

**BYLAWS
OF THE
STAPLETON FILING 2
TOWNHOME ASSOCIATION, INC.**

**ARTICLE 1
DEFINITIONS**

1.01 Declaration. As used herein "Declaration" means the Declaration of Covenants, Conditions and Restrictions for the Stapleton Filing 2 Townhomes, as may be amended from time to time, recorded with the Clerk and Recorder of the City and County of Denver, Colorado.

1.02 Association. As used herein, the "Association" means the Stapleton Filing 2 Townhome Association, Inc.

1.03 Other Definitions. Unless otherwise defined herein, all capitalized terms used herein shall have the meanings given to them in the Declaration.

**ARTICLE 2
OFFICES**

The Association is a Colorado nonprofit corporation with its principal office located at 75 Manhattan Drive, Suite 1, Boulder, Colorado 80303. The Association may relocate its offices and may carry on its purposes at such other places within and outside the State of Colorado as the Board may from time to time determine.

**ARTICLE 3
MEMBERSHIP, VOTING, QUORUM AND PROXIES**

3.01 Membership. The Members of the Association shall be as set forth in the Articles and Declaration.

3.02 Voting Rights.

(a) Each Member shall be entitled to one vote for each Townhome owned which is then part of the Association. Fractional voting shall not be allowed.

(b) If only one of several owners of a Townhome is present at a meeting of the Association or voting on an issue, the Owner present is entitled to cast the vote allocated to that Townhome. If more than one of the Owners of a Townhome is present or votes on an issue, and such Owners do not agree among themselves as to how to cast their vote on a particular matter, they shall lose their right to vote on such matter. If any Owner casts a vote representing a membership appurtenant to a particular Townhome, it will thereafter

be presumed for all purposes that the Owner was acting with the authority and consent of all other Owners with whom such Owner shares the membership, unless objection thereto is made by an Owner of that Townhome to the person presiding over the meeting at the time the vote is cast or counted.

(c) The vote of a corporation or limited liability company or other entity may be cast by any officer, manager or other representative of such entity in the absence of any express notice of the designation of a specific person by such entity to the Association. The person presiding over the meeting or vote may require reasonable evidence that the person voting is authorized to do so.

(d) The Association shall have no voting rights for any membership appurtenant to any Townhome owned by the Association.

3.03 Record Date. Those Members appearing in the records of the Association at 9:00 a.m. on the day prior to the date that notice of any meeting of the Members is required or permitted to be sent to Members shall be entitled to such notice; Members appearing in the records of the Association after such date shall not be entitled to such notice. Those Members appearing in the records of the Association at 9:00 a.m. Mountain Time on the day preceding the date of any meeting of the Members shall be the Members entitled to attend and vote at such meeting.

3.04 Quorum. A quorum is deemed present throughout any meeting of the Association if persons entitled to cast twenty percent (20%) of the votes in the Association are present, in person or by proxy, at the beginning of the meeting, except as otherwise provided in the Articles, the Declaration, or these Bylaws. If such quorum shall not be present or represented at any meeting, the Members present shall have the power to adjourn the meeting as set forth in Section 4.08 below.

3.04 Proxies. Votes may be cast in person or by proxy. Every proxy must be executed in writing by the Owner or his duly authorized attorney-in-fact. Such proxy shall be filed with the secretary of the Association before or at the time of the meeting. A Member may not revoke a proxy except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if not dated or if it purports to be revocable without notice. A proxy terminates eleven months after its date, unless it expressly provides otherwise. Every proxy shall be revocable and shall automatically cease upon conveyance of the Member's Townhome.

3.05 Majority Vote. At any meeting of the Members, if a quorum is present, the affirmative vote of a majority of the votes represented at the meeting, in person or by proxy, shall be the act of the Members, unless the vote of a greater number is required by law, the Articles, the Declaration or these Bylaws.

