

**BYLAWS  
OF  
THE ASCENT RESIDENCES HOMEOWNERS ASSOCIATION, INC.**

These are the Bylaws of The Ascent Residences Homeowners Association, Inc., a Colorado nonprofit corporation ("Association"), which shall operate under the Colorado Revised Nonprofit Corporation Act, as amended, and the Colorado Common Interest Ownership Act ("Act"). Except as otherwise provided herein, the definitions of capitalized terms herein shall be the same as provided in the Declaration of Condominium for The Ascent Residences ("Declaration").

**ARTICLE I  
BOARD OF DIRECTORS**

A. Number and Qualification - Termination of Declarant Control.

1. The affairs of the The Ascent Residences community and the Association shall be governed by a board of directors ("Board") that shall consist of three persons. The majority of directors, excepting the directors appointed by Declarant, shall be Owners. Directors shall be elected by the Owners, except for those appointed by Declarant. At any meeting at which directors are to be elected, the Owners may, by resolution, adopt specific procedures that are not inconsistent with these Bylaws or the Colorado Revised Nonprofit Corporation Act for conducting the elections.

2. The Declaration shall govern the appointment of directors of the Board during the period of Declarant Control.

3. The Board shall appoint the officers. The directors and officers shall take office upon appointment and/or election.

4. The Board shall serve without compensation.

5. At any time after the Owners, other than Declarant, are entitled to elect a director, the Association shall call a meeting and give not less than ten nor more than fifty days' notice to the Owners for this purpose.

B. Powers and Duties.

The Board shall have, in addition to those rights and powers established in the Declaration and subject to the limitations contained in the Declaration and the Act, the powers and duties necessary for the administration of the affairs of the Association and of The Ascent Residences community, including, but not limited to, the following powers and duties:

1. Adopt and amend Bylaws and rules and regulations ("Rules");
2. Adopt and amend budgets for revenues, expenditures and reserves;

3. Levy and collect Assessments for Common Expenses from Owners;
4. Hire and discharge Managers;
5. Hire and discharge employees, independent contractors and agents other than Managers;
6. Institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violations of the Declaration, Bylaws or Rules (collectively, "Association Documents") in the Association's name, or on behalf of the Association or two or more Owners, on matters affecting The Ascent Residences community;
7. Make contracts and incur liabilities;
8. Regulate the use, maintenance, repair, replacement and modification of the Common Elements;
9. Cause additional improvements to be made as a part of the Common Elements;
10. Acquire, hold, encumber and convey, in the Association's name, any right, title or interest to real estate or personal property; but the Common Elements may be conveyed or subjected to a security interest only pursuant to §312 of the Act;
11. Grant easements for any period of time, including permanent easements, and grant leases, licenses and concessions through or over the Common Elements;
12. Impose and receive a payment, fee or charge for services provided to Owners and for the use, rental or operation of the Common Elements, other than Limited Common Elements described in §202(1)(b) and §202(1)(d) of the Act;
13. Impose a reasonable charge for the late payment of Assessments and, after notice and hearing, levy a reasonable fine for a violation of the Association Documents;
14. Impose a reasonable charge for the preparation and recording of amendments to the Declaration or for statements of unpaid Assessments;
15. Provide for the indemnification of the Association's officers, directors and the Board and maintain directors' and officers' liability insurance;
16. Exercise any other powers conferred by the Declaration or the Bylaws;
17. Exercise any other power that may be exercised in the state by a legal entity of the same type as the Association;

18. Exercise any other power necessary and proper for the governance and operation of the Association; and

19. By resolution, establish committees of directors, permanent and standing, to perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee. All committees must maintain and publish notice of their actions to the Owners and the Board. However, actions taken by a committee may be appealed to the Board by any Owner within forty-five days of publication of notice of that action, and the committee's action must be ratified, modified or rejected by the Board at its next regular meeting.

