

**AMENDMENT TO THE BYLAWS AND ADOPTION OF
RESPONSIBLE GOVERNANCE POLICIES**

SKYLINE CONDOMINIUM ASSOCIATION OF SILT, INC.

The following Sections and Articles are hereby added to the Bylaws of Skyline Condominium Association of Silt, Inc. All other provision of the Bylaws shall remain in full force and effect.

**ARTICLE I
OBJECT**

Added:

1.3. Offices. The Skyline Condominium Association of Silt, Inc. (“The Association”) is a Colorado nonprofit corporation, with its principal office located at 699 North 7th Street, Silt, CO 81652. The mailing address of the Association is 699 North 7th Street, Silt, CO 81652. The Association may also have other 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 II
MEMBERSHIP, VOTING, QUORUM, PROXIES**

Added:

2.5. Definitions. The definitions in the Condominium Declaration for Skyline Condominiums (“Declaration”), as amended from time to time and recorded in the office of the Clerk and Recorder of Garfield County, Colorado, shall apply to these Bylaws, and all defined terms used in the Bylaws shall have the same meaning as defined terms used in the Declaration, or the Colorado Common Interest Ownership Act as set forth in Colorado Revised Statutes, Section 38-33.3-101 et. seq., as amended from time to time.

2.6. Assent. All present or future owners, their families, present or future tenants, and their guests and invitees, and any other person using the facilities of the Skyline Condominiums in any manner are subject to these Bylaws, the Articles of Incorporation for the Association, the Declaration, and any procedures, rules, or policies adopted under such documents by the Association. The acquisition or rental of any unit or the occupancy of one of the units shall constitute ratification and acceptance of these Bylaws.

**ARTICLE III
ADMINISTRATION**

Added:

3.7 Time Restrictions on Speakers. The person presiding over the meeting may place the reasonable time restriction of five (5) minutes on those persons speaking during the meeting but shall permit a Member or a Member's designated representative to speak before the Board takes formal action on an item under discussion.

3.8 Secret Ballot. At the discretion of the Board or upon the request of twenty percent (20%) of the Members present at the meeting or represented by proxy, a vote on any matter affecting the Association on which all other owners are entitled to vote shall be by a secret ballot. Ballots shall be counted by a neutral third party or by a committee of volunteers. Such volunteers shall be Members who are selected or appointed at an open meeting, in 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.

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

- (a) Roll call;
- (b) Statement of compliance with procedures for notice of meeting or waiver of notice;
- (c) Reading of minutes;
- (d) Reports of officers;
- (e) Reports of committees;
- (f) Election of Managers (annual meetings only);
- (g) Unfinished business;
- (h) New business; and
- (i) Adjournment.

ARTICLE IV
BOARD OF MANAGERS

Added:

4.14 Open Meetings. Notwithstanding any provision in the Declaration or other documents to the contrary, all meetings (regular and special) of the Association and Board of Managers are open to every owner of the Association, or to any person designated by a Member in writing as the Member's representative. Before the Board votes on an issue under discussion, owners or their designated representatives shall be permitted to speak regarding that issue.

4.15 Meetings by Telephone. The Managers may hold special meetings via a telephone conference call, and any action taken by the Board at such a telephone conference call meeting

shall have the same force and effect as such action taken at a meeting at which a quorum of the Board was physically present. Any actions taken will be included in the minutes of the next meeting.

4.16 Action Taken Without a Meeting. The Managers shall have the right to take any action in the absence of a meeting, which they could take at a meeting by obtaining the written approval of all the Managers. Any action so approved shall have the same effect as though taken at a meeting of the Managers. Any actions taken will be included in the minutes of the next meeting.

4.17 Executive/Closed Door Meetings. The Board may hold an executive or closed door session and may restrict attendance to Board members and such other persons requested by the Board. The matters to be discussed at such an executive session shall include only matters enumerated below:

- (a) matters pertaining to employees of the Association or the managing agent's contract or involving the employment, promotion, discipline or dismissal of an officer, agent or employee of the Association;
- (b) consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
- (c) investigative proceedings concerning possible or actual criminal misconduct;
- (d) matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;
- (e) any matter the disclosure of which would constitute an unwarranted invasion of individual privacy;
- (f) review of or discussion relating to any written or oral communication from legal counsel.

4.18 Attorney-Client Privilege. Upon the final resolution of any matter for which the Board received legal advice or that concerned pending or contemplated litigation, the Board may elect to preserve the attorney-client privilege in any appropriate matter, or it may elect to disclose such information, as it deems appropriate, about such matter in an open meeting.

4.19 Conflict of Interest. If any contract, decision, or other action taken by or on behalf of the Board of Managers would financially benefit any member of the Board of Managers or any person who is a parent, grandparent, spouse, child or sibling of a member of the Board of Managers or a parent or spouse of any of those persons, that member of the Board of Managers shall declare a conflict of interest for that issue.