3.06 Cumulative Voting. Cumulative voting is not permitted for any purpose.

ARTICLE 4

MEETINGS OF MEMBERS

4.01 Annual Meeting. The annual meeting of the Members shall be held at a date and time designated by the Board, with the first such annual meeting being held within twelve months of the date of incorporation, for the purpose of electing members of the Board and for the transaction of such other business as may come before the meeting.

4.02 Meeting to Approve Annual Budget. At the annual meeting of the Association, or at a special meeting called for such purpose, the Owners shall be afforded the opportunity to ratify a budget of the projected revenues, expenditures and reserves for the Association's next fiscal year as proposed by the Board. A summary of the proposed budget approved by the Board shall be mailed, or otherwise delivered, to the Owners within thirty (30) days after its adoption along with a notice of a meeting of the Association to be held not less than fourteen (14) nor more than sixty (60) days after the mailing or delivery of the summary to the Owners (or, in the alternative, together with a ballot and information sufficient to satisfy the provisions of Section 4.10 below. Unless a majority of the Owners (not just those voting) reject the proposed budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected, the budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent budget proposed by the Board.

4.03 Special Meetings. Special meetings of the Members of the Association may be called at any time (a) by the President, (b) by a majority of the Board, or (c) upon written request of the Members having twenty percent (20%) of the votes in the Association.

4.04 Place of Meeting. The Board may designate the Association's principal offices or any place within the state of Colorado as the place for any annual meeting or for any special meeting called by the Board.

4.05 Notice of Meeting. Not less than ten nor more than fifty days in advance of any meeting of the members of the Association, the Secretary of the Association shall cause notice of the meeting to be given to the Owner of each Townhome. The notice of the meeting must state the date, time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or these Bylaws, any budget changes, and any proposal to remove an officer or member of the Board. In the case of a special meeting, the notice shall describe the purpose of the meeting.

4.06 Manner of Notice. Notice shall be given to Members in person; by telephone, telegraph, teletype, E-mail, electronically transmitted, or other form of wire or wireless communication; or by mail or private carrier.

4.07 Waiver of Notice. Before, at or after any meeting of the Members, any Member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member at any meeting shall be a waiver of notice by such Member except when such Member attends the meeting for the express purpose of objecting to the transaction of business because the meeting is not properly noticed.

4.08 Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a majority of the Members who are present at such meeting may adjourn the meeting to a time not less than five nor more than thirty days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

4.09 Meeting by Telecommunication. Any or all of the Members may participate in an annual or special meeting of the Members by, or the meeting may be conducted through the use of, any means of communication by which all persons participating in the meeting may hear and communicate with each other during the meeting. A Member participating in a meeting by this means is deemed to be present in person at the meeting.

4.10 Voting by Mail. The Board may decide that voting of Members on any matter shall be by mail or electronic means in lieu of or in addition to a meeting. Any action that may be taken at any annual or special meeting of Members may be taken without a meeting if the Secretary delivers a ballot to every Member entitled to vote on that matter by mail or electronic means. The ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by ballot 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. All solicitations for votes by ballot shall (a) indicate the number of responses needed to meet the quorum requirements, (b) state the percentage of approvals necessary to approve each matter other than the election of members of the Board, (c) specify the time by which a ballot must be received by the Association in order to be counted, and (d) be accompanied by written information sufficient to permit each person casting such ballot to reach an informed decision on the matter. A written ballot may not be revoked. For purpose of this paragraph, "electronic means" includes E-mail, fax or other electronic transmission.

4.11 Attendance by Tenants. Any Person leasing a Townhome shall be entitled to attend any meeting of the Members, even though not a Member themselves. However, only Members shall be entitled to vote on matters coming before the Members for a vote. Nothing herein shall preclude a Person leasing a Townhome from obtaining and exercising a proxy given by the Owner of the Townhome.

ARTICLE 5
DECLARANT CONTROL

5.01 Declarant Control of the Association.

(a) Subject to the terms and conditions of paragraphs 5.01 (c) and 5.02 (a) below, but notwithstanding anything else to the contrary contained in these Bylaws or in any other Association document, Declarant shall have the exclusive right to appoint and remove all directors and officers of the Association during the Period of Declarant Control. Notwithstanding any provision of these Bylaws to the contrary, the Declarant appointed directors do not have to reside in the Community.