**AS OF JANUARY 1, 2011 THE BOARD SHALL BE OBLIGATED TO REGISTER THE ASSOCIATION ANNUALLY WITH THE DIRECTOR OF THE DIVISION OF REAL ESTATE AND PAY ANY FEE ASSOCIATED WITH SUCH REGISTRATION AS REQUIRED BY §401 OF THE ACT.**

C. Manager.

The Board may employ a Manager for The Ascent Residences community, at a compensation established by the Board, to perform duties and services authorized by the Board. The Board may delegate to the Manager only the powers granted to the Board by these Bylaws under Section I.B, Subsections 3, 5 and 8 above. Licenses, concessions and contracts may be executed by the Manager and the Manager may disburse funds of the Association pursuant to specific resolutions of the Board and to fulfill the requirements of the budget.

If the Board delegates powers relating to the collection, deposit, transfer or disbursement of Association funds to a Manager or other persons, that Manager or other persons shall:

1. Maintain fidelity insurance coverage or a bond in an amount not less than the amount required pursuant to the Declaration;
2. Maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the Manager or other persons, and maintain all reserve accounts of each association so managed separate from operational accounts of the Association; and
3. Cause to be prepared, by the Manager, a public accountant or a certified public accountant, and present to the Association an annual accounting for Association funds and a financial statement.

D. Removal of Directors.

Owners, by a weighted vote of sixty-seven percent at any meeting at which a quorum of such Owners is present, may remove any director of the Board elected by such Owners, with or without cause. Declarant may, at any time and for any or no reason, remove any director it has appointed without Owner consent.

E. Vacancies.

Any vacancy occurring in the position of director (other than vacancies occurring as a result of the expiration of a director's term) may be filled by a vote of those Owners entitled to vote for such director in accordance with these Bylaws. The term of the director so elected shall be coincident with the term of the replaced director. Notwithstanding the foregoing provisions of this Section I.E, Declarant shall replace any director appointed by Declarant.

F. Regular Meetings.

The first regular meeting of the Board following each annual meeting of the Owners shall be held within ten days after the annual meeting at a time and place to be set by the Owners at the meeting at which the Board shall have been elected. No notice shall be necessary to the newly elected directors in order to legally constitute such meeting, provided a quorum of directors is present. The Board may set a schedule of additional regular meetings by resolution, and no further notice is necessary to constitute regular meetings.

G. Special Meetings.

Special meetings of the Board may be called by the president or by a majority of directors on not less than three business days' notice to each director. The notice shall be hand delivered or sent prepaid by U.S. Mail and shall state the time, place and purpose of the meeting.

H. Location of Meetings.

All meetings of the Board shall be held at the Manager's office, if any, or at another location determined by the Board.

I. Waiver of Notice.

Any director may waive notice of any meeting in writing. Attendance by a director at any meeting of the Board shall constitute a waiver of notice. If all directors are present at any meeting, no notice shall be required, and any business may be transacted at such meeting.

J. Quorum of Directors.

At all meetings of the Board, a majority of directors shall constitute a quorum for the transaction of business, and the votes of a majority of directors present at a meeting at which a quorum is present shall constitute a decision of the Board. If, at any meeting, there shall be less than a quorum present, a majority of those present may adjourn the meeting. At any adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

K. Consent to Corporate Action.

Any action required by law to be taken at a meeting of directors, or any action which may be taken at a meeting of directors, may be taken without a meeting if each director in writing either (1) votes for such action, or (2) votes against such action or abstains from voting and waives the right to demand that a meeting be held. Action is taken under this Section I.K only if the affirmative vote for such action equals or exceeds the minimum number of votes that would be necessary to take such action at a meeting at which all directors then in office were present and voted.

L. Telephone Communication in Lieu of Attendance.

A director may attend a meeting of the Board by using an electronic or telephonic communication method whereby the director may be heard by the other members and may hear the deliberations of the other members on any matter properly brought before the Board. The director's vote shall be counted and their presence noted as if that director were present in person on that particular matter.

M. Conflicts of Interest.

As required by and in accordance with §209.5(1)(b)(II) of the Act, the following provisions are and shall constitute the Association's conflict of interest policy.

