

BYLAWS

of

**BASELINE COMMUNITY ASSOCIATION, INC.,
a Colorado nonprofit corporation**

BASELINE

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ARTICLE I GENERAL

1.01 **Purpose of Bylaws.** These bylaws are adopted for the regulation and management of the affairs of Baseline Community Association, a Colorado nonprofit corporation (the **"Baseline Community Association"**), organized to be the association to which reference is made in that certain Declaration of Covenants, Conditions and Restrictions for Baseline Residential, Recorded on March 18, 2019 at Reception No. 2019002577, as the same may be amended from time to time (the **"Declaration"**).

1.02 Community Documents and Conflicts. Baseline Community Association has been authorized by the Declaration and organized pursuant to Articles. Members within Baseline Community Association have agreed to abide by the terms and conditions of the Declaration, the Articles, these Bylaws and the Rules and Regulations. In the event of any conflict or inconsistency between or among the terms and conditions of these Bylaws and the Articles, the Declaration or the Rules, then the terms and conditions of the Declaration, then the Articles, then these Bylaws, then the Rules shall control in that order.

1.03 Interpretation.

(a) Certain Terms. As used within these Bylaws: (i) the term **"including"** is deemed to mean "including, without limitation,"; (ii) the term **"or"** is deemed to mean "and/or"; (iii) the terms **"hereby"**, **"hereunder"** and **"herein"** are deemed to refer to the entirety of these Bylaws as opposed to any particular portion of these Bylaws; and (iv) each reference herein to a **"Section"** or **"Article"** is deemed to refer to a Section or Article of these Bylaws.

(b) Singular/Plural. Except as otherwise provided herein or unless the context clearly requires otherwise, the singular of any term includes the plural of such term, and the plural of such term includes the singular of such term.

(c) Statutes. All references herein to statutes shall mean such statutes as amended or replaced from time to time, together with all regulations promulgated thereunder.

(d) Action. Except as expressly set forth in the Community Documents, any action that has been or may be taken by Founder or Baseline Community Association, or any other Person, may be taken "at any time, and from time to time." Each provision that authorizes, directs or permits an action shall be deemed to include such language.

1.04 Definitions. As used in these Bylaws, the following terms shall have the meanings given to them in this Section 1.04. Unless otherwise defined herein, all capitalized terms used herein but not defined herein shall have the meanings given to them in the Declaration.

“Affiliate” means any Person that, directly or indirectly, is in control of, is controlled by or is under common control with the party for whom an affiliate is being determined. For purposes hereof, control of a Person means the power, direct or indirect, to: (a) vote fifty percent (50%) or more of the securities having ordinary voting power for the election of directors (or comparable positions) of such Person, or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise and either alone or in conjunction with others.

“Alternate” has the meaning given to that term in Section 5.01.

“Annual Owners Meeting” has the meaning given to that term in Section 4.04.

“Baseline Community Association” has the meaning given to that term in Section 1.01.

“Baseline Residential” shall mean the planned community formed pursuant to the Declaration.

“Biannual Delegate Election Meeting” has the meaning given to the term in Section 6.04.

“Board” means the board of directors of Baseline Community Association.

“Bylaws” means these bylaws, as the same may be amended or replaced from time to time.

“Claim” has the meaning given to that term in Section 11.01.

“Community Facility” means a Site or portion of a Site, together with all improvements thereon and thereunder, if any, that:

(a) does not contain any dwelling unit for which the City has issued a temporary or final certificate of occupancy,

(b) is operated exclusively by a nonprofit, not-for-profit, governmental or quasi-municipal entity, and

(c) provides athletic, cultural, recreational, entertainment or other services to Owners, Guests or the general public and that is certified as such by the Baseline Community Association, such as:

(i) theatres,

(ii) libraries,

(iii) meeting facilities,

(iv) churches,

- (v) schools,
- (vi) informational facilities,
- (vii) community centers,
- (viii) recreational facilities, athletic facilities, parks, playing fields, nature centers, trails, open spaces and wetlands,
- (ix) child care facilities and teen centers, and
- (x) parking facilities and related improvements

that are operated by a nonprofit, not-for-profit, governmental or quasi-municipal entity, and that is certified as such by the Baseline Community Association.

“D#1” means a Director elected by Election District #1.

“D#2” means a Director elected by Election District #2.

“D#3” means a Director elected by Election District #3.

“Date of Completion” means that date that is the latest to occur of: (a) the date Founder or any Affiliate of Founder no longer owns or leases any real property in Baseline Residential; and (b) the date Founder no longer has the right to add real property to Baseline Residential.

“Declaration” has the meaning given to that term in Section 1.01.

“Delegate” has the meaning given to that term in Section 5.01.

“Delegate District” has the meaning given to that term in Section 5.02.

“Delegate District Identification Number” has the meaning given to that term in Section 5.02.

“Delegate District Meeting” has the meaning given to that term in Section 6.01.

“Delegate Election” has the meaning given to that term in Section 6.04.

“Delegate Election Meeting” has the meaning given to that term in Section 6.04.

“Delegate Removal Meeting” means a Delegate District Meeting to determine whether one or more individuals serving as Delegates or Alternates shall be removed from such positions.

“Designated Multi-family Site” means a Site that Founder or the Board, as appropriate, designates as a “Designated Multi-family Site” pursuant to Section 1.6 and that is not a Community Facility (including: (a) Undeveloped, Non-assessable Multi-family Sites, (b) Undeveloped, Assessable Sites and (c) Improved Multi-family Sites).

“Designated Non-residential Site” means a Site that Founder or the Board, as appropriate, designates as a “Designated Non-residential Site” pursuant to Section 1.6 and that is not a Community Facility.

“Designated Single-family Site” means a Site that Founder or the Board, as appropriate, designates as a “Designated Single-family Site” pursuant to Section 1.6 and that is not a Community Facility (including : (a) Undeveloped, Non-assessable Single-family Sites, (b) Undeveloped, Assessable Single Family Sites and (c) Improved Single-family Sites).

“Designated Site” means a Designated Single-family Site, Designated Multi-family Site or a Designated Non-residential Site.

“Director” means a duly elected or appointed member of the Board.

“Director Election” has the meaning given to that term in Section 8.06.

“Director Election Meeting” has the meaning given to that term in Section 8.06.

“Director Removal Meeting” means an Owners Meeting to determine whether one or individuals serving as Directors shall be removed from such positions.

“ED#1,” “ED#2,” and “ED#3” each refers to an Election District (e.g., “ED#1” means Election District #1).

“Election District Identification Number” has the meaning given to that term in Section 8.04.

“Election Districts” means the election districts established pursuant to Section 8.04, as modified from time to time in accordance with Section 8.04.

“Expenses” has the meaning given to that term in Section 11.01.

“First Director Election Meeting After Completion” means the first Director Election Meeting to occur after the Date of Completion.

“Founder Control Period” has the meaning given to that term in Section 7.01

“Improved Multi-family Site” means a Designated Multi-family Site upon which exists one or more dwelling units that have received a temporary or permanent certificate of occupancy, and that is not a Community Facility.