4.20 Duty to Disclose. The Manager has a duty to disclose the existence of any actual or potential conflict of interest and all material facts relating to the actual or potential conflict in an open meeting prior to any discussion or action on that issue. After making such disclosure, the Manager may participate in the discussion but shall not vote on that issue.

ADDED ARTICLE XII
ANNUAL BUDGET AND AUDIT

12.1 Annual Budget. The Board of Managers shall prepare or cause to be prepared an annual operating budget. Within thirty (30) days after the adoption of any proposed budget for the Association, the Board of Managers shall mail, by ordinary first-class mail, or otherwise deliver, a summary of the budget to all condominium unit owners and shall set a date for a meeting of the condominium unit owners to consider ratification of the budget not less than fourteen (14) nor more than sixty (60) days after the mailing or other delivery of the summary. Unless at that meeting sixty seven percent (67%) of all condominium unit owners reject the budget, the budget shall be ratified, whether or not a quorum of owners is present. In the event the proposed budget is rejected, the budget last ratified by the condominium unit owners shall be continued until such time as the condominium unit owners ratify a subsequent budget proposed by the Board of Managers.

12.2 Audit. In addition to the procedures contained in Article 9.2, the books and records of the Association may be subject to an audit at the discretion of the Board. An audit will be required if one third (1/3) of the Members request an audit. The audit will be conducted pursuant to generally accepted auditing standards by an independent and qualified person selected by the Board. The person selected for the audit shall be a certified public accountant.

ADDED ARTICLE XIII
COLLECTION OF UNPAID ASSESSMENTS

All homeowners are obligated to pay Assessments as established by the Board.

13.1 Due Date. Regular Assessments shall be due and payable on the first day of each calendar month.

13.2 Notice/Invoice. The Board shall mail to each owner at least ten (10) days prior to the due date a written notice/invoice of the amount of the next quarterly Regular Assessment that is due from each owner.

13.3 Delinquent Assessments. Any Assessment is deemed delinquent if not paid within fifteen (15) days of the due date.

13.04 Interest. Any Assessment deemed delinquent shall bear interest from and after the due date at the rate of interest set by the Board in accordance with section 10.10 of the Declaration.

13.5 Late Fee. Any Assessment deemed delinquent shall also incur a late fee of \$25.00.

13.6 Statement of Unpaid Assessments. Upon written request, the Association shall furnish a Statement of Unpaid Assessments in accordance with Declaration.

13.7 Collection. In addition to the remedies provided for in the Declaration, delinquent Assessments may be referred to an attorney and/or collection agency for collection. The delinquent owner will be liable for all collection costs, including attorney's fees.

ADDED ARTICLE XIV
ENFORCEMENT OF COVENANTS AND RULES

14.1 Complaints. The Board will investigate all violations of covenants and rules that are reported to the Board in writing or by phone within thirty (30) days. Complaints that, in the opinion of the Board, lack sufficient information or detail may be deemed to not warrant further investigation.

14.2 Notification of Owners. If the investigation shows the reported violation to be accurate, the Board shall give written notice of the violation to the owner by mail, setting forth the nature of the violation or breach and the specific action or actions which shall be taken by the owner to remedy such violation or breach. The notice shall give the owner fifteen (15) days to cure the violation, submit a plan to remedy the violation, or request a hearing with the Board. Alternatively, the owner may request an appeals hearing with the Board at the next regularly scheduled Board meeting to appeal the notice of the violation. The Board's decision on the appeal is final.

14.3 Fines. If the owner does not cure the violation, submit a plan to remedy the violation, request an appeals hearing, or if the Board determines that a violation or breach exists after a hearing, the Board may levy a fine of \$50 per occurrence per day against the property owner who has violated or breached the covenant or rule. Once fines have started, owners must request a hearing with the Board in writing for the fines to cease. If the violation or breach is not cured within thirty (30) days after the initial fine is assessed, the Board may take legal action against the owner.

14.4 Collection Provisions. All fines, costs and expenses, including attorney's fees, necessary to enforce this policy shall be an Assessment against the owner's property and subject to all lien and collection powers of the Association.

14.5 Unresolved Violations. After the expiration of sixty (60) days following notice of a violation in which no hearing is requested or alternatively after an appeals meeting, the Board may:

- (a) suspend the rights or privileges of the owner relating to use of any common area and/or common elements within the Association and suspend the voting rights of the owner;

- (b) pursue all rights of action available at law or in equity including, but not limited to, the remedy of injunctive relief and obtaining a monetary judgment for all costs, expenses, including attorney's fees, and damages;
- (c) reserve the right to waive or increase fines or penalties based on the severity of the violation and circumstances;
- (d) enter at all reasonable times upon any unit to which a violation, breach, or other condition to be remedied exists, and take the actions specified in the notice to the owner to abate, extinguish, remove or repair such violation, breach or other condition which may exist. Such entry or action, or both, shall not be deemed to be a trespass or wrongful act. All costs and expenses, including attorney's fees, incurred by the Association or on its behalf in enforcing such violation, shall be a binding personal obligation of such owner enforceable at law, as well as a lien, on such owner's unit.