(b) During the Period of Declarant Control the Executive shall consist of three members, or such greater number as determined by the Declarant.

(c) Declarant may voluntarily surrender its right to appoint and remove directors and officers of the Association prior to the expiration of the Period of Declarant Control, but, in that event, Declarant may require, for the remainder of the Period of Declarant Control, that specific actions of the Association or the Board, as described in a recorded instrument executed by Declarant, be approved by Declarant before they become effective.

5.02 Elections By Members.

(a) Notwithstanding anything to the contrary contained above in paragraph 5.01(a), not later than sixty (60) days after conveyance to Unit Owners other than Declarant of twenty-five percent of (25%) the Units That May Be Created, at least one (1) director and not less than twenty-five percent (25%) of the directors of the Board must be elected by Members other than the Declarant, and not later than sixty (60) days after conveyance to Unit Owners other than Declarant of fifty percent (50%) of the Units That May Be Created, not less than thirty-three and one-third percent (33⅓%) of the directors of the Executive Board must be elected by Members other than the Declarant.

(b) During the thirty-day period immediately preceding the date on which the Period of Declarant Control expires, the Members shall elect a Board of three members, at least a majority of whom must be Owners other than Declarant or designated representatives of Owners other than Declarant. Such Directors shall take office upon election.

ARTICLE 6

EXECUTIVE BOARD

6.01 Number, Tenure and Qualifications. Following the Period of Declarant Control, the business and affairs of the Association shall be managed by a Board consisting of three members, each of whom shall be (a) an individual Owner; or (b) a partner, trustee, officer, director or twenty-five percent shareholder of an organizational Owner. A person shall automatically cease to be a director at such time as he ceases to be an individual Owner or a partner, trustee, officer, director or twenty-five percent shareholder of an organizational Owner. An initial director shall hold office until removed by the Declarant or until such director is replaced by a Member elected director is elected as provided in these Bylaws and the Declaration. Upon expiration of the Period of Declarant Control, the Members, at a special meeting, shall elect one director for a term of one year, one director for a term of two years, and one director for a term of three years. The candidate receiving the largest largest number of votes shall be elected for initial three year term; the candidate receiving the fewest number of votes shall be elected for an initial one year term, and the third director shall be elected for an initial two year term. Each such term shall be deemed to have begun as of the date of the next annual meeting following such special meeting. 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. Each director shall hold office until the election and qualification of his successor or until his earlier death, resignation or removal. Each director must reside in the Community. No director may serve more than two consecutive terms, other than directors appointed by the Declarant.

6.02 Resignations; Vacancies. Any director may resign at any time by giving written notice to the president or to the secretary of the Association. Such resignation shall take effect at the time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Other than with respect to a director appointed by the Declarant during the Period of Declarant Control, any vacancy occurring on the Board (by reason of resignation or death) may be filled by the affirmative vote of a majority of the directors then in office though less than a quorum. A vacancy occurring on the Board created by the resignation or death of a director appointed by the Declarant during the Period of Declarant Control shall be filled by the Declarant appointing a new director. A director elected to fill a vacancy shall hold office until the next annual meeting of the Members and until his successor is duly elected and qualified.

6.03 Removal of Directors. Notwithstanding any provision contained in these Bylaws or any other Association document to the contrary, the Members, by a sixty-seven percent (67%) vote of all Members represented and entitled to vote at any meeting at which a quorum is present, may remove any director, with or without cause, other than a director appointed by Declarant during the Period of Declarant Control.

6.05 Powers. Except as provided in the Declaration, the Articles and these Bylaws, the Board may act on behalf of the Association in all instances. The Executive Board may not act on behalf of the Association, however, to (a) amend the Declaration except as expressly allowed therein; (b) terminate the Association, the Declaration or the planned community created by the Declaration; (c) elect directors to the Board, other than to fill a vacancy for the unexpired portion of any director's term, subject to Declarant's rights under Sections 5.01 and 5.02 above; or (d) determine the qualifications, powers and duties or terms of office, of directors.