“Improved Single-family Site” means a Designated Single-family Site upon which exists a dwelling unit that has received a temporary or permanent certificate of occupancy, and that is not a Community Facility.

“Indemnified Party” has the meaning given to that term in Section 11.01.

“Initial Delegate Election Meeting” has the meaning given to that term in Section 6.04.

“Member” has the meaning given to that term in Section 3.01.

“Membership” has the meaning given to that term in Section 3.01.

“Notice of Delegate District Meeting” has the meaning given to that term in Section 6.11.

“Notice of Owners Meeting” has the meaning given to that term in Section 4.08.

“Officer” means a duly elected or appointed officer of Baseline Community Association.

“Opinion of Counsel” means a written opinion of an attorney selected by the Board and licensed to practice before the Courts of the State of Colorado advising Baseline Community Association regarding the legality of certain actions taken or proposed to be taken by Baseline Community Association.

“Other Delegate District Meeting” has the meaning given to that term in Section 6.10.

“Owner” means the record holder of legal title to the fee simple interest in any Site or portion thereof. If there is more than one record holder of legal title to a Site, each record holder (each, a **“Co-owner”**) shall be an Owner. The term Owner includes Founder to the extent that Founder is the record holder of legal title to the fee simple interest in any Site.

“Owners Meeting” has the meaning given to that term in Section 4.01.

“Partial Turnover Director” has the meaning given to that term in Section 7.02.

“President” means the president of Baseline Community Association.

“Purchaser” means a Person, other than Founder or a Successor Founder, who/that acquires legal title to the fee simple interest in any Site or portion thereof.

“Regular Director Election Meeting” has the meaning given to that term in Section 8.06.

“Recorded”, “Record”, “Recording” and “Recordation” means recorded, record, recording or recordation, as appropriate, in the Official Records.

“Rules” means the Rules and Regulations for Baseline Community Association, Inc., a Colorado nonprofit corporation.

“Secretary” shall mean the secretary of Baseline Community Association.

“Site” means any lot, parcel or tract comprising all or a portion of the Property, whether or not platted. A Site can be a Condominium Unit, a Cooperative Unit or a Planned Community Unit. A Site can be an Undesignated Site or a Designated Site. Notwithstanding the foregoing, each lot, parcel of tract comprising all or any portion of the Property that is owned, held or used in its entirety (a) by the Baseline Community Association, (b) as common elements for a Sub-community, (c) by any governmental or quasi-municipal entity, (d) solely for or in connection with the distribution of electricity, gas, water, sewer, telephone, cable television or any other utility service, including Media and Communications Services, or (e) solely for access to or through any portion of the Property, shall not be considered a Site.

“Slate of Delegate Candidates” has the meaning given to that term in Section 6.04.

“Slate of Director Candidates” has the meaning given to that term in Section 8.06.

“Staggering Designation” has the meaning given to that term in Section 5.02.

“Special Delegate Election Meeting” has the meaning given to that term in Section 6.04.

“Special Director Election Meeting” has the meaning given to that term in Section 8.06.

“Special Owners Meeting” has the meaning given to that term in Section 4.05.

“Vice President” shall mean the vice president of Baseline Community Association.

“Voting Sites” means all sites other than Designated Non-residential Sites and Community Facilities.

ARTICLE II

REGISTERED OFFICE AND AGENT

2.01 **Principal Office.** The principal office of Baseline Community Association shall be at 1800 Wazee Street, Suite 200, Denver, Colorado 80202. The Board, in its discretion, may change, from time to time, the location of the principal office.

2.02 **Registered Office and Agent.** The initial registered office and the initial registered agent are specified in the Articles but may be changed by Baseline Community Association at any time, without amendment to the Articles, by delivering for filing a statement as specified by law to the Office of the Secretary of State of Colorado.

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ARTICLE III
MEMBERSHIP AND VOTING

3.01 Membership. A “**Member**” is the Person, or if more than one, all Persons collectively, who are the record holder(s) of legal title to the fee simple interest in any Site or portion thereof. The term Owner includes Founder to the extent that Founder is the record holder of legal title to the fee simple interest in any Site or portion thereof. Each membership of a Member (a “**Membership**”) shall be appurtenant to the fee simple title to a Site or portion thereof. The Person or Persons who constitute the owner of legal title to the fee simple interest in any Site or portion thereof shall automatically be the holder of the Membership appurtenant to that Site or portion thereof and the Membership shall automatically pass with fee simple title to the Site or portion thereof.

3.02 Allocation of Votes.

(a) Allocation.

(i) The votes in Baseline Community Association shall be allocated among the Sites as set forth in this Section 3.02(a).

(A) Each Undesignated Site shall be allocated the number of votes equal to the Area of such Site multiplied by ten (10).

(B) Each Undeveloped, Non-assessable Single-family Site shall be allocated one (1) vote.

(C) Each Undeveloped, Assessable Single-family Site shall be allocated one (1) vote.

(D) Each Improved Single-family Site shall be allocated one (1) vote.

(E) Each Undeveloped, Non-assessable Multi-family Site shall be allocated the number of votes equal to the Area of such Site multiplied by eight (8).

(F) Each Undeveloped, Assessable Multi-family Site shall be allocated the number of votes equal to Area of such Undesignated Site multiplied by eight (8).

(G) Each Improved Multi-family Site shall be allocated the number of votes equal to the number of dwelling units for which the City has issued a temporary or permanent certificate of occupancy that are located on such Improved Multi-family Site divided by four (4).

(H) No votes shall be allocated to any Designated Non-residential Site or any Community Facility.

(ii) The number of votes allocated to any Site pursuant to Section 3.02(a)(i) shall be the same regardless of the number of Owners of such Site.

(iii) If the number of votes allocated to any Site results in a fraction of a vote, such fraction shall be rounded to the nearest whole number (with one-half (0.5) being rounded up).

(b) Number of Votes for Election of Directors. Subject to the provisions of the Community Documents regarding matters upon which votes appurtenant to Designated Single-family Sites are cast by Delegates and the provisions of the Community Documents regarding cumulative voting, in any election of Directors, the Owner of any Voting Site shall have the number of votes equal to the product obtained by multiplying (i) the number of votes allocated to such Voting Site, and (ii) the number of Directors for which such Owner or the Delegate for such Owner, if applicable, may vote with respect to such Voting Site.

3.03 Votes Appurtenant to Sites. The votes allocated to a Voting Site shall be held by the Owner(s) of such Voting Site and may not be separated from the Voting Site to which the votes are allocated. The votes allocated to a Voting Site may be transferred or encumbered only in connection with the conveyance or encumbrance of the legal title to the fee simple interest in such Voting Site. Any transfer or encumbrance of votes in Baseline Community Association, other than as permitted in this Section 3.03, shall be void and have no force or effect.

3.04 Casting Votes.

(a) Casting Votes Allocated to Designated Single-family Sites.

(i) Votes allocated to Designated Single-family Sites shall be cast either by: (A) the Owners of such Designated Single-family Sites or their agents appointed in accordance with Section 3.05, or (B) their respective Delegates, as determined in accordance with Sections 3.04(a)(ii) and 3.04(a)(iii).

