee simple title to the Unit. No Member may resign his, her or its Membership without the conveyance of fee simple title to the Unit.

Section 3.3. Members Votes . The Owners of each Unit shall be entitled to vote one vote for each Unit owned within the Project.

Section 3.4. Voting by Joint Members . If there is more than one Owner of a Unit, the vote for such Unit shall be exercised as the persons holding such interest shall determine between themselves, provided that in no event shall more than one vote be cast with respect to any Unit. If, however, the Owners of a Unit are unable, within a reasonable time, to agree upon how they will vote any issue, they shall be passed over and their right to vote on such issue shall be lost. The vote of an entity Member may be cast by any authorized or apparent representative of the entity in the absence of express notice of the designation of a specific person by the governing body of such entity.

Section 3.5. Resolution of Voting Disputes . In the event of any dispute as to the entitlement of any Member to vote or as to the results of any vote of Members at a meeting, the Board shall act as arbitrators and the decision of a disinterested majority of the Board shall, when rendered in writing, be final and binding as an arbitration award and may be acted upon in accordance with the Colorado Uniform Arbitration Act of 1975, as amended.

Section 3.6. Suspension of Voting Rights . The Board may suspend, after notice and hearing as provided herein, the voting rights of a Member during and for up to 60 days following any breach by such Member or a Permitted User of any provision of the Declaration or of any rule or regulation adopted by the Association unless such breach is a continuing breach, in which case such suspension may continue for so long as such breach continues and for up to 60 days thereafter. Notwithstanding the foregoing provision, no Member shall be entitled to vote who is not in Good Standing.

Section 3.7. Transfer of Memberships on Association Books . Transfers of Memberships shall be made on the books of the Association only upon presentation of evidence, satisfactory to the Association, of the transfer of ownership of the Unit to which the Membership is appurtenant. Prior to presentation of such evidence, the Association may treat the previous owner of the Membership as the owner of the Membership entitled to all rights in connection therewith, including the right to vote and to receive notices.

Section 3.8. Assignment of Voting Rights to Tenants and First Mortgagees . A Member may assign its right to vote to a First Mortgagee of its Unit, for the term of the First Mortgage. Any such assignment of voting rights and any revocation or termination of any assignment of voting rights shall be in writing and shall be filed with the Secretary of the Association.

ARTICLE IV MEETINGS OF MEMBERS

Section 4.1. Place of Members' Meetings . Meetings of Members shall be held at the principal office of the Association or at such other place as may be fixed by the Board from time to time and specified in the notice of the meeting.

Section 4.2. Annual Meetings of Members . The first annual meeting of the Members shall be held within fifteen months after the date of incorporation of the Association. Each subsequent regular annual meeting of the Members shall be held on a date and at a time selected by the Board in each succeeding year. At each annual meeting, the Members shall elect Directors to fill vacancies in accordance with the provisions of the Declaration and the Articles of Incorporation and conduct such other business as may properly come before the meeting.

Section 4.3. Special Meetings of Members . Special meetings of the Members may be called by the President or a majority of the members of the Board, and shall be called by the President at the request of Members to whom not less than twenty percent (20%) of the total votes in the Association are allocated.

Section 4.4. Notice of Meetings . Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary of the Association or person authorized to call the meeting, not less than 10 nor more than 50 days before the date of the meeting, either by hand delivery or by United States mail, to each Member entitled to vote at such meeting. The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration, the Articles, or these Bylaws, any budget changes, and any proposal to remove an officer or member of the Board. Notice shall be physically posted in a conspicuous place, to the extent that such posting is feasible and practicable. Such physical posting is in addition to any electronic posting or electronic mail notices that the Executive Board may determine to post. If mailed, such notice shall be deemed to have been delivered when deposited in the United States mail addressed to the Member at the address of his, her or its Unit or to any other mailing address designated in writing by the Member, with postage thereon prepaid; if delivered, such notice shall be deemed to have been delivered on the date of actual delivery thereof.

Section 4.5. Record Date . For the purpose of determining Members entitled to notice of, or to vote at, any meeting of Members or in order to make a determination of such Members for any other proper purpose, the Board may fix, in advance, a date as the record date for any such determination of Members. The record date shall be not more than 50 days prior to the meeting of Members or the event requiring a determination of Members.

Section 4.6. Proxies . A Member entitled to vote may vote in person or by proxy executed in writing by the Member or its duly authorized attorney-in-fact and filed with the Secretary of the Association prior to the time the proxy is exercised. A Member may appoint a proxy by signing an appointment form, either personally or by the Member's attorney-in-fact. A Member may appoint a proxy by transmitting or authorizing the transmission of a telegram, teletype, or other electronic transmission providing a written statement of the appointment to the proxy, to a proxy solicitor, proxy support service organization, or other person duly authorized by the proxy to receive appointments as agent for the proxy or to the Association; except that the transmitted appointment shall set forth or be transmitted with written evidence from which it can be determined that the member transmitted or authorized the transmission of the appointment. A proxy shall automatically cease upon the conveyance of the Member's Unit and the transfer of the Membership on the books of the Association. No proxy shall be valid after 11 months from its date unless otherwise provided in the proxy, and no proxy shall be valid in any event for more than three years after its date of execution. A proxy is void if it is not dated or if it purports to be revocable without notice. Appointment of a proxy is revoked by the person appointing the proxy: (a) attending any meeting and voting in person; or (b) signing and delivering to the Secretary or other officer or agent authorized to tabulate proxy votes either a writing stating that the appointment of the proxy is revoked or a subsequent appointment form. A proxy shall not be valid if obtained through fraud or misrepresentation.

