

AMENDED AND RESTATED BY-LAWS
FOR
THE VILLAGE SQUARE ASSOCIATION, INC.

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1 - INTRODUCTION	1
ARTICLE 2 - BOARD	1
2.1 Number and Qualification.....	1
2.2 Powers and Duties.....	3
2.3 Manager	5
2.4 Removal of Directors	5
2.5 Vacancies	5
2.6 Regular Meetings	5
2.7 Special Meetings.....	6
2.8 Waiver of Notice.....	6
2.9 Quorum of Directors	6
2.10 Consent to Corporate Action	6
2.11 Telephone Communication in Lieu of Attendance.....	6
2.12 Compensation of Directors	6
ARTICLE 3 - UNIT OWNERS AND LESSEES.....	7
3.1 Members	7
3.2 Annual Meeting	7
3.3 Budget Meeting.....	7
3.4 Special Meetings.....	7
3.5 Place of Meetings.....	7
3.6 Notice of Meetings.....	7
3.7 Waiver of Notice.....	7
3.8 Adjournment of Meeting.....	8
3.9 Order of Business.....	8
3.10 Voting	8
3.11 Quorum	9
3.12 Majority Vote.....	9
3.13 Voting By Mail	9

ARTICLE 4 - OFFICERS.....	10
4.1 Designation	10
4.2 Election of Officers.....	10
4.3 Removal of Officers.....	10
4.4 President.....	11
4.5 Vice President	11
4.6 Secretary	11
4.7 Treasurer	11
4.8 Agreements, Contracts, Deeds, Checks, etc.	12
4.9 Statements of Unpaid Assessments	12
 ARTICLE 5 - ENFORCEMENT	 12
5.1 Abatement and Enjoinment of Violations by Unit Owners and Lessees.....	12
 ARTICLE 6 - INDEMNIFICATION	 13
 ARTICLE 7 - RECORDS.....	 13
7.1 Records and Audits.....	13
7.2 Examination	13
7.3 Records	13
7.4 Accounting Procedures	14
 ARTICLE 8 - MISCELLANEOUS	 15
8.1 Notices	15
8.2 Fiscal Year	15
8.3 Waiver.....	16
8.4 Office	16
8.5 Reserves	16
8.6 Additional Matters	16
 ARTICLE 9 - AMENDMENTS TO BY-LAWS.....	 17
9.1.....	17
9.2.....	17

AMENDED AND RESTATED BY-LAWS
OF
THE VILLAGE SQUARE ASSOCIATION, INC.
f/k/a The Village Square Condominium Association
(A COLORADO NONPROFIT CORPORATION)

ARTICLE 1 - INTRODUCTION

These are the Amended and Restated By-Laws of The Village Square Association, Inc. f/k/a The Village Square Condominium Association (the “Association”) which shall operate under the Colorado Revised Nonprofit Corporation Act, as amended, and the Colorado Common Interest Ownership Act, as amended (“CCIOA”). In the event of any conflict between these By-Laws and CCIOA, the latter shall take precedence and be controlling. These Amended and Restated By-Laws supersede in their entirety all prior By-Laws, amendments and supplements thereto. Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the “Amended and Restated Declaration of Covenants, Conditions and Restrictions for Village Square Condominiums” as the same may be amended (the “Declaration”) or in its Amended and Restated Articles of Incorporation (“Articles”).

ARTICLE 2 - BOARD

Section 2.1 Number and Qualification.