(ii) Subject to the Community Documents, the vote allocated to each Designated Single-family Site shall be cast by the Owner of such Designated Single-family Site (or such Owner's duly appointed agent in accordance with Section 3.05) with respect to:

(A) electing, removing and replacing Delegates and Alternates (as set forth in Articles V and VI),

(B) any matter requiring approval of the Owners of Designated Single-family Sites pursuant to Section 5.03(c),

(C) any matter requiring approval of the Owners of Designated Single-family Sites pursuant to Section 8.05(c),

(D) approving or rejecting annual budgets and budget amendments (as set forth in Section 6.2(d) of the Declaration),

(E) terminating the Declaration (as set forth in Section 15.2 of the Declaration),

(F) certain amendments to the Declaration (as set forth in Section 15.3(d) of the Declaration),

(G) taking any of the following actions on behalf of the Baseline Community Association with respect to any Construction Defect Claim other than a Construction Defect Claim the initiation of which does not require Owner approval as set forth in Section 17.4(g) of the Declaration:

(1) delivering a Construction Defect Dispute Notice,

(2) delivering a CDARA Notice of Claim,

(3) increasing the Fee Cap pursuant to Section 17.5(c)(i)(B) of the Declaration,

(4) initiating, proceeding with, or pursuing a Construction Defect Claim, and

(5) initiating, proceeding with, or pursuing a Claim challenging the enforceability of any provision of the Community Documents,

(H) certain amendments to the Articles (as set forth in Section 7.04 of the Articles), and

(I) certain amendments to these Bylaws (as set forth in Section 12.01(d)).

(iii) Subject to the Community Documents, including Section 3.04(a)(ii), the Delegate for the Delegate District within which a Designated Single-family Site is included shall have the exclusive right to cast the vote allocated to such Designated Single-family Site with respect to all matters except those set forth in Section 3.04(a)(ii), upon which such Owner would vote but for this Section 3.04(a)(iii), but only if the Owner of such Designated Single-family Site is not precluded from voting pursuant to the Community Documents (e.g., due to failure to pay Assessments when due). If a Delegate is absent from any meeting at which such Delegate is entitled to vote, the Alternate for the applicable Delegate District shall for purposes of such meeting be deemed the Delegate and shall cast the votes allocated to Designated Single-family Site within such Delegate District.

(b) Casting Votes Allocated to Undesignated Sites, Designated Multi-family Sites and Designated Non-residential Sites. The only Person permitted to cast votes appurtenant to any Undesignated Site, Designated Multi-family Site or Designated Non-residential Site shall be the Owner of such Site:

(c) Sites Owed by Baseline Community Association. Notwithstanding any other provision herein, no votes allocated to any Site owned by Baseline Community Association may be cast.

3.05 Proxies.

(a) Eligibility. An Owner of a Voting Site entitled to vote may vote in person or by proxy, in such form as the Board reasonably requires and that satisfies the requirements of this Section 3.05, executed in writing by such Owner, or such Owner's duly authorized attorney-in-fact, that is filed with the Secretary prior to the time the proxy is exercised. Notwithstanding any other provision herein, the Owner of a Designated Single-family Site may not cast all or any portion of its votes by proxy with respect to any matter for which Delegates cast such Owner's votes pursuant to Section 3.04(a)(iii) or any other provisions of the Community Documents; all Owners hereby acknowledge that Delegates possess the exclusive authority to cast votes for those matters set forth in Section 3.04(a)(iii) and other provisions of the Community Documents. Notwithstanding any other provision herein, Delegates may not cast votes by proxy.

(b) Requirements. Any proxy otherwise permitted under these Bylaws is void if not dated or purports to be revocable without notice. A proxy terminates eleven (11) months after the date of its execution unless it specifies otherwise, *provided, however*, in any event, a proxy shall not be valid for more than three (3) years after the date of its execution. A proxy for casting the votes appurtenant to a Site shall automatically cease upon the conveyance of such Site and the transfer of the Membership on the books of Baseline Community Association.

(c) Limitations. An Owner may give a proxy otherwise permitted under these Bylaws to any individual, and such proxy may be limited as indicated by the Owner.

(d) Revocation.

(i) An Owner may not revoke a revocable proxy except by actual notice of revocation filed with the Secretary prior to the time the proxy is exercised.

(ii) A proxy shall automatically cease, and be deemed revoked, upon the conveyance by an Owner of the Site and transfer of the related Membership on the books of Baseline Community Association.

(iii) A proxy shall be deemed irrevocable unless:

(A) the proxy is coupled with an interest; or

(B) the proxy is held pursuant to a first mortgage of record encumbering the relevant Site or an agreement of sale affecting the relevant Site.

3.06 Class Voting. Class voting shall not be allowed for any purpose, except as expressly set forth in the Community Documents.

3.07 Cumulative Voting. Cumulative voting shall not be allowed in the election of Directors or for any other purpose.

3.08 Fractional Voting. Fractional voting (meaning a Person casting only a portion of the votes such Person is entitled to cast one way, and casting another portion the votes such Person is entitled to cast a different way (e.g., a Delegate casting a portion of the votes such Delegate is entitled to cast against instituting a Construction Defect Action, and casting another portion of the votes such Delegate is entitled to cast in favor of instituting such Construction Defect Action)) shall not be allowed. If Co-owners of a Voting Site cannot agree among themselves as to how to cast their vote(s) on a particular matter, they shall lose their right to vote on such matter. If any Owner of a Voting Site casts the vote(s) for such Voting Site, it will thereafter be presumed for all purposes that the Owner was acting with the authority and consent of all other Owners of that Voting Site, unless an Owner of that Voting Site makes an objection thereto to the Person presiding over the meeting at which such vote(s) is/are cast. If any vote(s) is/are cast more than once for any Voting Site, none of such votes shall be counted and all of such votes shall be deemed null and void.

3.09 Secret Ballots.

(a) Election to Use Secret Ballots. At the discretion of the Board or upon the request of at least twenty percent (20%) of Owners who are present at a meeting or represented by proxy, if a quorum has been achieved, a vote on any matter affecting Baseline Community Association on which Owners are entitled to cast their votes directly (as opposed to votes being cast by Delegates) shall be conducted by secret ballot.

(b) Not for Votes Cast by Delegates. Notwithstanding any provision of these Bylaws, no vote cast by a Delegate shall be by secret ballot.

(c) Counting Ballots. In the case of a secret ballot, ballots shall be counted by a neutral third party or by a committee of volunteers, where such volunteers shall be Owners who are selected or appointed at an open meeting, in a fair manner, by the chair of the Board or another person presiding over that portion of the meeting, provided, however, that no such volunteer shall be a Director.

(d) Reporting Results. The results of a vote taken by secret ballot shall be reported without reference to the names, addresses or other identifying information of Owners participating in such vote, *provided, however*, the name, address or other identifying information of any Delegate casting votes on behalf of Owners within the Delegate District such Delegate represents shall not be withheld.

3.10 Suspension of Voting Rights. The Board may suspend, after notice and hearing, the voting rights of an Owner during and for up to sixty (60) days following any breach by such Owner of any provision of the Community Documents unless such breach is a continuing breach, in which case such suspension shall continue for so long as such breach continues and for up to sixty (60) days thereafter. If the Board suspends voting rights of any Owner of any Site, then the voting rights of all Co-Owners of such Site shall be deemed suspended for the same period as the Board suspended the voting such of such Owner.