Section 4.7. Quorum at Members' Meetings . Except as may be otherwise provided in the Declaration, the Articles of Incorporation or these Bylaws, a quorum is deemed present if persons entitled to cast at least fifty percent (50%) of the votes of Members who are eligible to vote are present, in person or by proxy, at the beginning of the meeting. A quorum of Members who are present in person or by proxy at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of Members so as to leave less than a quorum.

Section 4.8. Adjournments of Members' Meetings . Members present in person or by proxy at any meeting may adjourn the meeting from time to time, whether or not a quorum is present in person or by proxy, without notice other than announcement at the meeting, for a total period or periods not to exceed 30 days after the date set for the original meeting.

Section 4.9. Vote Required at Members' Meetings . At any Members' meeting,

if a quorum is present, in person or by proxy, a majority of the votes present in person or by proxy and entitled to be cast on a matter shall be necessary for the adoption of the matter, unless a greater percentage is required by law, the Declaration, the Articles of Incorporation or these Bylaws; except that in the case of elections in which there are more candidates than positions to be filled, the person (or persons if there is more than one position to be filled) receiving the highest number of votes cast shall be elected. Votes for contested positions on the Board shall be taken by secret ballot. At the discretion of the Board or upon the request of twenty percent of the Members who are present at the meeting or represented by proxy, a vote on any matter affecting the Association on which all Members are entitled to vote shall be by secret ballot. Ballots shall be counted by a neutral third party or by a committee of volunteers. Such volunteers shall be unit owners who are selected or appointed at an open meeting, in a fair manner, by the chair of the Board 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. The results of a vote taken by secret ballot shall be reported without reference to names, addresses, or other identifying information of Unit Owners participating in the vote. No Member is entitled to vote who is not in Good Standing.

Section 4.10. Acceptance or Rejection of Vote, Consent, Ballot, Waiver or Proxy.

a. The Association is entitled to reject a vote, consent, written ballot, waiver, proxy appointment or proxy appointment revocation if the Secretary of the Association, or other officer of agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the Owner.

b. 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 4.10 are not liable in damages for the consequences of the acceptance or rejection.

c. Any action of the Association based on the acceptance or rejection of a vote, consent, written ballot, waiver, proxy appointment or proxy appointment revocation under this Section 4.10 is valid unless a court of competent jurisdiction determines otherwise.

Section 4.11. Member Participation at Meetings . All meetings of the Association and Board are open to every Member, or to any person designated by a Member in writing as the Member's representative, and Members or designated representatives so desiring shall be permitted to attend, listen, and speak at an appropriate time during the deliberations and proceedings; except that, for regular and special meetings of the Board, Members who are not Board members may not participate in any deliberation or discussion unless expressly so authorized by a vote of the majority of a quorum of the Board. The Board may place reasonable time restrictions on those persons speaking during the meeting but shall permit a Member or a

Member's designated representative to speak before the Board takes formal action on an item under discussion, in addition to any other opportunities to speak. The Board shall provide for a reasonable number of persons to speak on each side of an issue. Upon the 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.

Section 4.12. Cumulative Voting Not Permitted . Cumulative voting by Members is not permitted.

Section 4.13. Order of Business . The order of business at any meeting of Members shall be as follows: (a) proof of notice of meeting or waiver of notice; (b) announcement of a quorum; (c) approval of minutes of preceding meeting; (d) voting with respect to budgets adopted by the Board, if applicable at such meeting; (e) election of Directors (at annual meetings or special meetings held for such purpose); and (f) other business.

Section 4.14. Expenses of Meetings . The Association shall bear the expenses of all meetings of Members.

Section 4.15. Action of Members Without a Meeting . Any action required to be taken or which may be taken at a meeting of Members may be taken without a meeting if a consent, in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof. All such writings must be received by the Association within sixty days after the date the earliest dated writing describing and consenting to the action is received by the Association. Any such writing may be received by the Association by electronically transmitted facsimile or other form of wire or wireless communication providing the Association with a complete copy thereof, including a copy of the signature thereto. Action taken pursuant to this section shall be effective when the last writing necessary to effect the action is received by the Association, unless the writings describing and consenting to the action set forth a different effective date.

Section 4.16. Action by Written Ballot . Any action that may be taken at any annual, regular, or special meeting of Members may be taken without a meeting if the Association delivers a written ballot to every Member entitled to vote on the matter. A written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot pursuant to this section shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. All solicitations for votes by written ballot shall

indicate the number of responses needed to meet the quorum requirements; state the percentage of approvals necessary to approve each matter other than election of directors; specify the time by which a ballot must be received by the Association in order to be counted; and be accompanied by written information sufficient to permit each person casting such ballot to reach an informed decision on the matter. In the event the action is for election of directors, there shall be space on the ballot for write in nominations. Action taken under this section has the same effect as action taken at a meeting of Members and may be described as such in any document.

Section 4.17. First Mortgagees . First Mortgagees of a Unit shall have the right to designate a representative to attend all meetings of Members, but without a vote.