(a) The affairs of the Common Interest Community and the Association shall be governed by an Executive Board which shall consist of five(5) persons (each a “Director”), each of whom shall be owners or lessees of one or more Units (“Unit Owners” or “Lessees”)(Unless the context clearly provides to the contrary in these By-Laws the terms “Unit Owner(s)”, “Lessees” and “Member(s)” are used interchangeably). If any Unit is owned or leased by a partnership, limited liability company, corporation or trust, any officer, partner, employee or trustee of that Unit Owner or Lessee shall be eligible to serve as a member of the Executive Board and shall be deemed to be a Unit Owner or Lessee for the purposes of the preceding sentence. Directors shall be elected by the Members of the Association. To encourage diversity of representation on the Executive Board, not more than one Unit Owner or lessee of a Unit shall serve as a Director. If any Unit Owner or lessee owns more than one Unit this restriction to one

Director shall apply to all Units collectively owned. At any meeting at which Directors are to be elected, the Members may, by resolution, adopt specific procedures which are not inconsistent with these By-Laws, CCIOA or, as applicable, the Colorado Revised Nonprofit Corporation Act for conducting elections. A person shall automatically cease to be a Director at such time as he or she ceases to be an individual Member or a partner, trustee, officer, director or shareholder of an organizational Member.

(b) Classification of the Directors shall be made by dividing them into two classes. Class One shall consist of four Residential Unit Directors and Class Two shall consist of one Commercial/Conference Center Director. Commencing in 2009, one Director shall be nominated by, collectively, the Members representing the Commercial Condominium Units and the Conference Center and which Member shall be the Member of the Second Class. The Class Two Director shall initially be that person elected at the 2009 Annual Meeting for a one year term of the Executive Board. In the event of a vacancy in the office of the Class Two Director, such vacancy shall be filled by the remaining elected Directors in the manner provided for in Section 2.5 of these By-Laws by a Member designated collectively by the representatives of the Commercial Condominium Units and the Conference Center.

(c) Except as provided at Section 2.1(d) below, at each annual meeting after approval of these By-Laws as amended and restated, one or more Directors shall be elected to succeed the Director(s) whose term expire(s) at such meeting and to hold office until the third succeeding annual meeting. It is the intent of the By-Laws that the three year terms of Directors elected under the earlier Amended and Restated By-Laws be continued until expiration thereof.

(d) Upon the increase in the number of Executive Board members from three (3) to five (5), in addition to the election of a Class One Director for a three year term, two additional Directors shall be elected at the 2009 annual meeting of the Association, a Class Two Director for a term continuing until the following annual meeting of the Members (initial term of one year) and a Class One Director for a term continuing until the second annual meeting of the Members (initial term of two years). Consistent with the provisions of Section 2.1(e) below, there will be one election with the Class One candidate receiving the highest number of votes to serve for the three year term. The Class One candidate with the next highest number of votes shall serve the two year term and the Class Two candidate shall serve the one year term. In the case of a tie vote for Class One candidates the determination as to which Class One Director serves for each term shall be determined by lot or otherwise as the President of the Association may direct.

(e) If more than one Board vacancy exists, election of Board Members shall be by a plurality of the votes counted. It is the intent of these ByLaws that (except as provided at Section 2.1(d) above) no more than two Directors be elected at any one annual meeting of the Association.

(f) The Executive Board shall elect the Officers. The Directors and Officers shall take office upon election.

Section 2.2 Powers and Duties. The Executive Board may act in all instances on behalf of the Association, except as provided in the Declaration, these By-Laws or CCIOA and/or the Colorado Revised Nonprofit Corporation Act. The Executive Board shall have, subject to the limitations contained in the Declaration and CCIOA and/or the Colorado Revised Nonprofit Corporation Act, the powers and duties necessary for the administration of the affairs of the Association and of the Common Interest Community, including the following powers and duties:

(a) Adopt and amend By-Laws and rules and regulations of the Association (“Rules”);

(b) Adopt proposed budgets for revenues, expenditures and reserves and proposed amendments thereto;

(c) To levy and collect monthly and special assessments to be paid by each of the Unit Owners or Lessees to meet the common expenses as defined in the Declaration, and to create a contingency reserve therefore. Subject to the provisions of CCIOA, the board may adjust the monthly assessment from time to time as may in the discretion of the board be deemed necessary or advisable. Subject to the provisions of CCIOA, special assessments may be levied in accordance with the Declaration whenever in the opinion of the board it is necessary or advisable to do so (i) to meet increased operating or maintenance expenses or costs, (ii) to provide for additional capital expenses, or (iii) because of emergencies. All monthly or other assessments shall be in itemized statement form and shall set forth the detail of the various expenses for which the assessments are being made.