6.06 Managing Agent. The Board may employ a manager or managing agent, or both, for the Association at a compensation established by the Board to perform such duties and services as the Board shall authorize. Any such delegation, however, shall not relieve the Board of its responsibility under the Declaration. If, and to the extent that, the Board delegates its powers relating to the collection, deposit, transfer or disbursement of Association funds to a manager or managing agent, or both, such manager or managing agent, or both shall:

(a) maintain fidelity insurance coverage or a bond in an amount of not less than \$50,000 or such other higher amount as the Board may require or may be required in the Declaration;

(b) maintain all funds and accounts of the Association separate from the funds and accounts of any other associations managed by the manager or managing agent, and maintain all reserve accounts of each association so managed separate from operational accounts of the Association; and

(c) have prepared and present to the Association an annual accounting for Association funds and a financial statement, which accounting and financial statement shall be prepared by the managing agent, a public accountant, or a certified public accountant.

6.07 Regular Meetings. Regular meetings of the Board may be held without call or formal notice at such places within or outside the State of Colorado, and at such times as the Board from time to time by vote may determine. Any business may be transacted at a regular meeting. The regular meeting of the Board for the election of officers and for such other business as may come before the meeting may be held without call or formal notice immediately after, and at the same place as, the annual meeting of Members, or any special meeting of Members at which a Board is elected.

6.08 Special Meetings. Special meetings of the Board may be called by the President or by at least two directors, upon the giving of at least three days' prior notice of the time and place thereof to each director by leaving such notice with such director or at such director's residence or usual place of business, or by mailing it prepaid, and addressed to such director at such director's post office address as it appears on the books of the Association, or by telephone. Notices need not state the purposes of the meeting. No notice of any adjourned meeting of the

directors shall be required. Special meetings of the Board may be held at any place within the State of Colorado.

6.9 Quorum. A majority of the number of directors fixed by these Bylaws, as amended from time to time, shall constitute a quorum for the transaction of business, but a lesser number may adjourn any meeting from time to time. When a quorum is present at any meeting, a majority of the directors in attendance shall, except where a larger number is required by law, by the Articles or by these Bylaws, decide any question brought before such meeting.

6.10 Meeting by Telecommunications. Any or all of the directors may participate in any meeting of the Board by, or the meeting may be conducted through the use of, any means of communication by which all persons participating in the meeting may hear and communicate with each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

6.11 Open Meetings. All regular and special meetings of the Board, or any committee thereof, shall be open to attendance by all members of the Association or their representatives, subject to the provisions of Section 6.12 below. Agendas for meetings of the Board shall be made reasonably available for examination by all members of the Association or their representatives.

6.12 Executive Sessions. The directors of the Board or any committee thereof may hold an executive or closed door session and may restrict attendance to Board directors and such other persons as requested by the Board during any regular or specially announced meeting or a part thereof. Matters for discussion by an executive or closed session are limited to:

- (a) Matters pertaining to employees of the Association 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 proceedings or matters from public disclosure;
- (e) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy.

Prior to the time the members of the Board or any committee thereof convene in executive session, the chair of the body shall announce the general matter of the discussion as enumerated

above. No rule or regulation of the Board or any committee thereof shall be adopted during an executive session. A rule or regulation may be validly adopted only during a regular or special meeting or after the Board goes back into regular session following an executive session. The minutes of all meetings at which an executive session was held shall indicate that an executive session was held and the general subject matter of the executive session.

6.13 Waiver of Notice. Before, at or after 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 such director except when such director attends the meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

6.14 Action Without a Meeting. Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting. If each and every director in writing either (a) votes for such action, or (b) votes against such action or abstains from voting, and the action is approved by the requisite number of directors. No action taken pursuant to this provision shall be effective unless writings describing the actions taken and evidencing the above, signed by all directors, are received the Association. Action taken pursuant to this provision shall be effective when the last writing necessary to effect the action has been received by the Association, unless the writings describing the action taken set forth a different effective date. 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 signed written instruments necessary for any action taken pursuant to this section shall be filed with the minutes of the meetings of the Board.