1. No loans will be made by the Association to the directors or officers.

2. No contract, transaction, or other financial relationship between the Association and a director, or between the Association and a party related to a director, or between the Association and an entity in which a director of the Association is a director or officer or has a financial interest ("Conflicting Interest Transaction") will be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by a Member or by or in the right of the Association, solely because the Conflicting Interest Transaction involves a director or a party related to a director or an entity in which a director is a director or officer or has a financial interest or solely because the director is present at or participates in the meeting of the Board that authorizes, approves, or ratifies the Conflicting Interest Transaction or solely because the director's vote is counted for such purpose if: (i) the material facts as to the director's relationship or interest and as to the Conflicting Interest Transaction are disclosed or are known to the Board, and the Board in good faith authorizes, approves, or ratifies 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; (ii) the material facts as to the director's relationship or interest and as to the Conflicting Interest Transaction are disclosed or are known to the Members entitled to vote thereon, and the Conflicting Interest Transaction is specifically authorized, approved, or ratified in good faith by a vote of the Members entitled to vote thereon; or (iii) the Conflicting Interest Transaction is fair as to the Association. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board which authorizes, approves, or ratifies the Conflicting Interest Transaction. In no event shall actions taken by Declarant-appointed directors be deemed a

Conflicting Interest Transaction solely because Declarant appointed such director.

3. For purposes of this Section I.M, a "party related to a director" shall mean a spouse, 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.

N. Proxy.

Voting by proxy shall be permitted; *provided, however*, that the proxy is granted in writing to another director who attends the meeting and the proxy is limited to a vote that is directed to be cast by the written proxy with respect to the particular proposal that is described with reasonable specificity in the proxy.

## ARTICLE II OWNERS/MEMBERS

A. Annual Meeting.

Annual meetings of the Owners shall be held at such date set forth in the notice of the meeting. At these meetings, the directors shall be elected by ballot of the Owners, in accordance with the provisions of Article I above. The Owners may transact other business as may properly come before them at these meetings.

B. Budget Meeting.

Meetings of the Owners to consider proposed budgets shall be called in accordance with the Act. The budget may be considered at annual meetings or special meetings called for other purposes as well.

C. Special Meetings.

Special meetings of the Association may be called by the president, by a majority of directors or by Owners comprising twenty percent of the weighted votes in the Association.

D. Place of Meetings.

Meetings of the Owners shall be held at the Manager's office, if any, or at another location determined by the Board, or may be adjourned to a suitable place convenient to the Owners, as may be designated by the Board or by the president.

E. Notice of Meetings.

1. The secretary or other officer specified by the Board shall cause notice of meetings of the Owners to be hand delivered or sent prepaid by U.S. Mail to the mailing address of each Unit or to the mailing address designated in writing by the Owner, not less than ten nor

more than fifty days in advance of a meeting. No action shall be adopted at a meeting except as stated in the notice.

2. The Association may additionally provide notices and agendas in electronic form, by posting on a web site or otherwise, in addition to printed form. If such electronic means are available, the Association shall provide notice of all annual meetings and special meetings of the Owners by electronic mail to all Owners who so request and who furnish the Association with their electronic mail addresses. Electronic notice of a special meeting shall be given as soon as possible but at least twenty-four hours before the meeting. In addition, notice of any meeting shall be physically posted in a conspicuous place, to the extent that such posting is feasible and practicable.

F. Waiver of Notice.

Any Owner may, at any time, waive notice of any meeting of the Owners in writing, and the waiver shall be deemed equivalent to the receipt of notice.

G. Adjournment of Meeting.

At any meeting of the Owners, a majority of Owners who are present at that meeting either in person or by proxy may adjourn the meeting to another time.

H. Order of Business.

The order of business at all meetings of the Owners shall be as follows:

1. Roll call (or check-in procedure);
2. Proof of notice of meeting;
3. Reading of minutes of preceding meeting;
4. Reports;
5. Establish number and term of memberships of the Board (if required and noticed);
6. Election of directors of the Board (when required);
7. Ratification of budget (if required and noticed);
8. Unfinished business; and
9. New business.