(d) Hire and discharge managing agents;

(e) Hire and discharge employees, independent contractors and agents;

(f) Institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violations of the Association’s Declaration, By-Laws or Rules in the Association’s name, on behalf of the Association or two or more Unit Owners or Lessees on matters affecting the Common Interest Community;

(g) Make contracts and incur liabilities;

- (h) Regulate the use, maintenance, repair, replacement and modification of Common Elements;
- (i) Cause additional improvements to be made as a part of the Common Elements;
- (j) Acquire, hold, encumber and convey, in the Association's name, any right, title or interest to real estate or personal property, but Common Elements may be conveyed or subjected to a security interest only pursuant to Section 312 of CCIOA;
- (k) Grant easements for any period of time, including permanent easements, and grant leases, licenses and concessions for no more than one year, through or over the Common Elements;
- (l) Impose and receive a payment, fee or charge for services provided to Unit Owners and Lessees and for the use, rental or operation of the General Common Elements in accordance with the Declaration, including Section 2.5(e) thereof;
- (m) Impose a reasonable charge for late payment of assessments and, after notice and hearing, levy a reasonable fine for a violation of the Declaration, By-Laws, Rules and Regulations of the Association;
- (n) Impose a reasonable charge for the preparation and recording of amendments to the Declaration, the Condominium Map for the Common Interest Community or statements of unpaid assessments;
- (o) Provide for the indemnification of the Association's officers and the Executive Board and maintain Directors' and officers' liability insurance;
- (p) Exercise any other powers conferred by the Declaration, CCIOA, or the Colorado Revised Nonprofit Corporation Act, as amended;
- (q) Exercise any other power necessary and proper for the governance and operation of the Association; and
- (r) 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 Unit Owners or Lessees and the Executive Board. However,

actions taken by a committee may be appealed to the Executive Board by any Unit Owner or Lessee within 45 days of publication of notice of that action, and the committee's action must be ratified, modified or rejected by the Executive Board at its next regular meeting.

Section 2.3 Manager. The Executive Board may employ a manager or managing agent (which may be a wholly-owned subsidiary of the Association) for the Common Interest Community, at a compensation established by the Executive Board, to perform duties and services authorized by the Executive Board. The Executive Board may delegate to the manager only the powers granted to the Executive Board by these By-Laws under Section 2.2, subdivisions (c), (e), (g), (h) and (i). Licenses, concessions and contracts may be executed by the manager pursuant to specific resolutions of the Executive Board and to fulfill the requirements of the budget.

Section 2.4 Removal of Directors. The Unit Owners or Lessees may remove any Director of the Executive Board, with or without cause, by the affirmative vote of at least two-thirds of the votes present and entitled to be cast at a meeting of the Members at which a quorum of Members is present.

Section 2.5 Vacancies. Any Director may resign by giving written notice thereof to the Executive Board. The effective date of such resignation shall be the date stated therein or upon receipt if no date is stated. Vacancies in the Executive Board, caused by any reason other than the removal of a Director by a vote of the Unit Owners or Lessees, may be filled at a regular, or a special meeting of the Executive Board called for that purpose at any time after the occurrence of the vacancy, even though the Directors present at that meeting may constitute less than a quorum. These appointments shall be made in the following manner:

(a) As to vacancies of Directors, by a majority of the remaining elected Directors constituting the Executive Board; and

(b) Each person so elected or appointed shall be a Director for the remainder of the term of the Director so replaced.