3.11 Transfer of Memberships on Baseline Community Association Books. Transfers of Memberships shall be made on the books of Baseline Community Association only upon presentation of evidence, satisfactory to Baseline Community Association, of the transfer of ownership of the Site to which the Membership is appurtenant. Prior to presentation of such evidence, Baseline Community Association may treat the previous owner of the Membership as the owner of the Membership entitled to all rights in connection therewith, including the rights to vote and to receive notice.

ARTICLE IV

OWNERS MEETINGS

4.01 Definition and Applicability. The term “**Owners Meeting**” shall mean an Annual Owners Meeting or a Special Owners Meeting, as appropriate. The provisions of this Article IV shall apply to all Owners Meetings except as set forth otherwise in Article VI (with respect to Delegate District Meetings) and Article VIII (with respect to Director Election Meetings and Director Removal Meetings).

4.02 Purposes. Annual Owners Meetings shall be held to transact such business as may properly come before such meetings. No business shall be transacted at any Special Owners Meeting except as indicated in the Notice of Owners Meeting thereof delivered in accordance with Sections 4.07(b) and 4.08.

4.03 Location. Each Owners Meeting shall be held at the principal office of Baseline Community Association or at such other place, within or convenient to the Property, as may be determined by the Person(s) calling the meeting and specified in the notice of the meeting therefor delivered in accordance with Section 4.08.

4.04 Annual Owners Meetings. Regular meetings of the Owners (each, an “**Annual Owners Meeting**”) shall be held in accordance with the provisions of Article III and Article IV annually on dates established pursuant to Section 4.07(a).

4.05 Special Owners Meetings. Special meetings of the Owners (each, a “**Special Owners Meeting**”) shall be held in accordance with the provisions of Article III and Article IV when properly called, and on dates established, in accordance with Section 4.07(b).

4.06 Record Dates. For the purpose of determining Owners, Delegates and Alternates entitled to notice of, or to vote at, any Owners Meeting, or in order to make a determination of Owners, Delegates or Alternates for any other proper purpose, the Board may fix, in advance, a

date as the record date for any such determination. A record date shall be not more than seventy (70) days prior to the Owners Meeting to which it relates.

4.07 Meetings Called (Owners Meetings).

(a) Annual Owners Meetings. Each Annual Owners Meeting shall be held on the date and at the time fixed by the Board, from time to time, and specified in the Notice of Owners Meeting for such meeting.

(b) Special Owners Meetings. Except as expressly set forth otherwise in these Bylaws, a Special Owners Meeting may be called by: (i) the President, (ii) the Board, or (iii) Owners holding not less than twenty percent (20%) of the total votes of all Owners, and shall be held at the place, on the date and at the time selected by the Owner(s) calling the meeting. If the Owner(s) calling a Special Owners Meeting pursuant to Section 4.07(b)(iii) withdraw their request to hold such meeting, the Board may charge all or some of such Owners a Default Assessment up to the amount equal to the reasonable costs incurred by Baseline Community Association to prepare for such meeting. The Board may apportion such charges among such Owners as the Board sees fit.

4.08 Notices (Owners Meetings). The provisions of this Section 4.08 shall apply to all Owners Meetings, except as otherwise set forth in the Declaration, the Articles or these Bylaws.

(a) Required. Not less than ten (10) nor more than fifty (50) days before the date of any Owners Meeting, the Secretary or other Officer as designated by the Board shall deliver written notice of such meeting (each, a “**Notice of Owners Meeting**”) to each Owner, Delegate and Alternate entitled to vote at such meeting either personally or by the United States mail, at the direction of the Person(s) calling the meeting.

(b) Form of Notice. A Notice of Owners Meeting shall: (i) set forth the place, date and time of such meeting; (ii) set forth the items on the agenda for such meeting, including the general nature of any proposed amendment to the Declaration (including the Property Map), the Articles or these Bylaws; (iii) set forth the purpose or purposes for which the meeting is called if such meeting is a Special Owners Meeting; and (iv) and such other information required by applicable law given the purpose(s) for which the meeting is called.

(c) Notice Deemed Delivered.

(i) With respect to any Owner, Delegate or Alternate and any Owners Meeting, a Notice of Owners Meeting therefor shall be deemed delivered to such Owner, Delegate or Alternate when deposited in the United States mail addressed to such Person at such Person’s address as it appears on the records of Baseline Community Association, with postage thereon prepaid.

(ii) Each Notice of Owners Meeting shall be physically posted in a conspicuous place, such as on a notice board outside the principal office of Baseline Community Association, and such notice shall be deemed delivered to

each Owner, Delegate and Alternate upon such posting if such Owner, Delegate or Alternate has not furnished to Baseline Community Association a current, valid address for mailing of notice.

(iii) Each Notice of Owners Meeting shall be posted on Baseline Community Association's website, if such website exists, and shall be sent by electronic mail (e-mail) to all Owners, Delegates and Alternates who so request and who have furnished Baseline Community Association their electronic mail addresses. With respect to any Special Owners Meeting, Notice of Owners shall be posted on Baseline Community Association's website, if any, and sent by electronic mail (e-mail) as soon as possible but at least twenty-four (24) hours before such meeting.

(d) Waiver of Notice. A waiver of any Notice of Owners Meeting, signed by such Person and delivered to Baseline Community Association, either before or after the subject Owners Meeting, shall be equivalent to the delivering Notice of Owners Meeting for such meeting to such Person in accordance with these Bylaws. Attendance of an Owner, Delegate or Alternate at an Owners Meeting, either in person or by proxy, shall constitute waiver of notice of such meeting except when such Person attends for the express purpose of challenging the validity of the purported notice.

4.09 Presiding Officer (Owners Meetings). The President or other Officer designated by the President shall preside over all Owners Meetings.

4.10 Quorum (Owners Meetings). Except as may be otherwise provided in the Declaration, the Articles or these Bylaws, with respect to any given issue, the presence, in person or by proxy, of: (a) Owners entitled to cast at least five percent (5%) of the votes of all Owners entitled to vote (with respect to those matters for which all Owners cast their votes for or against directly, as opposed to through Delegates); or (b) Delegates and Owners of Voting Sites other than Designated Single-family Sites entitled to cast at least five percent (5%) of the votes of Delegates and Owners entitled to vote (with respect to matters for which Delegates cast the votes appurtenant to Designated Single-family Sites), as appropriate, shall constitute a quorum with respect to such issue at any given Owners Meeting; *provided however*, if the required quorum is not present in person or by proxy at any such Owners Meeting with respect to any issue, then a subsequent meeting may be called, subject to the notice requirements hereinabove specified, and the presence, in person or by proxy, of: (i) Owners or (ii) Delegates and Owners of Voting Sites other than Designated Single-family Sites, as appropriate, entitled to cast at least one percent (1%) of the votes of all (A) Owners or (B) Delegates and Owners of Voting Sites other than Designated Single-family Sites, as appropriate, with respect to such issue, shall, except as may be otherwise provided in the Declaration, the Articles or these Bylaws, constitute a quorum at such meeting with respect to such issue. Subject to applicable law, with respect to any issue: (1) Owners or (2) Delegates and Owners of Voting Sites other than Designated Single-family Sites, as appropriate, present, in person or by proxy, at a duly organized Owners Meeting may continue to transact business with respect to that issue until adjournment notwithstanding the withdrawal of any Owners or Delegates, as appropriate, so as to leave less than a quorum.