ARTICLE V EXECUTIVE BOARD

Section 5.1. General Powers and Duties of Executive Board . The Board shall have the duty to manage and supervise the affairs of the Association and shall have all powers necessary or desirable to permit it to do so. Without limiting the generality of the foregoing, the Board shall have the power to exercise or cause to be exercised all of the powers, rights and authority not reserved to Members in the Declaration, the Articles of Incorporation, these Bylaws, the Act or the Colorado Revised Nonprofit Corporation Act. The Board's authority with respect to the Common Elements is exclusive. No Member or other person shall attempt to engage or direct any employee of the Association or its Manager on any private business of such person, or to otherwise direct, supervise or in any manner attempt to assert control over such employee during the hours that such employee is working on behalf of the Association.

Section 5.2. Qualifications of Directors . A Director shall be a natural person who is eighteen years of age or older and must be a Member or, if the Member is a limited liability company, partnership, corporation, trust or other type of entity, then a Director must be an authorized agent of such entity. If a Director conveys or transfers title to his or her Unit, then such Director's term shall immediately terminate and a new Director shall be selected as promptly as possible to take such Director's place. No two Directors shall be members from the same household. No Member may serve as a Director if such Member is not in Good Standing with the Association. Any Member, or person who is related by blood, marriage, adoption, or who is a member, manager, shareholder, director, officer, agent, or employee of a Member, who is an adverse party to the Association in any legal proceeding or action shall not be qualified to serve as a Director for the duration of the proceeding. If a Member is not qualified to serve as a Director, the Director's position shall be deemed vacant, and the vacancy may be filled in accordance with Section 5.7 of these Bylaws.

Section 5.3. Number of Directors . The number of directors of the Association shall be three (3). The number of Directors may be increased or decreased from time to time by amendment to these Bylaws provided that the number of Directors shall not be less than three and no decrease in number shall have the effect of shortening the term of any incumbent Director.

Section 5.4. Term of Office of Directors .

a. No later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units that may be created to Members other than Declarant, at least one (1) member and not less than twenty-five percent (25%) of the members of the Board must be elected by Members other than the Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units that may be created to Members other than Declarant, not less than thirty-three and one-third percent (33-1/3%) of the members of the Board must be elected by Members other than the Declarant. Not later than termination of the Period of Declarant Control, the Members shall elect a Board, at least a majority of whom must be Members other than the Declarant.

b. Except as otherwise provided in these Bylaws, during the Period of Declarant Control, the Declarant or Persons appointed by the Declarant may appoint all officers and directors of the Board and remove all officers and directors appointed by it.

c. At the first annual meeting of the Association held subsequent to termination of the Period of Declarant Control, the Members shall elect one (1) director to a term of one year, one (1) director to a term of two years, and one (1) director to a term of three years, and at each annual meeting thereafter the Members shall elect the same number of directors as there are directors whose terms are expiring at the time of each election, for terms of three years.

Section 5.5. Nomination . Nomination for election to the Board may be made by a Nominating Committee if such a committee is appointed, from time to time, by the Board, or in such other manner as determined by the Board. Nominations may also be made from the floor at any Member meeting.

Section 5.6. Election . Contested elections for members of the Board shall be 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 the provisions of the Declaration. The persons receiving the largest number of votes shall be elected.

Section 5.7. Removal of Directors: Vacancies of Directors . Sixty-seven percent (67%) of the votes cast at any meeting of the Members at which a quorum is present, in person or by proxy, may remove any member of the Board with or without cause, other than a Director appointed by the Declarant. Declarant may at any time remove, and appoint the successor of, any

member of the Board who was appointed by it. In the event of death, resignation or removal of a Director, his or her successor shall be selected by a majority of the remaining members of the Board, whether or not such remaining members constitute a quorum, and shall serve for the unexpired term of the Director being replaced; provided, however, that the Declarant may appoint the successor of any Director who served in such capacity as a result of being appointed by the Declarant. A Director elected or appointed to fill a vacancy shall be elected or appointed for the unexpired term of his or her predecessor in office.

Section 5.8. Resignation of Directors . Any Director may resign at any time by giving written notice to the President, to the Secretary or to the Board stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective.

Section 5.9. Executive Committee . The Board, by resolution adopted by a majority of the Directors in office, may, at any time and from time to time, appoint an Executive Committee, which shall include one or more Directors and which shall have and exercise such authority as the Board may from time to time delegate, except that no such Executive Committee shall exercise any of the authority prohibited by C.R.S. 7-128-206.

Section 5.10. Other Committees . The Board, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more other committees, which may consist of or include Members who are not Directors. Any such committee shall have and may exercise such authority as shall be specified in the resolution creating such committee, except that no such committee shall exercise any of the authority prohibited by C.R.S. 7-128-206. The Board shall have the right, from time to time and at any time, to add, remove or replace committee members.

Section 5.11. General Provisions Applicable to Committees . The appointment of any committee and the delegation thereto of authority shall not relieve the Board of any responsibility imposed upon it by law.

Section 5.12. Compensation . No Director shall receive compensation from the Association for serving on the Board. However, any Director may be reimbursed for actual expenses incurred in the performance of the Director's duties.

Section 5.13. Loyalty . All Directors are encouraged to share their views and opinions. Directors may vote in the minority on issues, however, once an issue is decided, each Director agrees to work within the Association's processes and systems to advance the approved issue, and not to either individually, or in collaboration with others, intentionally sabotage or subvert the work of the Board or the issue decided upon.

ARTICLE VI MEETINGS OF DIRECTORS

Section 6.1. Place of Directors' Meetings . Meetings of the Board shall be held at the principal office of the Association or at such other place as may be fixed from time to time by the Board and specified in the notice of the meeting.