Section 2.6 Regular Meetings. The regular meeting of the Executive Board following each annual meeting of the Unit Owners and Lessees shall be held within 10 days after the annual meeting at a time and place to be set by the elected Directors of the Executive Board who are in attendance at the meeting, at which they shall have been elected. If all of the newly elected Directors are not in attendance at the meeting, notice shall be given by the other Directors to the newly elected Directors at least two days prior to such meeting in order to legally constitute such meeting. The Executive Board may set a schedule of additional regular meetings by resolution

and the schedule shall be sent to each Director and Unit Owner and Lessee after it is set and no further notice is necessary to constitute regular meetings.

Section 2.7 Special Meetings. Special meetings of the Executive Board may be called by the President or by a majority of the Directors on at least three calendar days' notice to each Director. The notice shall be hand-delivered or mailed or sent by electronic mail or facsimile or by delivery service and shall state the time, place and purpose of the meeting.

Section 2.8 Waiver of Notice. Any Director may waive notice of any meeting in writing. Attendance by a Director at any meeting of the Executive Board shall constitute a waiver of notice. If all the Directors are present at any meeting, no notice shall be required, and any business may be transacted at such meeting.

Section 2.9 Quorum of Directors. At all meetings of the Executive Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute a decision of the Executive 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.

Section 2.10 Consent to Corporate Action. If all the Directors or all Directors of a committee established for such purposes, as the case may be, severally or collectively consent in writing to any action taken or to be taken by the Association, that action shall be a valid corporate action as though it had been authorized at a meeting of the Executive Board or the committee, as the case may be. The secretary shall file these consents with the minutes of the meetings of the Executive Board.

Section 2.11 Telephone Communication in Lieu of Attendance. A Director may attend a meeting of the Executive 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 Executive Board. The Director's vote shall be counted and the presence noted as if that Director were present in person on that particular matter.

Section 2.12 Compensation of Directors. The Executive Board is authorized to make provisions for reasonable compensation to its members.

ARTICLE 3 - UNIT OWNERS AND LESSEES

Section 3.1 Members. Each person who holds fee simple title or a Lease to a Unit shall be a Member of the Association and hold a membership interest in the Association as set forth in the Declaration and the Articles.

Section 3.2 Annual Meeting. Annual meetings of Members shall be held once per calendar year commencing in the year 2002 during the Labor Day Weekend at such date and place selected by the Executive Board and set forth in a notice thereof. At these meetings, the Directors shall be elected by ballot of the Members who have complied with the requirements of 7.4(a) and 7.4(b) of the Declaration. Each Owner and Lessee shall be entitled to vote in accordance with Section 5.3 of the Articles. Cumulative voting shall not apply in election of the Executive Board or for any other purpose. The Members may transact other business as may properly come before them at these meetings.

Section 3.3 Budget Meeting. Meetings of Unit Owners and Lessees to consider proposed budgets shall be called in accordance with CCIOA. The budget may be considered at Annual or Special Meetings called for other purposes as well.

Section 3.4 Special Meetings. Special meetings of the Association may be called by the president, by a majority of the members of the Executive Board or by Members representing twenty percent (20%) of the votes in the Association.

Section 3.5 Place of Meetings. Meetings of the Members shall be held at the Village Square Condominiums, or may be adjourned to a suitable place convenient to the Members, as may be designated by the Executive Board or the president.

Section 3.6 Notice of Meetings. The secretary or other officer specified in the By-Laws shall cause notice of meetings of the Members to be hand-delivered or sent prepaid by United States mail or other delivery service to the mailing address designated in writing by the Unit Owner or Lessee, or, if none so designated, to the mailing address of a Unit not less than 10 nor more than 50 days in advance of a meeting. No action shall be adopted at a meeting except as stated in the notice.

Section 3.7 Waiver of Notice. Any Member may, at any time, waive notice of any meeting of the Members in writing, and the waiver shall be deemed equivalent to the receipt of notice.

Section 3.8 Adjournment of Meeting. At any meeting of Members, a Majority of the Members who are present at that meeting, either in person or by proxy, may adjourn the meeting to another time.