4.11 Adjournment (Owners Meetings). Owners (with respect to those matters for which all Owners cast their votes for or against directly, as opposed to through Delegates) entitled to vote at any Owners Meeting, or Delegates and Owners of Voting Sites other than Designated Single-family Sites (with respect to matter for which Delegates cast votes appurtenant to Designated Single-family Sites entitled to vote at an Owners Meeting), as appropriate, may adjourn such meeting from time to time, whether or not a quorum shall be present, without notice other than announcement at such meeting. If an Owners Meeting is adjourned to a different date, time or place, notice need not be given if the new date, time or place is announced at the meeting before adjournment; *provided, however*, except as otherwise required by applicable law, if the Owners Meeting is adjourned to a date more than one hundred twenty (120) days after the record date for determining Owners, or Delegates and Owners of Voting Sites other than Designated Single-family Sites, as appropriate, entitled to notice of the original Owners Meeting, then a new notice of an Owners Meeting in accordance with Section 4.08 shall be required and a new record dates for determining which Owners, or Delegates and Owners of Voting Sites other than Designated Single-family Sites, as appropriate, are entitled to notice of the meeting and entitled to vote at the meeting shall be established pursuant to Section 4.06. At any adjourned meeting which is held without notice other than announcement at the original meeting, the quorum requirement shall not be reduced or changed, but if the originally required quorum is present in person or by proxy, then any business may be transacted which might have been transacted at the meeting as originally called.

4.12 Votes Cast by Delegates. Votes allocated to Designated Single-family Sites shall be cast by the Owners of such Sites or their respective Delegates in accordance with Section 3.04.

4.13 Vote Required (Owners Meetings). For any matter with respect to which the votes will be cast at any Owners Meeting, if a quorum is constituted with respect to such matter, a Majority of the votes present, in person or by proxy, and entitled to be cast on a matter shall be necessary for the adoption of such matter, unless a greater proportion is required by law, the Declaration, the Articles or these Bylaws.

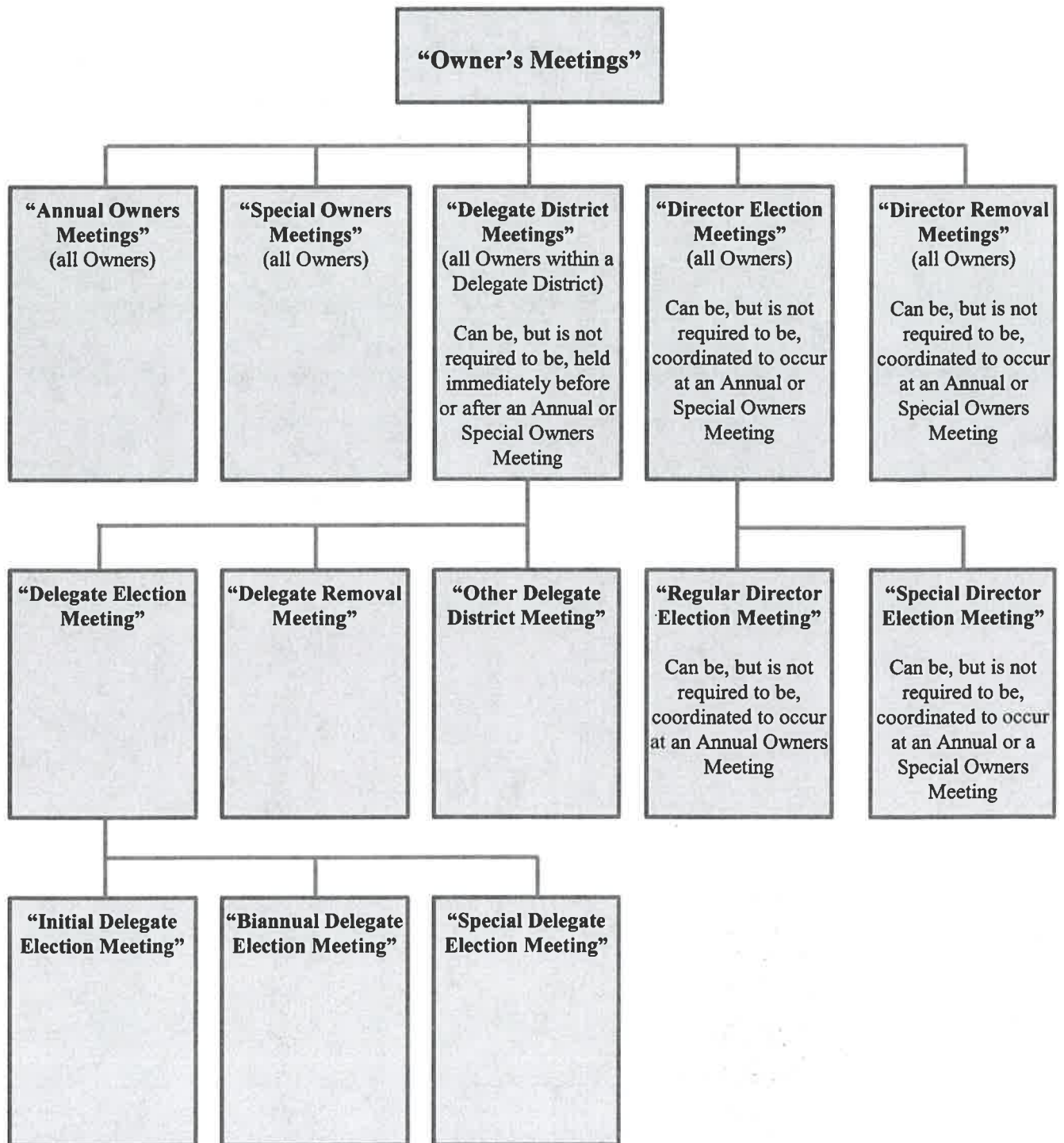
4.14 Expenses of Meetings (Owners Meetings). Except as may be set forth otherwise in the Community Documents, Baseline Community Association shall bear the expenses of Owners Meetings.

4.15 Action Without an Owners Meeting. Any action required to be taken or which may be taken at an Owners Meeting may be taken without such meeting if: (a) a consent, in writing, setting forth the action so taken, shall be signed by all of the Owners and Delegates entitled to vote with respect to the subject matter thereof and the requirements of C.R.S. § 7-127-107 are satisfied; or (b) the requirements of C.R.S. § 7-127-109 are satisfied.

4.16 Types of Owners Meetings. The chart in Figure 1 below depicts the relationship between the various types of Owners Meetings. To the extent this chart conflicts with any other provision of these Bylaws, the Articles or the Declaration, then such other provisions shall control.