Section 6.2. Regular Meetings of Directors . The Board shall hold regular meetings at least quarterly and may, by resolution, establish in advance the times and places for regular meetings. No prior notice of any regular meetings need be given after establishment of the times and places thereof by resolution.

Section 6.3. Special Meetings of Directors. Special meetings of the Board may be called at any time by the President or any two members of the Board, upon not less than two (2) days notice to each Director.

Section 6.4. Open Meetings . All regular and special meetings of the Board, or any committee thereof, shall be open to attendance by all Members or to any person designated by a Member in writing. At an appropriate time determined by the Board, but before the Board votes on an issue under discussion, Unit Owners or their designated representatives shall be permitted to speak regarding that issue. The Board may place reasonable time restrictions on persons speaking during the meeting. If more than one person desires to address an issue and there are opposing views, the Board shall provide for a reasonable number of persons to speak on each side of the issue. Notwithstanding the foregoing, the Board or a committee thereof may hold an executive or closed door session and may restrict attendance to Board members and other persons specified by the Board; provided that any such executive or closed door session may only be held in accordance with the provisions and requirements of the Act, as amended from time to time, or other applicable law. The matters to be discussed at such an executive session shall include only the following matters: (a) 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; (b) 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; (c) investigative proceedings concerning possible or actual criminal misconduct; (d) matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure; (e) any matter the disclosure of which would constitute an unwarranted invasion of individual privacy; and (f) review of or discussion relating to any written or oral communication from legal counsel. Prior to the time the members of the Executive Board or any committee thereof convene in executive session, the chair of the body

shall announce the general matter of discussion as enumerated in paragraphs (a) to (f) above.

Section 6.5. Proxies . A Director shall not be entitled to vote by proxy at any meeting of Directors.

Section 6.6. Quorum of Directors . A majority of the number of Directors fixed in these Bylaws in office immediately before the meeting begins shall constitute a quorum for the transaction of business.

Section 6.7. Vote Required at Directors' Meeting . At any meeting of Directors, if a quorum is present, a majority of the votes present in person and entitled to be cast on a matter shall be necessary for the adoption of any matter, unless a greater proportion is required by law, the Declaration, the Articles of Incorporation or these Bylaws.

Section 6.8. Order of Business . The order of business at all meetings of Directors shall be as determined by the Board, and in the absence of such a determination, shall be as follows: (a) roll call; (b) proof of notice of meeting or waiver of notice; (c) approval of minutes of preceding meetings; (d) reports of officers; (e) reports of committees; (f) unfinished business; and (g) new business.

Section 6.9. Officers at Meetings . The President shall act as chairman and the Secretary shall act as secretary at all meetings of the Members and the Board.

Section 6.10. Waiver of Notice . A waiver of notice of any meeting of the Board, signed by a Director, whether before or after the meeting, shall be equivalent to the giving of notice of the meeting to such Director.

Section 6.11. Action of Directors Without a Meeting .

a. Any action required to be taken or which may be taken at a meeting of Directors may be taken without a meeting if a notice stating the action to be taken and the time by which a director must respond is transmitted in writing to each member of the Board and each member of the Board, by the time stated in the notice, either: (i) votes in writing for such action; or (ii) votes in writing against such action, abstains in writing from voting, or fails to respond or vote and fails to demand that action not be taken without a meeting.

b. The notice required by this section shall state: (i) the action to be taken; (ii) the time by which a director must respond; (iii) that failure to respond by the time stated in the notice will have the same effect as abstaining in writing by the time stated in the notice and failing to demand in writing by the time stated in the notice that action not be taken without a meeting; and (iv) any other matters the Association determines to include.

c. Action is taken under this section only if, at the end of the time stated in the notice: (i) the affirmative votes in writing for such action received by the Association and not revoked as hereafter provided in this section equal or exceed the minimum number of votes that would be necessary to take such action at a meeting at which all of the directors then in office were present and voted; and (ii) the Association has not received a written demand by a director that such action not be taken without a meeting other than a demand that has been revoked pursuant to this section.

d. A director's right to demand that action not be taken without a meeting shall be deemed to have been waived unless the Association receives such demand from the director in writing by the time stated in the notice and such demand has not been revoked as provided in this section.

e. Any director who in writing has voted, abstained, or demanded action not be taken without a meeting pursuant to this section may revoke such vote, abstention, or demand in writing received by the Association by the time stated in the notice.

f. Unless the notice states a different effective date, action taken pursuant to this section shall be effective at the end of the time stated in the notice.

g. A writing by a director under this section shall be in a form sufficient to inform the Association of the identity of the director, the vote, abstention, demand, or revocation of the director, and the proposed action to which such vote, abstention, demand, or revocation relates. All communications under this section may be transmitted or received by the Association by electronically transmitted facsimile, e-mail, or other form of wire or wireless communication. For purposes of this section, communications to the Association are not effective until received.

h. Action taken pursuant to this section has the same effect as action taken at a meeting of directors and may be described as such in any document. All writings made pursuant to this section shall be filed with the minutes of the meetings of the Board.

Section 6.12. Participation by Electronic Means . The Board may permit any Director to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all Directors participating may hear each other during the meeting. A Director participating in a meeting by this means is deemed to be present in person at the meeting.

