

**BY-LAWS
OF
SENECA CENTER CONDOMINIUMS ASSOCIATION**

ARTICLE I

Object

1. The purpose for which Seneca Center Condominiums Association. (the "Association") is formed is to govern the Condominium Project which has been or will be submitted to the appropriate authorities of the State of Colorado by the recordation of the Declaration of Covenants, Restrictions and Easements ("Declaration") and Map bearing the name Seneca Center Condominiums.
2. All present or future owners or tenants or any other person that might use in any manner any of the Condominium Units, or General or Limited Common elements appurtenant thereto, are subject to the provisions of these Bylaws. Acquisition, rental or occupancy of any of the Units shall constitute acceptance and ratification of these Bylaws and shall signify that they will be complied with.
3. Terms used in these Bylaws are defined by the Condominium Declaration for Seneca Center Condominiums, and any modifications thereto, to be recorded in the records of the Clerk and Recorder of Larimer County Colorado.

ARTICLE II

Membership, Voting, Quorum, Proxies

1. *Membership.* Any person, on becoming an Owner of a Unit, shall automatically become a member of this Association and shall be subject to these Bylaws. Such membership shall terminate without any formal Association action whenever such person ceases to own a Unit. Such termination shall not release any former Owner from any liability arising under these Bylaws, or from membership in the Association, or by virtue of ownership of a Unit. A member shall be the Declarant as provided in the Declaration so long as Declarant owns a Condominium Unit.
2. *Quorum.* Except as otherwise provided in these Bylaws, the presence in person or by proxy of members holding one-half ($\frac{1}{2}$) of the votes entitled to be cast shall constitute a quorum. An affirmative vote of a majority of the members present, either in person or by proxy, shall be required to transact the business of the meeting.
3. *Voting.* All members shall be entitled to vote on all matters, with one vote per Unit. If there is an even number of members who own a particular Unit and said members split evenly on a question and as a result cannot reach a decision, the Association's President shall cast a tie-breaking vote.
4. *Mortgagees Proxies.* Unit Owners shall have the right to constitute irrevocably and to

appoint the beneficiary of a trust deed their true and lawful attorney to cast their Unit vote in this Association at any and all meetings of the Association and to best in such beneficiary or his nominee any and all rights, privileges and powers that they have as a Unit Owner under the Articles of Incorporation, Bylaws, and Declaration. Such proxy shall become effective upon filing of a notice by the beneficiary with the Secretary/Treasurer of the Association at such time or times as the beneficiary shall deem its security in jeopardy by reason of the failure, neglect or refusal of the Executive Board, the Association, the Project Manager or the Unit Owners to carry out their duties as set forth in the Declaration or Bylaws. A release of the beneficiary's deed of trust shall operate to revoke such proxy. Nothing herein contained shall be construed to relieve Unit Owners, as mortgagors, of their duties and obligations as Unit Owners or to impose upon the beneficiary of the deed of trust the duties and obligations of a Unit Owner.

ARTICLE III

Administration

1. *Annual Meeting.* The first meeting of the Association members shall be held within ninety (90) days following January 1, 2004. Thereafter, the annual meetings of the Association shall be held during the month of March of each succeeding year, or as soon thereafter as practical. At such meetings there shall be elected by ballot members of the Executive Board in accordance with the requirements of these Bylaws. The members may also transact such other business of the Association as may properly come before them.

2. *Special Meetings.* The President of the Association may call a special meeting of the members upon his own initiative, upon resolution of the Executive Board adopted at a previous meeting, or upon receipt of a written request from at least one of the members. The note of any special meeting shall state the time and place of such meeting and the purpose thereof. No business except as stated in the notice shall be transacted at a special meeting unless by consent of the members present, either in person or by proxy. Any such meetings shall be held at such place and time as the President determines, and if held at the instance of a member, then within thirty (30) days after receipt by the President of such written request.

3. *Place of Meeting.* The meetings of the Association shall be held at such place within the State of Colorado as the Executive Board may determine.

4. *Notice of Meetings.* The Secretary shall cause to be mailed or delivered a notice of each annual or special meeting, stating the meeting's purpose, as well as the time and place it is to be held, to each member of record, at the registered address of each member, at least fifteen (15), but not more than thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in this Section or the delivery of such notice shall be considered notice served, and the Certificate of the Secretary/Treasurer that notice was duly given shall be prima facie evidence thereof.

5. *Adjourned Meetings.* If any meeting of members cannot be organized because a quorum

has not attended, the members who are present, either in person or by proxy, may adjourn the meeting, to a time not less than forty-eight (48) hours from the time the original meeting was called.