Figure 1

**Various Types of Meetings of Some or All of the Owners and
the Defined Terms Used in Respect of Such Meetings**



ARTICLE V
DELEGATES AND ALTERNATES

5.01 Purposes of Delegates and Alternates.

(a) Purposes. Each Delegate District shall elect a delegate (each, a **“Delegate”**) and an alternate delegate (each, an **“Alternate”**) pursuant to the terms of Articles V and VI to cast certain votes on behalf of Owners of Designated Single-family Sites within such Delegate District and to exercise such other rights and perform such other duties as are set forth in, and subject to the terms of, the Community Documents.

(b) Not Bound. Notwithstanding any other provision herein, Delegates are not required to cast votes in any manner directed or requested by any Owner or group of Owners.

5.02 Delegate Districts Established.

(a) Established. Pursuant to the terms of this Section 5.02 and Section 5.03, Founder and the Board shall establish districts (each, a **“Delegate District”**) for purposes of casting votes appurtenant to Designated Single-family Sites with respect to certain matters as set forth in the Community Documents.

(b) Timing. On or before the date any Designated Single-family Site exists within the Property, Founder shall establish one or more Delegate Districts.

(c) Designations. Contemporaneously with establishing any Delegate District, either the Board or Founder, whichever is establishing such Delegate District, shall assign to such Delegate District a unique identification number (e.g., “Delegate District #1”) (a **“Delegate District Identification Number”**) and a designation of either “odd” or “even” for purposes of staggering the terms of the various Delegates (e.g., “Delegate District #1 – Odd”, and “Delegate District #2 – Even”) (a **“Staggering Designation”**), which Delegate District Identification Number and Staggering Designation shall not change regardless of which Designated Single-family Sites are included within such Delegate District and regardless of any other matter, except in case of a combination of Delegate Districts into a single Delegate District (in accordance with Section 5.03), in which case either Founder or the Board, whichever is effecting such combination, shall assign a unique Delegate District Identification Number and a Staggering Number to the resultant Delegate District.

(d) Geography. A Delegate District need not be comprised of a contiguous geographic area.

(e) Other Requirements. Founder or the Board, as appropriate, shall assign each Site that it designates as a “Designated Single-family Site” pursuant to Section 1.7 of the Declaration to one, and only one, Delegate District.

(f) Only Designated Single-family Sites. No Site other than a Designated Single-family Site shall be assigned to any Delegate District.

5.03 Configuration of Delegate Districts.

(a) Prior to Close of First Director Election Meeting After Completion. At any time, and from time to time, prior to the close of the First Director Election Meeting After Completion, or such earlier time as Founder may designate by written notice to the Board, Founder, and only Founder, shall be permitted to:

(i) establish one or more Delegate Districts and assign a unique Delegate District Identification Number and a Staggering Designation to each such Delegate District,

(ii) combine two (2) or more Delegate Districts into a one Delegate District, and assign a unique Delegate District Identification Number and a Staggering Number to the resultant Delegate District,

(iii) split a Delegate District into one or more Delegate Districts, and assign a unique Delegate District Identification Number and Staggering Designation for each resultant Delegate District,

(iv) assign any Designated Single-family Site to a Delegate District, and

(v) reassign any Designated Single-family Site from one Delegate District to another Delegate District.

(b) After Close of First Director Election Meeting After Completion. At any time, and from time to time, after the close of the First Director Election Meeting After Completion, or such earlier time as Founder may designate by written notice to the Board, the Board, and only the Board, may:

(i) establish one or more Delegate Districts, and assign a unique Delegate District Identification Number and a Staggering Designation to each such Delegate District,

(ii) subject to Section 5.03(c), combine two (2) or more Delegate Districts into a one Delegate District, and assign a unique Delegate District Identification Number and a Staggering Number to the resultant Delegate District,

(iii) subject to Section 5.03(c), split a Delegate District into one or more Delegate Districts, and assign a unique Delegate District Identification Number and Staggering Designation for each resultant Delegate District,

(iv) assign any Designated Single-family Site to a Delegate District, and

(v) subject to Section 5.03(c), reassign any Designated Single-family Site from one Delegate District to another Delegate District.

(c) Required Approvals.

(i) Notwithstanding any other provision herein, the Board may not:

(A) combine two (2) or more existing Delegate Districts into a single Delegate District and assign a unique Delegate District Identification Number and a Staggering Number to the resultant Delegate District without the approval of Founder and the Owners of Designated Single-family Sites within each Delegate District proposed to be combined,

(B) split a Delegate District into one or more Delegate Districts, and assign a unique Delegate District Identification Number and Staggering Designation for each resultant Delegate District without the approval of Founder and Owners of Designated Single-family Sites within the Delegate District to be split, or

(C) reassign any Designated Single-family Site from one Delegate District to another Delegate District without the approval of Founder and the Owner(s) of such Designated Single-family Site.

(ii) Notwithstanding any other provision herein:

(A) the Owners of Designated Single-family Sites within a Delegate District shall be deemed to have approved the combination of such Delegate District with one or more other Delegate Districts and the assignment of a unique Delegate District Identification Number and a Staggering Number to the resultant Delegate District only upon the affirmative Majority vote of all votes allocated to such Designated Single-family Sites that are permitted to be cast with respect to such issue that are cast, in person or by proxy, at a duly held Delegate District Meeting therefor, and

(B) the Owners of Designated Single-family Sites within a Delegate District shall be deemed to have approved the splitting of such Delegate District into one or more Delegate Districts and the assignment of a unique Delegate District Identification Number and Staggering

Designation for each resultant Delegate District only upon the affirmative vote of at least sixty percent (60%) all votes allocated to Designated Single-family Sites within the Delegate District proposed to be split that are permitted to be cast with respect to such issue that are cast, in person or by proxy, at a duly held Delegate District Meeting therefor.

(d) Restriction on Timing. Notwithstanding any other provision herein, the formation of any new Delegate District, the combination or splitting of any Delegate Districts, and the reassignment of any Designated Single-family Site from one Delegate District to another Delegate District, shall not be effective for purposes of any Delegate District Meeting, Director Election Meeting or Director Removal Meeting occurring within seventy (70) days after the effective date of such formation, combination, splitting or reassignment.