ARTICLE VII POWERS AND DUTIES OF THE BOARD

Section 7.1. Powers. The Board shall have the power to:

a. Adopt and publish Rules and architectural or design guidelines governing the Units, the Common Elements, the Project, or any portion thereof, and any improvements or facilities thereon and the personal conduct of the Members and their Permitted Users thereon, and to establish penalties for the infraction thereof;

b. Suspend the voting rights and the right of a Member or Permitted User to use Common Element amenities, after notice and hearing as provided herein, for up to 60 days following any infraction by such Member or a Permitted User of any provision of the Declaration or of any rule or regulation adopted by the Association unless such infraction is a continuing infraction, in which case such suspension may continue for so long as such infraction continues and for up to 60 days thereafter;

c. Enter into, make, perform or enforce contracts, licenses, leases and agreements of every kind and description; provided, however, that the following contracts and leases, if such contracts and leases are entered into before the Board elected by the Members takes office subsequent to termination of the Period of Declarant Control, may be terminated without penalty by the Association at any time after such date, upon not less than ninety (90) days' notice to the other party:

1. Any management contract, employment contract, or lease of recreational or parking areas or facilities; or
2. Any other contract or lease between the Association and a Declarant or an affiliate of a Declarant; or
3. Any contract or lease that is not bona fide or was unconscionable to the Members at the time entered into under the circumstances then prevailing;

The Association's contract with a managing agent shall be terminable for cause without penalty to the Association. Any such contract shall be subject to renegotiation;

d. Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not expressly reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;

e. Declare the office of a member of the Board to be vacant in the event such member shall be absent from two (2) regular meetings of the Board during any one year period;

f. Employ a manager, an independent contractor, or such other employees as they deem necessary, and prescribe their duties; and

g. Provide for notice and hearing in compliance with the provisions of these Bylaws, through promulgation of procedures therefor.

Section 7.2. Duties . It shall be the duty of the Board to:

a. Cause to be kept a complete record of all its acts and corporate affairs;

b. Supervise all officers, agents, and employees of the Association, and see that their duties are properly performed;

c. As more fully provided in the Declaration, to:

1. Determine the amount of the annual assessment against each Unit, from time to time, in accordance with the Association budget, and revise the amount of the annual assessment if such budget is rejected by the Members; and

2. Foreclose the lien against any Unit for which assessments are not paid, or bring an action at law against the Member personally obligated to pay the same;

d. Issue, or cause an appropriate officer or authorized agent 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 certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment as to all persons who rely thereon in good faith;

e. Procure and maintain insurance, as more fully provided in the Declaration;

f. Provide for maintenance, repair and reconstruction of the Common Elements, other parcels of real property, and improvements located thereon owned by the Association or in which the Association has a possessory interest, including obtaining insurance certificates for reasonable insurance coverage from all contractors, as more fully provided in the Declaration;

g. Keep financial records sufficiently detailed to enable the Association to comply with the requirement that it prove statements of unpaid assessments. All financial and other records shall be made reasonably available for examination and copying by any Member and such Member's authorized agents; and

h. Invest Association funds subject to any investment policy the Board may adopt which reflects the basic investment objectives of diversity, safety, liquidity and income return. At least annually, the Board shall make available to the Members information regarding the amount, type and rate of return, of the instruments, funds and accounts in which Association funds are invested or deposited;

i. At the discretion of the Board or upon request pursuant to subparagraph (1) or (2) of this paragraph (i) as applicable, the books and records of the Association shall be subject to an audit, using generally accepted auditing standards, or a review, using statements on standards for accounting and review services, by an independent and qualified person selected by the Board. Such person need not be a certified public accountant except in the case of an audit. A person selected to conduct a review shall have at least a basic understanding of the principles of accounting as a result of prior business experience, education above the high school level, or bona fide home study. The audit or review report shall cover the association's financial statements, which shall be prepared using generally accepted accounting principles or the cash or tax basis of accounting. An audit shall be required under this subparagraph only when both of the following conditions are met:

1. the Association has annual revenues or expenditures of at least two hundred fifty thousand dollars; and
2. an audit is requested by the Members to whom at least one-third of the votes in the Association are allocated.

A review shall be required under this paragraph (i) only when requested by the Owners of at least one-third of the Units. Copies of an audit or review shall be made available upon request to any Member beginning no later than thirty days after its completion.

j. Adopt responsible governance policies adopted under Section 38-33.3-209.5 of the Act.

Any of the aforesaid duties (except as specified in Section 7.2.i.) may be delegated by the Board to any other person(s) or to the Manager. To the extent it may be required by any statute, and if not required by statute then at the option of the Board, the Association or the Manager or other person who receives the delegation of duties relating to the collection, deposit, transfer or disbursement of Association funds shall: (1) maintain fidelity insurance or a bond in an amount not less than the greater of (a) fifty thousand dollars (\$50,000 or such higher amount as the Board may require) or (b) the estimated maximum amount of funds, including reserve funds, in the custody of the Manager at any given time during the term of each policy as calculated from the current budget of the Association, or (c) a sum equal to three (3) months' aggregate

assessments plus reserve funds; and (2) maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the Manager or other person(s) and maintain all reserve accounts separate from operational accounts of the Association. Further, the Manager, or a public accountant or certified public accountant shall prepare and present to the Association an annual accounting for Association funds and a financial statement as set forth in the Act.

Section 7.3. Limitation on Powers . The Board may not act on behalf of the Association to amend the Declaration, to terminate this Project, or to elect members of the Board or determine the qualifications, powers and duties, or terms of office of Board members, but the Board may fill vacancies in its membership for the unexpired portion of any term.