Section 3.9 Order of Business. The order of business at all meetings of the Members shall be as follows:

- (a) Roll call (or check-in procedure);
- (b) Proof of notice of meeting;
- (c) Reading of minutes of preceding meeting;
- (d) Reports;
- (e) Establish number and term of memberships of the Executive Board (if required and noticed);
- (f) Election of inspectors of election (when required);
- (g) Election of Directors of the Executive Board (when required);
- (h) Ratification of budget (if required and noticed);
- (i) Unfinished business; and
- (j) New business.

Section 3.10 Voting.

(a) The voting rights of the Members shall be as set forth in the Declaration, the Articles and these By-Laws.

(b) All or any portion of the votes allocated to a Unit may be cast under a proxy duly executed by any Unit Owner or Lessee or its attorney-in-fact, duly authorized in writing. A proxy given under this section may be revoked only by actual notice of revocation to the person

presiding over a meeting of the Association. 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 or longer term.

(c) The vote of a corporation, limited liability company, limited partnership or trust may be cast by any officer, manager, general partner or trustee of that entity in the absence of express notice of the designation of a specific person to the Executive Board, operating agreement, partnership agreement, trust or bylaws of the owning entity. The vote of a general partnership may be cast by any general partner of the owning partnership in the absence of express notice of the designation of a specific person by the owning partnership. The moderator of the meeting may require reasonable evidence that a person voting on behalf of a corporation, limited liability company, partnership or trust owner is qualified to vote.

(d) Votes allocated to a Unit owned by the Association may not be cast.

Section 3.11 Quorum. Except as otherwise provided in these By-Laws, the Members present in person or by proxy at any meeting of Members, but no less than the number of Unit Owners representing thirty percent (30%) of the votes of the members, shall constitute a quorum at that meeting.

Section 3.12 Majority Vote. The vote of a majority of the Unit Owners and Lessees present in person or by proxy at a meeting at which a quorum shall be present shall be binding upon all Unit Owners and Lessees for all purposes except where a higher percentage vote is required in the Declaration, these By-Laws or by law, including CCIOA or the Colorado Revised Nonprofit Corporation Act.

Section 3.13 Voting By Mail. The Executive Board may decide that voting of the Members shall be by mail with respect to any properly noticed matter or to any particular election of Director(s) or with respect to adoption of any proposed amendment to the Articles, or adoption of a proposed plan of merger, consolidation or dissolution.

In case of election of Directors by mail, the existing Executive Board shall nominate candidates and shall advise the Secretary in writing of the names of nominated Directors sufficient to constitute a full Executive Board and of a date at least thirty (30) days after such advice is given by which all votes are to be received. The Secretary, within five days after such advice is given, shall give written notice of the number of Directors to be elected and of the names of the nominees to all Owners and Lessees (and co-owners and co-lessees) of each membership. The notice shall state that any such Owners and Lessees (and co-owners and co-

lessees) may nominate an additional candidate or candidates, not to exceed the number of Directors to be elected, by notice in writing to the Secretary at the specified address of the principal office of the Corporation, to be received on or before a specified date fifteen (15) days from the date the notice is given by the Secretary. Within five (5) days after such specified date, the Secretary shall give written notice to all Owners and Lessees (and co-owners and co-lessees) of a membership, stating the number of Directors to be elected, stating the names of all persons nominated by the Executive Board and by the members on or before said specified date, stating that each Owner or co-owner or Lessee or co-lessee may cast a vote by mail and stating the date established by the Executive Board by which such votes must be received by the Secretary at the address of the principal office of the Corporation, which shall be specified in the notice. Votes received after that date shall not be effective. The Directors shall be elected by the vote of a plurality of the votes cast by the said specified date. With regard to any other proposal, the secretary shall give notice to Owners and Lessees of the proposal to be voted on in the same manner with a specific date at least thirty (30) days after such notice by which all votes must be received. Except as otherwise set forth in the Declaration, the Articles, these By-Laws or as required by law, any such proposal shall be adopted if approved by the affirmative vote of not less than sixty-six and two-thirds percent (66-2/3%) of the votes entitled to be cast on such question.