(e) Effectiveness. Notwithstanding any provision herein:

(i) no Delegate District shall be deemed established until either Founder or the Board, whichever is establishing such Delegate District, has Recorded, a declaration that: (A) is executed by Founder or an Officer on behalf of the Board, as appropriate, (B) references the Declaration, (C) states that such Delegate District is thereby established, and (D) specifies the Delegate District Identification Number and Staggering Designation for such Delegate District; and such Delegate District shall be deemed formed on the date such declaration is so Recorded or such later date set forth in such declaration, if applicable,

(ii) no Delegate Districts shall be deemed combined with another Delegate District until either Founder or the Board, whichever is affecting such combination, has Recorded, a declaration that: (A) is executed by Founder or an Officer on behalf of the Board, as appropriate (B) references the Declaration, (C) specifies the Delegate Districts being combined, and (D) specifies a unique Delegate District Identification Number and a Staggering Designation for the resultant Delegate District, and such combination shall be deemed effective on the date such declaration is so Recorded or such later date set forth in such declaration, if applicable,

(iii) no Delegate District shall be deemed split into one or more Delegate Districts until either Founder or the Board, whichever is affecting such split, has Recorded, a declaration that: (A) is executed by Founder or an Officer on behalf of the Board, as appropriate, (B) references the Declaration, (C) specifies the Delegate District being split, (D) specifies a unique Delegate District Identification Number and a Staggering Designation for each resultant Delegate District, and (E) assigns each Designated Single-family Site previously assigned to the Delegate District being split to one, and only one, of the resultant Delegate Districts; and such combination shall be deemed effective on the date such declaration is so Recorded or such later date set forth in such declaration, if applicable,

(iv) no Designated Single-family Site shall be deemed assigned to a Delegate District until either Founder or the Board, whichever is assigning such Designated Single-family Site, has Recorded, a declaration that: (A) is executed by Founder or an Officer on behalf of the Board, as appropriate, (B) references the Declaration, (C) identifies, by legal description, such Designated Single-family Site, (D) states that such Designated Single-family Site is thereby assigned to one, and only one, Delegate District that has already been formed, and (E) sets forth the Delegate District Identification Number and Staggering Designation for such Delegate District; and such Designated Single-family Site shall be deemed assigned to such Delegate District on the date such declaration is so Recorded or such later date set forth in such declaration, if applicable, and

(v) no Designated Single-family Site shall be deemed reassigned from on Delegate District to another Delegate District until either Founder or the Board, whichever is reassigning such Designated Single-family Site, has Recorded, a declaration that: (A) is executed by Founder or an Officer on behalf of the Board, as appropriate, (B) references the Declaration, (C) identifies, by legal description, such Designated Single-family Site being reassigned, and (D) states that such Designated Single-family Site is thereby reassigned from a Delegate District specified therein by Delegate District Identification Number and Staggering Designation to another Delegate District specified therein by Delegate District Identification Number and Staggering Designation; and such Designated Single-family Site shall be deemed so reassigned on the date such declaration is so Recorded or such later date set forth in such declaration on, if applicable.

(f) Copies for Baseline Community Association. Promptly after Founder or the Board, as appropriate, records in the Official Records any declaration described in Section 5.03(e), Founder or an Officer on behalf of the Board, as appropriate, shall deliver a Recorded copy of such declaration to Baseline Community Association, which declaration Baseline Community Association shall be maintained in its official records.

5.04 Qualifications (to Serve as a Delegate or Alternate). Anyone nominated to serve as a Delegate or Alternate, and throughout the term any individual serves in such capacity such individual, must be: (a) eighteen (18) years of age or older, and (b) an Owner or a resident of a Designated Single-family Site within the Delegate District to be represented by such Delegate or Alternate. For purposes of this Section 5.04, if an Owner is not an individual, then any officer, director, partner, member, manager or any trust officer of such Owner shall be eligible to serve as a Delegate or Alternate unless a written notice to Baseline Community Association signed by such Owner specifies otherwise.

5.05 Delegates' Duties. Each Delegate shall have the duty to: (a) regularly attend meetings of Owners at which such Delegate is entitled to cast votes, (b) participate in all votes of Owners for which such Delegate is entitled to cast votes, (c) distribute information as directed by the Board such other information as such Delegate deems appropriate to the Owners represented by such Delegate, (d) assist in publicizing social and other events at the request of the Board, and

(e) promptly inform the Owners represented by such Delegate of proposed and final actions of the Board.

ARTICLE VI

DELEGATE DISTRICT MEETINGS

6.01 Definition. The term **“Delegate District Meeting”** shall mean a meeting of Owners of Designated Single-family Sites within a single Delegate District held in accordance with this Article VI.

6.02 Purposes. A Delegate District Meeting may be called for purposes of:
(a) holding a Delegate Election Meeting, (b) holding a Delegate Removal Meeting, and
(c) voting on certain matters as set forth in Section 5.03(c) and 8.05(c).

6.03 Location. Delegate District Meetings shall be held at the principal office of Baseline Community Association or at such other location as the Person(s) calling the meeting identify in the notice of the meeting.

6.04 Delegate Election Meetings.

(a) Delegate Elections. Except as set forth herein, each Delegate and each Alternate shall be elected in an election (a **“Delegate Election”**) held at a Delegate District Meeting in accordance with this Article VI (a **“Delegate Election Meeting”**).

(b) Types of Delegate Election Meetings. There are the following three (3) types of Delegate Election Meetings:

(i) A Delegate Election Meeting held for the purpose of selecting the initial Delegate and the initial Alternate for a Delegate District (an **“Initial Delegate Election Meeting”**),

(ii) a Delegate Election Meetings held to fill a vacancy of a Delegate or Alternate position caused by the expiration of a Delegate’s or Alternate’s term (a **“Biannual Delegate Election Meeting”**), and

(iii) any Delegate Election Meeting that is not an Initial Delegate Election Meeting or a Biannual Delegate Election Meeting (a **“Special Delegate Election Meeting”**), such as, for example, Delegate Election Meetings held to
(A) fill a vacancy in any Delegate position occurring for any reason other than expiration of such Delegate’s term when there is no Alternate to fill such vacancy; and
(B) fill a vacancy in any Alternate position occurring for any reason other than the expiration of such Alternate’s term.

(c) Timing of Delegate District Meetings. The Initial Delegate Election Meeting for each Delegate District shall occur prior to the earlier to occur of: (i) the first Owner’s Meeting, or (ii) any action of the Owners without a meeting pursuant to Section 4.15. Biannual Delegate Election Meetings shall be held biannually on dates and times

fixed by the Board, from time to time, and specified in the notice of such meeting. Special Delegate Election Meetings shall occur on the date and at the time selected by person(s) calling such meeting.

(d) Nominations and Slate of Delegate Candidates. For any Delegate Election, the Board shall solicit nominations from individuals qualified under Section 5.04 to serve as Delegates and Alternates. The Board may establish nomination procedures and reasonable deadlines for receiving nominations. The date set by the Board for close of nominations shall be not less than ten (10) or more than seventy (70) days before the date of the Delegate Election Meeting. Nominations for Delegates and Alternates may not be made after the date set for the close of nominations. Not less than ten (10) nor more than seventy (70) days before the date of a Delegate Election Meeting for any Delegate District but not before the close of nominations, a slate of eligible candidates for the Delegate and Alternate positions for such Delegate District (a “**Slate of Delegate Candidates**”) shall be prepared and distributed by the Board to the Owners of Designated Single-family Sites within such Delegate District that are entitled to vote for such positions based on nominations that comply with the nomination guidelines established by the Board and the qualifications under Section 5.04. If, after the close of the nominations: (i) only one person qualified under Section 5.04 is nominated to serve as a Delegate or Alternate, then the Board may, without further action, declare that person to be elected as the Delegate for such Delegate District; or (ii) more than one person qualified under Section 5.04 is nominated to serve as a Delegate or Alternate, then a Delegate Election shall be held to fill such Delegate or Alternate position, as applicable, at a Delegate District Meeting.

(e) Individuals Elected. At any Delegate Election, from among those persons nominated pursuant to Section 6.04(d) and qualified to serve under Section 5.04, the person receiving the highest number of votes shall be deemed elected as the Delegate and the person receiving the second highest number of votes shall be deemed elected as the Alternate.