Section 7.4. Conflicts of Interest . If any contract, decision, or other action taken by or on behalf of the Board would financially benefit any member of the Board, or a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the director or a party related to a director has a beneficial interest, or an entity in which a party related to a director is a director, officer, or has a financial interest, then, in advance of entering into that contract, making the decision or taking the action, the interested Board member shall disclose the material facts as to the director's relationship or interest and as to the conflicting interest transaction. The Board may in good faith authorize, approve, or ratify the conflicting interest transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors are less than a quorum.

ARTICLE VIII OFFICERS

Section 8.1. Officers, Employees and Agents . The officers of the Association shall consist of a President, a Secretary, a Treasurer and may include one or more Vice Presidents and such other officers, assistant officers, employees and agents as may be deemed appropriate or necessary by the Board from time to time. Officers other than the President need not be Directors. The offices of President and Secretary may not be held by the same person. However, any person may simultaneously hold two or more of any of the other offices, subject to any applicable requirements or limitations contained in the Declaration, Articles of Incorporation, these Bylaws.

Section 8.2. Appointment and Term of Office of Officers . The officers shall be elected or appointed by acclamation by the Board at the first meeting of the Board held subsequent to the annual meeting of the Members, and shall hold office for one (1) year, unless the officer sooner resigns or is removed, or shall otherwise be disqualified to serve.

Section 8.3. Removal of Officers . Any officer, employee or agent may be removed by the Board, with or without cause, whenever in the Board's judgement the best interests of the Association will be served thereby.

Section 8.4. Resignation of Officers . Any officer may resign at any time by giving written notice to the President, to the Secretary or to the Board stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective.

Section 8.5. Vacancies in Offices . Any vacancy occurring in any office may be filled by the Board. An officer appointed to fill a vacancy shall be appointed for the unexpired term of its predecessor in office.

Section 8.6. President . The President shall be a member of the Board and shall be the principal executive officer of the Association. The President shall preside at all meetings of the Board and at all meetings of the Members.

Section 8.7. Vice Presidents . The Vice President(s), if appointed, may act in place of the President in case of his/her death, absence or inability to act, and shall perform such other duties and have such authority as is from time to time delegated by the Board or by the President.

Section 8.8. Secretary . The Secretary shall be the custodian of the records of the Association; shall see that all notices are duly given in accordance with the provisions of these Bylaws and as required by law and that the books, reports and other documents and records of the Association -are properly kept and filed; shall take or cause to be taken and shall keep minutes of the Board and of committees of the Board; shall keep at the principal office of the Association a record of the names and addresses of the Members; and, in general, shall perform all duties incident to the office of Secretary and such other duties as may, from time to time, be assigned by the Board or by the President. The Board may appoint one or more Assistant Secretaries who may act in place of the Secretary for whatever reason, including in case of death, absence or inability to act.

Section 8.9. Treasurer . The Treasurer shall be responsible for overseeing the deposit of all funds in such depositories as shall be designated by the Board; shall keep correct and complete financial records and books of account and records of financial transactions and condition of the Association and shall submit such reports thereof as the Board may, from time to time, require; shall arrange for the annual reports required by these Bylaws; and, in general, shall perform all the duties incident to the office of Treasurer and such other duties as may from time to time be assigned to it by the Board or by the President. The Board may appoint one or more Assistant Treasurers who may act in place of the Treasurer for whatever reason, including in case of death, absence or inability to act.

Section 8.10. Bonds . The Association shall obtain fidelity bonds or insurance, if reasonably available, covering officers or other persons handling funds of the Association.

ARTICLE IX INDEMNIFICATION OF OFFICIALS AND AGENTS

Section 9.1. Certain Definitions . A "Corporate Official" shall mean any director or officer, and any former director or officer, of the Association. A "Corporate Employee" shall mean any employee, and any former employee, of the Association. "Corporate Official" and "Corporate Employee" shall not include any officer, director, agent or employee of any managing agent employed by the Association, and no such person shall have a right of indemnification hereunder. "Expenses" shall mean all costs and expenses including attorneys fees, liabilities, obligations, judgements and any amounts paid in reasonable settlement of a Proceeding. "Proceeding" shall mean any claim, action, suit or proceeding, civil or criminal, whether threatened, pending or completed, and shall include appeals.

Section 9.2. Right of Indemnification . The Association shall indemnify any Corporate Official and may, in the discretion of the Board, indemnify any Corporate Employee,

against any and all Expenses actually and reasonably incurred by or imposed upon it in connection with, arising out of, or resulting from, any Proceeding in which it is or may be made a party by reason of (a) actual or alleged error or misstatement or misleading statement or act or omission or neglect or breach of duty while acting in an official capacity as a Corporate Official or Corporate Employee, or (b) any matter claimed against it solely by reason of being a Corporate Official or Corporate Employee. The right of indemnification shall extend to all matters as to which a majority of directors of the Association by resolution, or independent legal counsel in a written opinion, shall determine that the Corporate Official or Corporate Employee acted in good faith and such person reasonably believed that the conduct was in the Association's best interests and had no reasonable cause to believe that its conduct was improper or unlawful. The right of indemnification shall not extend to matters as to which the Corporate Official or Corporate Employee is finally adjudged in an action, suit or proceeding to have been liable for gross negligence or willful misconduct in the performance of its duty except to the extent that a court may determine, upon application, that despite such adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity. The right of indemnification shall not extend to any matter as to which said indemnification would not be lawful under the laws of the State of Colorado.