I. Voting.

1. If only one of several Owners of a Unit is present at a meeting of the Owners, the Owner present is entitled to cast the vote allocated to the Unit. If more than one of the Owners is present, the vote allocated to the Unit may be cast only in accordance with the agreement of a majority in interest of the Owners. There is a majority agreement if any one of the Owners casts the vote allocated to the Unit without protest being made promptly to the person presiding over the meeting by another Owner of the Unit.

2. The vote allocated to a Unit may be cast under a proxy duly executed by an Owner. If a Unit is owned by more than one person, each Owner of the Unit may vote or register protest to the casting of votes by the other Owner(s) of the Unit through a duly executed proxy. An Owner may revoke a proxy given under this Subsection 2 only by actual notice of revocation to the person presiding over a meeting of the Owners. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven months after its date, unless it specifies a shorter term.

3. The vote of a corporation or business trust may be cast by any officer of that corporation or business trust in the absence of express notice to the Board of a specific designated person. The vote of a partnership may be cast by any general partner of the owning partnership in the absence of express notice to the Board of the designation of a specific person by the owning partnership. The vote of a limited liability company may be cast by any manager/member of the owning limited liability company in the absence of express notice to the Board of the designation of a specific person by the owning limited liability company. The moderator of the meeting may require reasonable evidence that a person voting on behalf of a corporation, partnership, business trust or limited liability company Owner is qualified to vote.

4. Votes allocated to a Unit owned by the Association may not be cast.

5. 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 Owners who are present at the meeting or represented by proxy, if a quorum has been achieved a vote on any matter affecting the common interest community on which all Owners are entitled to vote shall be by secret ballot. Ballots shall be counted by a neutral third party (such as the Manager) or by a committee of volunteers. Such volunteers shall be 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 the names, addresses or other identifying information of Owners participating in such vote.

J. Quorum.

Except as otherwise provided in these Bylaws or the Declaration, Owners present in person or by proxy at any meeting of the Owners holding at least twenty percent of the weighted vote in the Association shall constitute a quorum at that meeting.

K. Majority Vote.

The vote of Owners holding a majority of the weighted vote present in person or by proxy at a meeting at which a quorum is present shall be binding upon all such Owners for all purposes except where a higher percentage vote is required in the Declaration, these Bylaws or by law.



L. Attendance.

All meetings of the Association and Board are open to every Owner, or to any person designated by an Owner in writing as the Owner's representative. At an appropriate time determined by the Board, but before the Board votes on an issue under discussion, 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.

M. Conduct of Meetings.

This Article II is and shall constitute the Association's responsible governance policy regarding the conduct of meetings of the Members as required under §209.5(1)(b)(III) of the Act.

### ARTICLE III OFFICERS

A. Designation.

The principal officers of the Association shall be the president, the vice president, the secretary and the treasurer, all of whom shall be appointed by the Board. The Board may appoint an assistant treasurer, an assistant secretary and other officers as it finds necessary. The president and vice president, but no other officers, need to be directors. Any two offices may be held by the same person, except the offices of president and secretary. The office of vice president may be vacant.

B. Appointment of Officers.

The officers of the Association shall be appointed annually by the Board at the organizational meeting of each new Board. They shall hold office at the pleasure of the Board.

C. Removal of Officers.

Upon the affirmative vote of a majority of directors, any officer may be removed, either with or without cause. A successor may be appointed at any regular meeting of the Board or at any special meeting of the Board called for that purpose.

D. President.

The president shall be the chief executive officer of the Association. The president shall preside at all meetings of the Owners and of the Board. The president shall have all of the general powers and duties which are incident to the office of president of a nonprofit corporation organized under the laws of the State of Colorado, including, but not limited to, the power to appoint committees from among the Owners, and others as permitted in the Declaration, from time to time as the president may decide is appropriate to assist in the conduct of the affairs of