Delivery of a vote in writing to the principal office of the Corporation shall be equivalent to receipt of a vote by mail at such address for the purpose of this Section 3.13.

ARTICLE 4 - OFFICERS

Section 4.1 Designation. The principal officers of the Association shall be the president, the vice president, the secretary and the treasurer, any of whom shall be elected by the Executive Board. The Executive 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.

Section 4.2 Election of Officers. The officers of the Association shall be elected annually by the Executive Board at the organizational meeting of each new Executive Board. They shall hold office at the pleasure of the Executive Board.

Section 4.3 Removal of Officers. Upon the affirmative vote of a majority of the Directors, any officer may be removed, either with or without cause. A successor may be elected

at any regular meeting of the Executive Board or at any special meeting of the Executive Board called for that purpose.

Section 4.4 President. The president shall be the chief executive officer of the Association. The president shall preside at all meetings of the Unit Owners and Lessees and of the Executive 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 Unit Owners and Lessees from time to time as the president may decide is appropriate to assist in the conduct of the affairs of the Association. The president may fulfill the role of treasurer in the absence of the treasurer. The president may cause to be prepared and may execute amendments, attested by the secretary, to the Declaration and these By-Laws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

Section 4.5 Vice President. The vice president shall take the place of the president and perform the president's duties whenever the president is absent or unable to act. If neither the president nor the vice president is able to act, the Executive Board shall appoint some other Director to act in the place of the president on an interim basis. The vice president shall also perform other duties imposed by the Executive Board or by the president.

Section 4.6 Secretary. The secretary shall keep the minutes of all meetings of the Unit Owners and Lessees and the Executive Board. The secretary shall have charge of the Association's books and papers as the Executive Board may direct and shall perform all the duties incident to the office of secretary of a nonprofit corporation organized under the laws of the State of Colorado. The secretary may cause to be prepared and may attest to execution by the president of amendments to the Declaration and the By-Laws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

Section 4.7 Treasurer. The treasurer shall be responsible for Association funds and securities, for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. This officer shall be responsible for the deposit of all monies and other valuable effects in depositories designated by the Executive Board and shall perform all the duties incident to the office of treasurer of a nonprofit corporation organized under the laws of the State of Colorado. The treasurer may endorse on behalf of the Association, for collection only, checks, notes and other obligations and shall deposit the same and all monies in the name of and to the credit of the Association in banks designated by the Executive Board. Except for reserve funds described below, the treasurer may have custody of and shall have the power to endorse for transfer, on

behalf of the Association, stock, securities or other investment instruments owned or controlled by the Association or as fiduciary for others. Reserve funds of the Association shall be deposited in segregated accounts or in prudent investments, as the Executive Board decides. Funds may be withdrawn from these reserves for the purposes for which they were deposited, by check or order, authorized by the treasurer, and executed by two Directors, one of whom may be the treasurer if the treasurer is also a Director.

Section 4.8 Agreements, Contracts, Deeds, Checks, etc. Except as provided in Sections 4.4, 4.6, 4.7, and 4.9 of these By-Laws, all agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by any officer of the Association or by any other person, persons or entity designated by the Executive Board.

Section 4.9 Statements of Unpaid Assessments. The treasurer, assistant treasurer, a manager employed by the Association or, in their absence, any officer having access to the books and records of the Association may prepare, certify, and execute statements of unpaid assessments, in accordance with Section 316 of CCIOA.