Section 9.3. Advances of Expenses and Defense . The Association may advance Expenses to, or where appropriate, may undertake the defense of, any Corporate Official or Corporate Employee, in a Proceeding provided that the Corporate Official or Corporate Employee shall comply with the requirements of C.R.S. 7-129-104.

Section 9.4. Rights Not Exclusive . The right of indemnification herein provided shall not be exclusive of other rights to which such Corporate Official or Corporate Employee may be entitled.

Section 9.5. Authority to Insure . The Association may purchase and maintain liability insurance on behalf of any Corporate Official or Corporate Employee against any liability asserted against it as a Corporate Official or Corporate Employee or arising out of its status as such, including liabilities for which a Corporate Official or Corporate Employee might not be entitled to indemnification hereunder.

ARTICLE X NOTICE AND HEARING

Section 10.1. Notice and Hearing . In all instances where the Colorado Common Interest Ownership Act, as amended from time to time, the Colorado Revised Nonprofit Corporation Act, as amended from time to time, or the Association Documents require notice

and hearing, the Board shall comply with a written policy adopted by the Board that provides:

- a. Not less than fifteen days prior written notice of the action to be taken and the reasons for such action;
- b. An opportunity for the affected member ("Respondent") to be heard, orally or in writing, not less than five days before the action to be taken by either the Board or a hearing committee appointed by the Board as provided herein;
- c. That the action taken shall be fair and reasonable taking into consideration all of the relevant facts and circumstances.

For all purposes of this section, notice shall be hand delivered or sent prepaid by United States mail to the mailing address of each Member or to any other mailing address designated in writing by the Member. Notice shall be deemed delivered, if hand delivered upon delivery, and if sent by United States mail, three days after mailing.

Section 10.2. Hearing Committee . In any instance that requires a hearing, the President may appoint a hearing committee ("Hearing Committee") of three natural Persons who need not be Members of the Association. In appointing the members of the Hearing Committee, the President must insure that the members of the Hearing Committee be "Impartial Decision Makers" as that term is defined in C.R.S. 38-33.3-209.5. The President shall cause written notification of the names of the Hearing Committee members to be mailed to the Respondent at least ten (10) days before the date of the hearing. The decision of the President shall be final, except that the respondent may challenge any member of the Hearing Committee for cause because one or more of the members of the Hearing Committee are not Impartial Decision Makers at any time at least five (5) days prior to the taking of evidence at the hearing. In the event of such a challenge, the Board shall determine the sufficiency of the challenge, without the President voting. If such a challenge is sustained, the President shall appoint another member to replace the challenged member of the Hearing Committee. All decisions of the Board in this regard shall be final. Failure to timely challenge the members of the Hearing Committee shall be deemed acceptance of the members of the Hearing Committee. The Hearing Committee shall elect a chairman and appoint a hearing officer (who may be the same person as the chairman) who shall take evidence and ensure that a proper record of all proceedings is maintained.

ARTICLE XI BOOKS AND RECORDS

Section 11.1. Books and Records.

a. The Association shall keep correct and complete books and records of account, shall keep minutes of the proceedings of its Members, its Board, and any committee of the Board in place of the Board, and shall keep, at its principal office in Colorado, its Articles of Incorporation, the Declaration, its Bylaws, resolutions adopted by the Board, minutes of all meetings of Members and the Board, a record of all actions taken by the Members or the Board by written ballot or written consent in lieu of a meeting for the past three years, all written communications within the past three years to Members generally as Members, a record of all actions taken by a committee of the Board in place of the Board on behalf of the Association, and a record of all waivers of notices of meetings of Members and of the Board or any committee of the Board. The Association shall maintain a record of Members in a form that permits preparation of a list of the names and addresses of all Members, showing the number of votes each Member is entitled to vote, including a list of the names and business or home addresses of its current Directors and officers, its most recent annual report, all financial audits or reviews conducted during the immediately preceding three years. The Association may exclude from the records provided or available to Members, Members' telephone numbers or electronic mail or contact information.

b. Association records may be purchased by any Member at reasonable cost not to exceed to the Association's actual cost per page, for copies of Association records. All books and records of the Association shall be reasonably available for inspection by any Member or such Member's authorized agent, and by any holder of a First Mortgage. "Reasonably available" shall mean available for inspection at the Association's principal office, upon five business days advance notice, during normal business hours to the extent that: (a) the request is made in good faith and for a proper purpose; (b) the request describes with reasonable particularity the records sought and the purpose of the request; and (c) the records are relevant to the purpose of the request. Notwithstanding the above, all books and records may also be inspected at the next regularly scheduled meeting if such meeting occurs within thirty (30) days after the request.

c. Membership lists, or any part thereof, may not be:

1. Obtained or used by any person for any purpose unrelated to the Association or the property subject to the Declaration;

2. Used to solicit money or property unless such money or property will be used solely to solicit the votes of the unit owners in an election to be held by the Association;

3. Used for any commercial purpose; or

4. Sold to or purchased by any person.

Section 11.2. Public Disclosure.

a. Within ninety days after expiration of the Period of Declarant Control, the Association shall make the following information available to the Members, upon reasonable notice, in accordance with subparagraph c of this section. In addition, if the Association's address, designated agent, or management company changes, the Association shall make updated information available within ninety days after the change including:

1. The name of the Association;
2. The name of the Association's designated agent or management company, if any;
3. A valid physical address and telephone number for both the Association and the designated agent or management company, if any;
4. The name of the Project;
5. The initial date of recording of the Declaration; and
6. The reception number or book and page for the main document that constitutes the Declaration.