6. *Order of Business.* The order of business at all meetings of the members shall be as follows:

- (a) Roll call and certifying proxies;
- (b) Proof of notice of meeting or waiver thereof;
- (c) Reading of Minutes or previous meeting;
- (d) Reports of Officers;
- (e) Reports of Committees;
- (f) Election the Executive Board;
- (g) Old business;
- (h) New business;
- (i) Adjournment.

7. *Performance of Functions by Declarant.* The rights, duties and functions of the Executive Board shall, at the Declarant's option, be exercised by the Declarant by and through those persons named as Initial Directors in the Articles of Incorporation, until the first annual meeting. The provisions of the Declaration are incorporated by this reference and made a part of these Bylaws as if fully set forth herein.

ARTICLE IV

Executive Board

1. *Number and Qualifications.* Consistent with the provisions of the Declaration, the Declarant may elect and exercise the rights, duties and functions of the Executive Board as provided therein by and through the persons named in the Articles of Incorporation as the Initial Directors until the first meeting of the members of the Association. At the first meeting there shall be elected three (3) members of the Executive Board (the "Directors") from among the Unit Owners who shall thereafter govern the affairs of this Association until their successors have been duly elected and qualified.

2. *Powers and Duties.* The Executive Board shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the project as a first-class business property. Such powers and duties of the Executive Board shall include, but shall not be limited to, the following, all of which shall be done for and on behalf of the Owners of the Units:

- (a) To administer and to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration and the Articles and Bylaws of the Association, and any amendments thereto.

(b) To establish, make and enforce compliance with such rules as may be necessary for the operation, rental, use and occupancy of the General Common elements and all of the Units, with right to amend such rules from time to time. Such administrative rules and regulations may be adopted or amended, as specified in the Declaration. A copy of the rules shall be delivered or mailed to each member upon adoption thereof.

(c) To designate and to remove personnel necessary for the operation, maintenance, repair, and replacement of the Common elements and parking spaces and to incur such costs and expenses as may be necessary to keep in good order, condition and repair all of the Common elements and parking spaces. Any cost incurred in the maintenance, repair or replacement of the Common elements that will exceed three (30) months' regular Common expense assessments authorized in the Declaration, or \$30,000, whichever is less, however, must have the prior written approval of a majority of the Unit votes.

(d) To insure and keep insured all of the insurable General Common elements in a reasonable amount for the benefit of the Owners of the Units and their first mortgagees. Further, to obtain and to maintain comprehensive liability insurance covering the entire premises.

(e) To prepare annually a budget for the Association in order to determine the amount of the common assessments necessary by the Unit Owners to meet the Common expenses, to allocate and assess such common charges among the Unit Owners according to their respective common ownership in and to the General Common elements, and to adjust the amount of the periodic assessments, and to remit or return any excess of assessments over expenses, working capital, sinking funds, reserves for deferred maintenance and replacement to the Owners at the end of each operating year. To levy and to collect special assessments whenever it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies.

(f) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from a member as is provided in the Declaration and these Bylaws.

(g) To protect and defend, in the name of the Association, any part or all of the Condominium Project from loss and damage by suit or otherwise.

(h) To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration and these Bylaws, and to execute all such instruments evidencing such indebtedness as the Executive Board may deem necessary to give security therefor. Such indebtedness shall be the several obligation of all of the Association members in the same proportion as their interest in the common elements. The persons who shall be authorized to execute promissory notes and security instruments shall be the President and Secretary/Treasurer, but in any case, no encumbrance may be placed on the General Common elements unless an Owner of each Unit gives prior written approval.

(i) To enter into contracts to carry out their duties and powers.

(j) To establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable and to maintain such reserves and reserve account(s) as may be reasonably necessary to pay costs associated with repairs, including parking lot and building repairs.

(k) To make repairs, additions, alterations and improvements to the General Common elements consistent with managing the project in a first-class manner and consistent with the best interests of the Unit Owners.

(l) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at reasonable times by each of the members under the conditions specified herein, and to prepare or have prepared annually unaudited financial statements.

(m) To prepare and deliver annually to each member a consolidated statement showing receipts, expenses or disbursements since the last such statement.

(n) To meet at least semi-annually.

(o) In general, to carry on the administration of this Association and to do all things necessary and reasonable in order to carry out the governing and the operation of this Condominium Project.

(p) To control and manage the use of all open spaces and other common property.

(q) To employ for the Association a Project Manager who shall have and exercise those duties and powers granted to him by the Executive Board, including those set forth above, but not those powers which the Executive Board may not delegate and any delegation to a Project Manager of the Executive Board's duties and powers shall not relieve the Executive Board of its responsibilities under the Declaration.

3. *No Waiver of Rights.* The omission or failure of the Association or any Unit Owner to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provisions of the Declaration or Bylaws, or the rules adopted pursuant thereto, shall not constitute or be deemed a waiver, modification or release thereof, and the Association shall have the right to enforce the same thereafter.