ARTICLE 5 - ENFORCEMENT

Section 5.1 Abatement and Enjoinment of Violations by Unit Owners and Lessees. The violation of any of the Rules adopted by the Executive Board or the breach of any provision of the Documents shall give the Executive Board the right, after notice and hearing, except in case of an emergency, in addition to any other rights set forth in these By-Laws:

(a) To enter the Unit or Limited Common Element in which, or as to which, the violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner or Lessee, any structure, thing or condition (except for additions or alterations of a permanent nature that may exist in that Unit) that is existing and creating a danger to the Common Elements contrary to the intent and meaning of the provisions of the Association Documents. The Executive Board shall not be deemed liable for any manner of trespass by this action; or

(b) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

ARTICLE 6 - INDEMNIFICATION

To the fullest extent provided by the Colorado Revised Nonprofit Corporation Act, as amended, the Directors, officers and members of duly appointed committees composed of members of the Association shall not be liable to the Association or the Unit Owners and Lessees for monetary damages or breach of fiduciary duty. The Association shall indemnify the Directors and officers of the Association to the fullest extent provided by CCIOA and the Colorado Revised Nonprofit Corporation Act, as amended.

ARTICLE 7 - RECORDS

Section 7.1 Records and Audits. The Association shall maintain financial records. The cost of any audit shall be a Common Expense unless otherwise provided in the Declaration.

Section 7.2 Examination. All records maintained by the Association or the manager shall be available for examination and copying by any Unit Owner or Lessee, any holder of a mortgage or deed of trust in a Unit or its insurer or guarantor, or by any of their duly authorized agents or attorneys, at the expense of the person examining the records, during normal business hours and after reasonable notice.

Section 7.3 Records. The Association shall keep the following records:

(a) An account for each Unit, which shall designate the name and address of each Unit Owner or Lessee, the name and address of each mortgagee who has given notice to the Association that it holds a mortgage or deed of trust on the Unit, the amount of each Common Expense assessment, the dates on which each assessment comes due, the amounts paid on the account and the balance due;

(b) An account for each Unit Owner or Lessee showing any other fees payable by the Unit Owner or Lessee;

(c) A record of any capital expenditures approved by the Executive Board for the current and next two succeeding fiscal years;

(d) A record of the amount and an accurate account of the current balance of any reserves for capital expenditures, replacement and emergency repairs, together with the amount of those portions of reserves designated by the Association for a specific project;

(e) The most recent regularly prepared balance sheet and income and expense statement, if any, of the Association;

(f) The current operating budget adopted pursuant to Section 315(1) of CCIOA and ratified pursuant to the procedures of Section 303(4) of CCIOA;

(g) A record of any unsatisfied judgments against the Association and the existence of any pending suits in which the Association is a defendant;

(h) A record of insurance coverage provided for the benefit of Unit Owners and Lessees and the Association;

(i) A record of any alterations or improvements to Units or Limited Common Elements which violate any provisions of the Declaration of which the Executive Board has knowledge;

(j) A record of any violations, with respect to any portion of the Common Interest Community, of health, safety, fire or building codes or laws, ordinances, or regulations of which the Executive Board has knowledge;

(k) A record of the actual cost, irrespective of discounts and allowances, of the maintenance of the Common Elements;

(l) Balance sheets and other records required by local corporate law;

(m) Tax returns for state and federal income taxation;

(n) Minutes of proceedings of incorporators, Unit Owners and Lessees, Directors, committees of Directors and waivers of notice; and

(o) A copy of the most current versions of the Declaration, By-Laws, Rules, and resolutions of the Executive Board, along with their exhibits and schedules.

Section 7.4 Accounting Procedures.

(a) For each of the categories of residential units, employee housing units, commercial units and the Conference Center unit (each, a "Category"), separate accounts ("Accounts") shall be established in the Association's general ledger using the same account

classifications as are used in the annual budget approved (or deemed approved) by the members of the Association in accordance with CCIOA (the “Approved Budget”).

(b) Quarterly and annual financial statements of the Association shall be prepared showing the actual income and expenses for each Category for such period.

(c) Whenever possible, expenses incurred by the Association shall be assigned directly to the appropriate Account within the Category for which such expenses were incurred.

(d) When the Association incurs expenses for more than one Category, such expenses shall be allocated between or among Categories in accordance with the manner of allocating such expenses set forth in the Approved Budget, unless the Association’s Executive Board determines that another method of allocation would be more equitable.