6.15 Compensation. No director shall receive any compensation for any service rendered to or for the Association, except that directors may be reimbursed for actual expenses incurred in the performance of official duties. Notwithstanding the foregoing, however, nothing contained herein shall preclude any director from performing services for the Association in any capacity other than as a director of the Association and receiving compensation therefor, so long as the arrangement has been approved by a majority of disinterested directors.

6.16 Enforcement. The Board shall have the power to impose reasonable fines, which shall constitute a Specific Assessment upon the property of the violating Owner and to suspend an Owner's right to vote or any person's right to use the Common Elements for violation of any duty imposed under the Declaration, these Bylaws, or any Rules and Regulations duly adopted hereunder; provided, however, nothing herein shall authorize the Association or the Board to limit ingress and egress to or from a Unit. In the event that any occupant, guest or invitee of a Unit violates the Declaration, Bylaws, or a Rule or Regulation and a fine is imposed, the Board may elect to impose a fine assessed against the occupant; provided, however, if the fine is not paid by the occupant within the time period set by the Board, the Board may assess the fine as a Specific Assessment against the Unit involved. Alternatively, the Board may impose a Specific Assessment against the Unit involved, without first fining the occupance, guest or invitee. The

failure of the Board to enforce any provisions of the Declaration, Bylaws, or any Rule or Regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

(a) Notice. Prior to imposition of any sanction, the Board or its agent shall serve the alleged violator (and Owner, if different) with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than 15 days within which the alleged violator may present a written request to the Board for a hearing; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within 15 days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed.

(b) Hearing. If a hearing is requested within the allotted fifteen day period, the hearing shall be held in executive session affording the alleged violator a reasonable opportunity to be heard. Such hearing shall occur at least five days prior to the effective date of proposed sanction. Prior to the effectiveness of any sanction, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or Owner, if different, appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

(c) Additional Enforcement Rights. Notwithstanding anything to the contrary, the Association, acting through the Board, may elect to enforce any provision of the Declaration, these Bylaws, or the Rules and Regulations of the Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations), suit at law or in equity to enjoin any violation or to recover monetary damages, or pursue any other remedy, or any combination of remedies without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

ARTICLE 7

OFFICERS, AGENTS AND COMMITTEES

7.01 General. The officers of the Association shall be a president (who shall be chosen from among the directors), a vice president, a secretary and a treasurer. All of the foregoing officers shall be elected by the Board from within its own members. The Board may elect or appoint such other officers, assistant officers, committees and agents, including assistant secretaries and assistant treasurers, as they may consider necessary or advisable, who shall be chosen in such manner and hold their offices for such terms and have such authority and duties as from time to time may be determined by the Board. One person may hold any two offices, except

that no person may simultaneously hold the offices of president and secretary. In all cases where the duties of any officer, agent or employee are not prescribed by the Bylaws or by the Board, such officer, agent or employee shall follow the orders and instructions of the president.

7.02 Removal of Officers. The Board may remove any officer, either with or without cause, and elect a successor at any regular meeting of the Board, or at any special meeting of the Executive Board called for such purpose.

7.03 Vacancies. A vacancy in any office, however occurring, shall be filled by the Board for the unexpired portion of the term.

7.04 President. The president shall be the chief executive officer of the Association. The president shall preside at all meetings of the Association and of the Board. The president shall have the general and active control of the affairs and business of the Association and general supervision of its officers, agents and employees. The president of the Association is designated as the officer with the power to prepare, execute, certify and record amendments to the Declaration, and any other documents, on behalf of the Association.

7.05 Vice President. The vice president shall assist the president and shall perform such duties as may be assigned to the vice president by the president or by the Board. In the absence of the president, the vice president shall have the powers and perform the duties of the president.