4. *Election and Term of Office.* At the first meeting of the Association, the term of office of one Manager shall be fixed for one (1) year, the term of office of one Manager shall be fixed for two (2) years and the term of office of one Manager shall be fixed for three (3) years. At the expiration of the initial term of office of each Manager, his successor shall be elected to serve a term of three (3)

years. Except as is otherwise provided by these Bylaws, the Directors shall hold office until their successors have been elected and hold their first meeting.

5. *Vacancies.* Vacancies in the Executive Board caused by any reason other than the removal of a Manager by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Manager until his successor is elected.

6. *Removal of Members of the Executive Board.* At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority of the Unit votes, and a successor may then and there be elected to fill the vacancy thus created. Any Manager whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting prior to the votes being taken.

7. *Organizational Meeting.* The first meeting of a newly elected Executive Board following each annual meeting of the members shall be held within fifteen (15) days thereafter at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Executive Board shall be present.

8. *Regular Meetings.* Regular meetings of the Executive Board may be held at such time and place as shall be determined from time to time, by a majority of the Directors, but at least two such meetings shall be held during each calendar year. Notice of regular meetings for the Executive Board shall be given to each Manager, personally or by mail, telephone or telegraph, at least fifteen (15) days prior to the day named for such meeting.

9. *Special Meetings.* Special meetings of the Executive Board may be called by the President on three (3) days' notice to each Manager, given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Executive Board shall be called by the President or Secretary/Treasurer in like manner and no like notice on the written request of one Manager.

10. *Waiver of Notice.* Before or at any meeting of the Executive Board, any Manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Manager at any meeting of the Executive Board shall be a waiver of notice by him of the time and place thereof. If all of the Directors are present at any meeting of the Executive Board, no notice shall be required and any business may be transacted at such meeting.

11. *Quorum.* At all meetings of the Executive Board, a majority of the Directors shall constitute a quorum for the transaction of business, and to acts of the majority of the Directors present at the meeting at which a quorum is present shall be the acts of the Executive Board. If, at any meeting of the Executive Board, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been

transacted at the meeting as originally called may be transacted without further notice.

12. *Fidelity Bonds.* The Executive Board may require that all officers and employees of the Association who handle or are responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a Common Expense.

ARTICLE V

Officers

1. *Designation.* The Officers of the Association shall be a President, a Vice-President and a Secretary/Treasurer, all of whom shall be elected by the Executive Board, and such assistant officers as the Executive Board shall, from time to time, elect. Such Officers shall each be a member of the Executive Board and an Owner of a Unit in the Project.

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 and shall hold office at the pleasure of the Executive Board.

3. *Removal of Officers.* Upon an affirmative vote of a majority of the members of the Executive Board, any officer may be removed, either with or without cause, and his or her successor elected at any regular meeting of the Executive Board, or any special meeting of the Executive Board called for such purpose.

4. *President.* The President shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the Executive Board. He or she shall have all of the general powers and duties which are usually vested in the office of president of a corporation, including but not limited to the power to appoint committees from among the Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association or as may be established by the Executive Board or by the members of the Association at any regular or special meetings.

5. *Vice-President.* The Vice-President shall have all powers and authority and perform all functions and duties of the President, in the absence of the President or his inability for any reason to exercise such powers and functions or to perform such duties.

6. *Secretary.* The Secretary shall keep all the minutes of the meetings of the Executive Board and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Executive Board may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

The Secretary shall compile and keep up to date at the principal office of the Association a complete list of members and their registered addresses as shown on the records of the Association.

Such list shall also show opposite each member's name the number or other appropriate designation of the Unit owned by such member and the undivided interest in the Common elements. Such list together with all business records of the Association and the Executive Board shall be open to inspection by the members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours under the conditions specified in Article X hereto. In addition, a list of all mortgagees of Units shall be maintained.

7. *Treasurer.* The Treasurer shall have the responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association; provided, however, that when a Manager has been delegated the responsibility of collecting and disbursing funds, the Treasurer's responsibility shall be to review the accounts of the Manager not less often than semi-annually.

ARTICLE VI

Indemnification of Executive Board Members, Officers, and the Project Manager

1. *Indemnification.* The Association shall indemnify every Executive Board Member, Officer or the Project Manager, their respective successors, personal representatives and heirs, against all loss, costs and expenses, including attorneys' fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Executive Board Member, Officer or the Project Manager, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for negligence or misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of negligence or misconduct in the performance of his duty as such Executive Board Member, Officer or the Project Manager in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Executive Board Member, Officer or Project Manager may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason of or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses; provided, however, that nothing in Article VI contained hereto shall be deemed to obligate the Association to indemnify any member or owners of a unit who is or has been a Executive Board Member, Officer or Project Manager of the Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Declaration.