(e) The assignment and allocation of expenses described in paragraphs 7.4(c) and 7.4(d) above are for financial reporting purposes only and shall not be deemed to modify any Approved Budget or require any member of the Association to pay assessments in any greater or lesser amount than as are required by the Approved Budget.

ARTICLE 8 - MISCELLANEOUS

Section 8.1 Notices. All notices to the Association or the Executive Board shall be delivered to the office of the manager or, if there is no manager, to the President of the Executive Board of the Association, or to such other address as the Executive Board may designate by written notice to all Unit Owners and Lessees and to all holders of a mortgage or deed of trust in the Units who have notified the Association that they hold a mortgage or deed of trust in a Unit. Except as otherwise provided, all notices to any Unit Owner or Lessee shall be sent to the Unit Owner’s or Lessee’s address as it appears in the records of the Association. All notices to holders of Security Interests in the Units shall be sent, except where a different manner of notice is specified elsewhere in the Documents, by registered or certified mail to their respective addresses, as designated by them in writing to the Association. All notices shall be deemed to have been given when mailed, except notices of changes of address, which shall be deemed to have been given when received.

Section 8.2 Fiscal Year. The fiscal year of the Association shall commence on October 1st of each calendar year or such other date as may be determined by the Executive Board.

Section 8.3 Waiver. No restriction, condition, obligation or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 8.4 Office. The principal office of the Association shall be at 209 Ten Mile Circle, P.O. Box 3001, Copper Mountain, Colorado 80443, or at such other place as the Executive Board may from time to time designate.

Section 8.5 Reserves. As a part of the adoption of any proposed budget the Executive Board shall include an amount which, in its reasonable business judgment, will establish and maintain an adequate reserve fund for the replacement of improvements to the Common Elements and those Limited Common Elements defined in the Declaration that it is obligated to maintain, based upon the project's age, remaining life and the quantity and replacement cost of major Common Element improvements.

Section 8.6 Additional Matters. For so long as the Association consists of 30 or more dwelling Units and the collection, deposit, transfer or disbursement of Association funds are delegated to a Unit Owner or Lessee, Association employee, managing agent or entity, or to a third person or entity, the following shall apply:

(a) Such other persons or managing agent shall maintain fidelity insurance coverage or a bond in an amount not less than Fifty Thousand Dollars (\$50,000.00) or such higher amount as the Executive Board may require;

(b) Such other persons or managing agent shall maintain funds and account of the Association separate from the funds and accounts of other associations managed by such persons or managing agent and maintain all reserve accounts of each association so managed separate from operational accounts of the Association;

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

ARTICLE 9 - AMENDMENTS TO BY-LAWS

Section 9.1 The By-Laws may be amended by vote of sixty-six and two-thirds percent (66-2/3%) of the Executive Board or a majority of the Unit Owners and Lessees, following notice to all Unit Owners and Lessees, at any meeting duly called for such purpose. The notice of such meeting shall contain a summary of the proposed changes and/or a copy of the proposed changes. If the Members shall make, amend and repeal any provisions of the By-Laws, 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.

Section 9.2 No amendment of the By-Laws of this Association shall be adopted which would affect or impair the validity or priority of any mortgage or deed of trust covering any Unit or which would change the provisions of the By-Laws with respect to institutional mortgages of record.

ATTEST: Certified to be the Amended and Restated By-Laws adopted by consent of not less than fifty-one percent (51%) of the Unit Owners and Lessees of The Village Square Association, Inc. present and entitled to vote at a meeting commenced on September 1, 2002 and continued to and concluded on January 28, 2003 and as amended at a meeting of the Unit Owners and Lessees on February 20, 2009.

The Village Square Association, Inc.
f/k/a The Village Square Condominium Association

/s/ Jacquelyn A. M. Coles, Secretary
Jacquelyn A. M. Coles