7.06 Secretary. The secretary shall:

- (a) keep the minutes of the proceedings of the Members and the Board;
- (b) see that all notices are duly given in accordance with the provisions of these Bylaws, the Declaration and as required by law;
- (c) be custodian of the corporate records and of the seal of the Association and affix the seal to all documents when authorized by the Board;
- (d) keep at the Association's principal offices a record containing the names and registered addresses of all Owners; and
- (e) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the Board. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the secretary.

7.07 Treasurer. The treasurer shall be the principal financial officer of the Association and shall have the care and custody of all funds, securities, evidences of indebtedness and other personal property of the Association and shall deposit the same in accordance with the

instructions of the Board. The treasurer shall receive and give receipts and acquittances for moneys paid in on account of the Association, and shall pay out of the funds on hand all bills, payrolls and other just debts of the Association of whatever nature upon maturity. The treasurer shall perform all other duties incident to the office of the treasurer and, upon request of the Board, shall make such reports to it as may be required at any time. The treasurer shall, if required by the Board, give the Association a bond in such sums and with such sureties as shall be satisfactory to the Board, conditioned upon the faithful performance of his duties and for the restoration to the Association of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Association. He shall have such other powers and perform such other duties as may be from time to time prescribed by the Board or the president. The assistant treasurers, if any, shall have the same powers and duties, subject to the supervision of the treasurer.

7.08 Delegation to Manager. Any of the duties of the Treasurer and Secretary may be delegated by the Board to a professional management company engaged by the Board.

7.09 Committees. The Executive Board may appoint any committees that it deem appropriate, and delegate to such committee(s) any powers and responsibilities as it deems appropriate.

ARTICLE 8

EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS AND LIEN HOLDERS

8.01 Proof of Ownership. Except for those Owners who initially contracted to purchase a Unit from the Declarant, any person on becoming an Owner shall furnish to the Association, or the Association's managing agent, evidence satisfactory to the Secretary of such Owner's ownership of such Townhome. An Owner shall not be deemed to be in good standing and shall not be entitled to vote at any annual or special meeting of Members unless this requirement is first satisfied.

8.02 Registration of Mailing Address. If a Townhome is owned by two or more Owners, such Owners shall designate one address as the registered address required by the Declaration. The registered address of an Owner or Owners shall be furnished to the secretary of the Association, or the Association's managing agent, within ten days after transfer of title, or after a change of address. Such registration shall be in written form and signed by all of the Owners of the Townhome or by such persons as are authorized to represent the interests of all Owners of the Townhome. If no address is registered or if all of the Owners cannot agree, then the address of the Townhome shall be deemed the registered address of the Owner(s), and any notice shall be deemed duly given if delivered to the Townhome.

8.04 Address of the Association. The address of the Association shall be 75 Manhattan Drive, Suite 1, Boulder, Colorado 80303. Such address may be changed from time to time upon written notice to all Owners.

ARTICLE 9

SECURITY INTEREST IN MEMBERSHIP

Owners shall have the right irrevocably to constitute and appoint a first Mortgagee their true and lawful attorney-in-fact to vote their interest as Members in the Association at any and all meetings of the Association and to vest in the Mortgagee any and all rights, privileges and powers that they have as Owners under the Articles and these Bylaws or by virtue of the Declaration. Such proxy shall become effective upon the filing of notice by the first Mortgagee with the secretary of the Association, or the Association's managing agent, at such time or times as the first Mortgagee shall deem its security in jeopardy by reason of the failure, neglect or refusal of the Association, the Board or the Owners to carry out their duties as set forth in the Declaration. A release of the Mortgage covering the subject Unit shall operate to revoke such proxy. Nothing herein contained shall be construed to relieve Owners, as Mortgagors, of their duties and obligations as Owners or to impose upon the first Mortgagee the duties and obligations of an Owner.

ARTICLE 10

AMENDMENTS

10.01 By Directors. Except as limited by law, the Articles, the Declaration or these Bylaws, the Board shall have power to make, amend and repeal the Bylaws of the Association at any regular meeting of the Board or at any special meeting called for that purpose at which a quorum is represented. If, however, the Members shall make, amend or repeal any Bylaw the directors shall not thereafter amend the same in such manner as to defeat or impair the object of the Members in taking such action.