ADDED ARTICLE XV
INSPECTION AND COPYING OF RECORDS

15.1 Association Records to be Kept. The Association shall keep a copy of the following records at its principal office:

- (a) Articles of Incorporation;
- (b) Bylaws;
- (c) Declaration;
- (d) resolutions adopted by the Board;
- (e) minutes of all Member and Manager meetings for the past three (3) years;
- (f) all written communications within the past three (3) years to owners;
- (g) name and address of each owner;
- (h) name and address of each Manager and/or officer;
- (i) annual financial statements;
- (j) current insurance policies;
- (k) all financial audits and reviews conducted within the past three (3) years;
- (l) current annual budget;
- (m) a list, by unit owner, of the Association's current and delinquent Assessments.

15.2 Inspection and Copying of Association Records. Owners are entitled to inspect and copy, at the owner's expense, any records listed above during regular business hours to the extent that:

- (a) the request is made in good faith and for a proper purpose;
- (b) the request describes with reasonable particularity the records sought and the purpose of the request; and
- (c) the records are relevant to the request.

The owner must make a written request to the Association Secretary at least five (5) days before the date on which the owner wishes to inspect and copy such records.

ADDED ARTICLE XVI
INVESTMENT OF RESERVE FUNDS

Reserve funds shall be invested in such amounts as may be determined and authorized by the Board. The Board may delegate its investment authority.

16.1 Standard of Conduct. Investment of reserve funds shall be done in good faith, within the best interests of the Association and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

16.2 Authorized Investments. Authorized investments are U.S. Treasury Bills and Notes, Money Market Funds and Certificates of Deposits. Derivative securities and mortgage backed securities are not authorized investments.

16.3 Investment Objectives.

- (a) Safety of Principal: The long-term goal is safety of the reserve funds and to promote and ensure the preservation of the reserve fund's principal.
- (b) Liquidity: Funds shall be sufficiently liquid to meet anticipated or unanticipated expenditures. Liquidity can be achieved by structuring maturities to ensure the availability of assets when needed.
- (c) Minimal Costs: Investment costs should be minimized.
- (d) Professional Management: The Board may delegate its investment authority to professional managers.
- (e) Return: Funds should be invested to seek the highest level of return consistent with the preservation of principal.

ADDED ARTICLE XVII
ADOPTION AND AMENDMENT OF POLICIES, PROCEURES AND RULES

17.1 Board Determination of Need for Rules. The Board may determine the need to adopt or amend certain rules, regulations, policies and/or procedures ("Rule") as it deems necessary, desirable or appropriate with respect to the interpretation and implementation of the governing documents of the Association, the operation of the Association, the use and enjoyment of common areas and/or common elements or for any other purpose.

17.2 Notice and Opportunity to Comment. The Board shall place the proposed Rule on its meeting agenda prior to the next open meeting. Written notice of the agenda and the proposed rule shall be mailed to the Members of the Association at least ten (10) days prior to the open meeting. The Board shall allow an opportunity for the Members to comment on the proposed Rule.

17.3 Adoption of Rule. Rules shall be effective only upon adoption by resolution at an open meeting of the Board following Board discussion and Member comment. The Board shall

then provide written notice of the Rule adoption to its Members within fifteen (15) days after adoption.

17.4 Emergency. The Board may waive notice and opportunity to comment in the event the Board determines, in its sole discretion, an emergency Rule needs to be immediately adopted.

ADDED ARTICLE XVIII
RESOLVING DISPUTES BETWEEN ASSOCIATION AND OWNERS

In the event of any dispute between the Association and an owner, for which a method, policy or procedure to address such dispute is not provided by the Declaration or Bylaws of the Association, the owner and Association shall first submit the matter to mediation. The parties will jointly appoint an acceptable mediator and will share equally in the cost of such mediation. The mediation, unless otherwise agreed, shall terminate in the event the entire dispute is not resolved within sixty (60) calendar days of the date written notice requesting mediation is sent by one party to the other party.

ADDED ARTICLE XIX
CONFLICTS BETWEEN DOCUMENTS

In the event of any conflict or inconsistency between any provision of these Amended Bylaws and the original Bylaws, the Amended Bylaws shall control. In the event of any conflict between any provision of the Bylaws as amended and the Declaration, the provisions of the Declaration shall govern and control and these Amended Bylaws shall be further amended to the extent necessary to conform to the Declaration.

ADOPTED By an affirmative vote of the Members of the Skyline Condominium Association Of Silt, Inc. at the annual meeting of Members dated _____, 2008.

ATTEST: _____
Secretary