2. *Other.* Contracts or other commitments made by the Executive Board, an Officer or the Project Manager shall be made as an agent for the Association, and they shall have no personal responsibility on any such contract or commitment.

ARTICLE VII

Amendments

1. The Articles of Incorporation may be amended in the manner provided by law.
2. These Bylaws may be amended by the members at a duly constituted meeting of the members for such purpose; provided, however, that no amendment shall conflict with or minimize the intended effect of the provisions of the Articles of Incorporation, or the Declaration, nor omit any of the particulars required by Colorado Common Interest Ownership Act or other applicable law.
3. These Bylaws may be modified or amended only with the approval of the Owners of at least sixty percent (60%) of the ownership interests as specified in the Declaration.

ARTICLE VIII

Evidence of Ownership, Registration of Mailing Address and Designation of Voting Representative

1. *Proof of Ownership.* Except for those members who initially purchase a Unit from Declarant, any person on becoming an Owner of a Unit shall furnish to the Board a copy of the recorded instrument vesting that person with an interest or ownership in the Unit, which copy shall remain in the files of the Association.
2. *Registration of Mailing Address.* The Owner or several Owners of an individual Unit shall have one and the same registered mailing address to be used by the Association for mailing of monthly statements, notices, demands and all other communications, and such registered address shall be the only mailing address of a person or persons, firm, corporation, partnership, association or other legal entity or any combination thereof to be used by the Association. Such registered address of a member or members shall be furnished by such member(s) to the Board within fifteen (15) days after transfer of title, or after a change of address, and such registration shall be in written form and signed by (all of) the Owner(s) of the Unit or by such persons as are authorized by law to represent the interest of (all of) the Owner(s) thereof.
3. *Designation of Voting Representative - Proxy.* If a Unit is owned by one person, his right to vote shall be established by the record title thereto. If title to a Unit is held by more than one person or by a firm, corporation, partnership, association or other legal entity, or any combination thereof, such Owners shall execute a proxy appointing and authorizing one person or alternate persons to attend all annual and special meetings or members and at such meetings to cast whatever vote the Owner himself might cast if he were personally present. Such proxy shall be effective and remain in force unless voluntarily revoked, amended or sooner terminated by operation of law; provided,

however that within thirty (30) days after such revocation, amendment or termination, the Owners shall reappoint and authorize one person or alternate persons to attend all annual and special meetings as provided by this Section 3.

The requirements herein contained in this Article shall be first met before any Owner of a Condominium Unit shall be deemed in good standing entitled to vote at any annual or special meeting of Members.

ARTICLE IX

Right to Inspect Records, Statement of Account

1. All Owners, Mortgagees and other persons lawfully entitled to inspect the same shall have the right to inspect the Association's and the Executive Board's business records at reasonable times during business hours.
2. Upon ten (10) days' notice to the Executive Board, or to the manager if one is employed, and payment of a reasonable fee not to exceed \$25.00, or such other amount as established in the Rules or Regulations, any prospective grantee, Owner or Mortgagee of a Unit shall be furnished a statement of the Owner's account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

ARTICLE X

Association Not-for-Profit

1. *Association Not-for-Profit.* This Association is not organized for profit. No member of the Executive Board, Officer or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any Director, Officer or member; provided, however, that:

(a) Only reasonable compensation be paid to any member, Director or Officer while acting as an agent or employee of the Association; and

(b) Any member, Director or Officer may, from time to time, be reimbursed for his or her actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

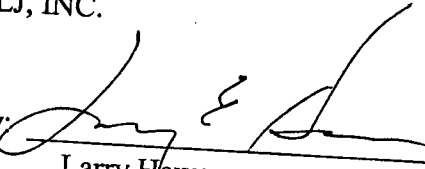
The provisions herein are not applicable to the Manager who shall perform his or her duties and functions according to written agreement for the compensation stated therein.

ADOPTED this _____ day of October, 2002.

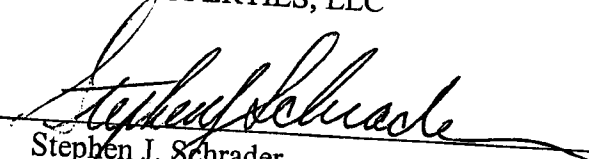

Secretary/Treasurer

APPROVED:


BLJ, INC.

By: 
Larry Hawe

SCHRADER PROPERTIES, LLC

By: 
Stephen J. Schrader

SIERRA RESOURCES CORPORATION

By: 
David J. Pietenpol

ZEUS PROPERTIES, LLC

By: 

Seneca Liquors LLC

By: 