10.02 Members. The Members may, by the vote of the holders of at least fifty-one percent (51%) of the votes of the Members, unless a greater percentage is expressly required by law, the Articles, the Declaration or these Bylaws, make, alter, amend or repeal the Bylaws of the Association at any annual meeting or at any special meeting called for that purpose at which a quorum shall be represented.

ARTICLE 11

INDEMNIFICATION OF DIRECTORS AND OFFICERS

11.01 Indemnification. To the fullest extent permitted by law, the Association shall indemnify its directors, officers, and committee members against all expenses, including counsel fees reasonably incurred in connection with any action, suit, or other proceeding (including

settlement of any suit or proceeding, if approved by the then Board) to which he or she may be made a party by reason of being or having been an officer, director, or committee member. The officers, directors, committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own willful misfeasance, malfeasance, misconduct, or bad faith. The officers, directors and committee members shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the extent that such officers, directors or committee members may also be Members of the Association). The Association shall indemnify and forever hold each such officer, director and committee member harmless from any and all liability to others on account of any such contract, commitment or action. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association's obligation to indemnify shall be limited to the actual proceeds of any insurance policy available to the Association for such purpose, plus the deductible. Such indemnification shall not apply to any managing agent hired by the Association as an independent contractor.

11.02 Insurance. The Association shall purchase and maintain insurance on behalf of any person who is or was member of the Board or an officer of the Association against any liability asserted against him or her and incurred by such individual in any such capacity or arising out of his or her status as such, whether or not the Association would have to power to indemnify such individual against such liability under the provisions of Section 11.01 above.

ARTICLE 12

MISCELLANEOUS

12.01 Books and Records. The Association, or its managing agent, shall keep detailed, accurate and complete books and records of its receipts and expenditures, shall keep minutes of the proceedings of the Board and Members, and shall keep at its registered or principal office in Colorado, a record of the names and addresses of the Members entitled to vote. Upon ten (10) days notice to the general manager, if any, or to the president of the Association, any Member 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. Current copies of the Articles of Incorporation and Bylaws of the Association, Rules and Regulations governing the Association, and other books, records and financial statements of the Association, shall be made available to Members. The word "available", as used herein, shall mean available for inspection, upon request, during normal weekday business hours or under other reasonable circumstances. The Board shall establish reasonable rules with respect to payment of the cost of reproducing copies of documents requested. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association. The right of inspection by a director includes the right to make extracts and a copy of relevant documents at the expense of the Association.

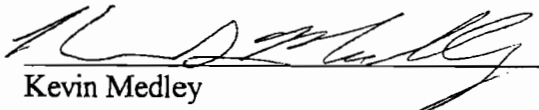
12.02 No Seal. The Association need not have or use a corporate seal.

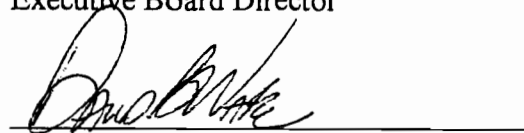
12.03 Fiscal Year. The fiscal year of the Association shall be such as may from time to time be established by the Executive Board.

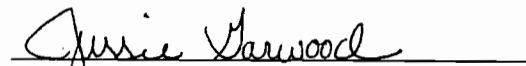
12.04 Conflict of Documents. In case of any conflict between the Declaration and these Bylaws, the Declaration shall control. In case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control. In case of any conflict between the Declaration and the Articles of Incorporation, the Declaration shall control.

IN WITNESS WHEREOF, the undersigned being all of the initial directors of the Board of the Stapleton Filing 12 Townhome Association, Inc. have adopted these Bylaws as evidenced by set forth their signatures below, this 7 day of June, 2002.

THE STAPLETON FILING 12
TOWNHOME ASSOCIATION, INC.


Kevin Medley
Executive Board Director


David Ware
Executive Board Director


Jessie Garwood
Executive Board Director