b. Within ninety days after expiration of the Period of Declarant Control, and within ninety days after the end of each fiscal year thereafter, the Association shall make the following information available to Members upon reasonable notice in accordance with subparagraph c of this section:

1. The date on which its fiscal year commences;
2. Its operating budget for the current fiscal year;
3. A list of the Association's current assessments, including special assessments, if any;
4. Its annual financial statements, including any amounts held in reserve for the fiscal year immediately preceding the current annual disclosure;
5. The results of its most recent available financial audit or

review for the fiscal year immediately preceding the current annual disclosure;

6. A list of all Association insurance policies, including, but not limited to, property, general liability, Association director and officer professional liability, and fidelity policies. Such list shall include the company names, policy limits, policy deductibles, additional named insured, and expiration dates of the policies listed;

7. The Association's Bylaws, Articles and Rules and Regulations;

8. The minutes of the Board and Member meetings for the fiscal year immediately preceding the current annual disclosure; and

9. The Association's responsible governance policies adopted under Section 38-33.3-209.5 of the Act.

c. It is the intent of this section to allow the Association the widest possible latitude in methods and means of disclosure, while requiring that the information be readily available at no cost to Members at their convenience. Disclosure shall be accomplished by one of the following means: Posting on an Internet web page with accompanying notice of the web address via first-class mail or e-mail; the maintenance of a literature table or binder at the Association's principal place of business; or mail or personal delivery. The cost of such distribution shall be accounted for as a Common Expense.

ARTICLE XII MISCELLANEOUS

Section 12.1. Amendment of Bylaws . The Board shall have the power to alter, amend or repeal these Bylaws or any provision herein, or to adopt new Bylaws. Further, subject to any approval or requirements of the FHA or VA or of holders of First Mortgages required under the Declaration, the Members, by a majority of votes present in person or by proxy at a meeting called for that purpose at which a quorum is present in person or by proxy at the commencement of the meeting, shall also have the power to alter, amend or repeal these Bylaws and to adopt new Bylaws. If, however, the Members make, amend or repeal any bylaw, the Board shall not thereafter amend the same in such manner as to defeat or impair the object of the Members in taking such action. These Bylaws may contain any provision for the regulation or management of the affairs of the Association not inconsistent with law, the Declaration or the

Articles of Incorporation.

Section 12.2. Execution, Certification and Recording Amendments to Declaration

. The President, or the Vice President in the President's absence, and the Secretary of the Association shall prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

Section 12.3. Statement of Account . The Association shall furnish to a Member, or to a First Mortgage or its designee, upon written request delivered personally or by certified mail, first class postage prepaid, return receipt, to the Association, a written statement setting forth the amount of unpaid Assessments currently levied against such Member's Unit. The statement shall be furnished within fourteen (14) calendar days after receipt of the request and is binding on the Association. The Association shall have the right to charge a reasonable fee for the issuance of such certificate.

Section 12.4. Corporate Reports . The Association shall file with the Secretary of State of Colorado, within the time prescribed by law, corporate reports on the forms prescribed and furnished by the Secretary of State and containing the information required by law, and shall pay the fee for such filing as prescribed by law.

Section 12.5. Fiscal year . The fiscal year of the Association shall begin on January 1 of each year and end the succeeding December 31 except that the first fiscal year shall begin on the date of incorporation. The fiscal year may be changed by the Board without amending these Bylaws.

Section 12.6. Seal . The Board may adopt a seal which shall have inscribed thereon the name of the Association and the words "SEAL" and "COLORADO."

Section 12.7. Share of Stock and Dividends Prohibited . The Association shall not have or issue shares of stock and no dividend shall be paid, and no part of the income shall be distributed to its Members, directors or officers. Notwithstanding the foregoing, upon dissolution or final liquidation thereof, the Association, may make distributions as permitted by the Declaration; but no such payment, benefit or distribution shall be deemed to be a dividend or distribution of income or profit.

Section 12.8. Loans to Directors, Officers and Members Prohibited . No loan shall be made by the Association to its Members, directors or officers, and any director or officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of such loan until the repayment thereof.

Section 12.9. Limited Liability . Except as may otherwise be provided by law, the

Association, the Board, the Declarant, and any officer, director, Member, agent or employee of any of the same, shall not be liable to any Person for any action or for any failure to act if the action taken or failure to act was in good faith and without malice.

Section 12.10. Minutes . Minutes or any similar records of the meetings of Members or of the Board, when signed by the Secretary or acting Secretary of the meeting, shall be presumed to truthfully evidence the matters set forth therein. A recitation in any such minutes that notice of the meeting was properly given shall be prima facie evidence that the notice was given.

Section 12.11. Checks, Drafts and Documents . All checks, drafts or other orders for payment of money, notes or other evidence of indebtedness, issued in the name of or payable to the Association, shall be signed or endorsed by such person or persons, and in such manner as, from time to time, shall be determined by resolution of the Board.

Section 12.12. Execution of Documents . The Board, except as these Bylaws otherwise provide, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instance; and unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

IN WITNESS WHEREOF, we, being all of the Directors of Clay/28th Condominium Association, Inc. have hereunto set our hands this ____ day of _____, 2012.

Director

Director

Director

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Clay/28th Condominium Association, Inc., a Colorado nonprofit corporation, and that the foregoing Bylaws constitute the Bylaws of said Association, as duly adopted at a meeting of the Board thereof, held on _____, 2012.

Signed this _____ day of _____, 2012.

Secretary