(f) Terms of Office. Except as set forth in Sections 6.06 and 6.08, the term of office for each Delegate and each Alternate for a Delegate District shall begin on the date such Delegate or Alternate is elected, and shall terminate at the close of the next Biannual Delegate Election Meeting for such Delegate District occurring after commencement of such Delegate’s or Alternate’s term.

(g) No Term Limits. There is no limit on the number of terms an individual may serve as a Delegate or an Alternate.

(h) Timeline for Electing Delegates and Alternates. The table in Figure 2 below is a summary of the timeline for performing various tasks to be completed in connection with the election of Delegates and Alternates. If there is any conflict between or among the table below and the Declaration, the Articles, other provisions of these Bylaws or the Rules, then the terms and conditions of the Declaration, then the Articles,

then the other provisions of these Bylaws, then the table below, then the Rules shall control in that order.

Figure 2

<i>Summary Timeline for Electing Delegates and Alternates</i>	
<i><u>Time</u></i>	<i><u>Event</u></i>
20-70 days before Delegate Election Meeting	Close of nominations
After close of nominations	A Slate of Delegate Candidates is generated
Prior to sending notice of Delegate Election Meeting	A record date may be set for Owners entitled to notice of Delegate Election Meeting. (If set, the record date must be between 10 and 70 days before the Delegate Election Meeting.)
Prior to sending notice of Delegate Election Meeting	A record date may be set for eligibility to vote. (If set, the record date must be between 10 and 70 days before the Delegate Election Meeting.)
10-50 days before Delegate Election Meeting but not before the close of nominations	Notice of Delegate Election Meeting and Slate of Delegate Candidates is sent to Owners entitled to notice. Proxies are sent to Owners entitled to vote.
Delegate Election Meeting	Election of Delegate and Alternate

6.05 **Vacancies of a Delegate or Alternate Position.** A vacancy in any Delegate's position occurring for any reason other than the expiration of such Delegate's term shall first be filled by the Alternate for such Delegate's Delegate District. If there is no such Alternate, then a Special Delegate Election Meeting shall be held and the vacancies of the Delegate and Alternate positions shall be filled at such Special Delegate Election Meeting. If an Alternate becomes a Delegate pursuant to this Section 6.05, then a Special Delegate Election Meeting shall be held and a new Alternate shall be elected at such Special Delegate Election Meeting.

6.06 **Removal of a Delegate or Alternate.** Any Delegate and any Alternate of any Delegate District may be removed, with or without cause, at a Delegate Removal Meeting, by a vote of greater than sixty-seven percent (67%) of the votes allocated to Owners of Designated

Single-family Sites within such Delegate District that are represented in person or by proxy at such Delegate Removal Meeting, at which a quorum is present.

6.07 Term for Replacement Delegates. Notwithstanding any other provision herein, any person elected to fill a vacancy of a Delegate or Alternate occurring before expiration of such Delegate's or Alternate's term of office shall serve the remainder of the unexpired term of office of the predecessor Delegate or Alternate, as appropriate.

6.08 Failure to Elect Delegates or Alternates. If, despite attempts to elect a Delegate or Alternate for any Delegate District pursuant to the terms of the Community Documents, a Delegate District does not have a Delegate or an Alternate, to the extent not inconsistent with applicable law: (a) the Board may appoint a person qualified under Section 5.04 to fill such position; (b) if no person qualified under Section 5.04 is willing to serve as a Delegate, then the President shall serve as such Delegate until a person qualified under Section 5.04 is elected or appointed; and (c) if no person qualified under Section 5.04 is willing to serve as an Alternate, then the Vice President shall serve as such Alternate until a person qualified under Section 5.04 is elected or appointed. Notices of all appointments made pursuant to this Section 6.08 shall be distributed to the Owners in the affected Delegate District within thirty (30) days after the date of such appointment.

6.09 Record Dates for Delegate District Meetings. The person(s) lawfully calling a Delegate District Meeting may set a record date for the purpose of determining the Owners entitled to notice of such meeting and set a record date for Owners entitled to vote at such meeting. If a record date is set for determining which Owners are entitled to notice, such record date must be not less than ten (10) or more than seventy (70) days before the date of the meeting. If a record date is not set for determining which Owners are entitled to notice, the record date shall be the close of business on the business day preceding the day on which notice is given. If a record date is set for determining which Owners are entitled to vote, such record date must be not be less than ten (10) or more than seventy (70) days before the date of the meeting. If a record date is not set for determining which Owners are entitled to vote, the record date is the date on which the meeting is held.

6.10 Meetings Called (Delegate District Meetings).

(a) Delegate Election Meetings.

(i) The Initial Delegate Election Meeting for any Delegate District, may be called by: (A) the President, (B) the Board, or (C) Owners holding not less than twenty percent (20%) of the total votes of all Owners within such Delegate District and shall be held on a date selected by the person(s) calling such meeting that is within one hundred eighty (180) days after the first Transfer to a Purchaser of a Designated Single-family Site within such Delegate District.

(ii) A Biannual Delegate Election Meeting for any Delegate District may be called by: (A) the President, (B) the Board, (C) Owners holding not less than twenty percent (20%) of the total votes of all Owners within such Delegate

District, or (D) the Delegate for such Delegate District, and shall be held on a date selected by the person(s) calling such meeting between March 1 and June 30 of: (x) each odd-numbered year occurring after that date that is at least two (2) years after the first Transfer to a Purchaser of a Designated Single-family Site within such Delegate District, if the Staggering Designation for such Delegate District is “odd”, or (y) each even-numbered year occurring after that date that is at least two (2) years after the first Transfer to a Purchaser of a Designated Single-family Site within such Delegate District, if the Staggering Designation for such Delegate District is “even”, as appropriate.

(iii) A Special Delegate Election Meeting for any Delegate District may be called by: (A) the President, (B) the Board, (C) Owners holding not less than twenty percent (20%) of the total votes of all Owners within such Delegate District to: (1) fill a vacancy in any Delegate position occurring for any reason other than expiration of such Delegate’s term if there is no Alternate to fill such vacancy, and (2) fill a vacancy in any Alternate position occurring for any reason other than the expiration of such Alternate’s term.

(b) Delegate Removal Meetings. A Delegate Removal Meeting (to determine whether any individual serving as a Delegate or Alternate shall be removed from such position) shall be called by the President at the request of Owners holding twenty percent (20%) more of the total votes within such Delegate’s or Alternate’s Delegate District that may be cast by the Owners in such Delegate District therefor. The President shall set the date of each Delegate Removal Meeting; provided such meeting shall be no later than forty (40) days after the date the President calls such meeting or the date any Officer receives a sufficient request from Owners for such meeting, as appropriate. If a notice for a Delegate Removal Meeting to be called pursuant to this Section 6.10(b) is not delivered within twenty (20) days after the date the written demand or demands are delivered to any Officer, then the Owners requesting such meeting may set the time, date and place of such meeting and give notice pursuant to the terms of Section 6.11. The close of business on the thirtieth (30) day before delivery of such Owners’ demand for a Delegate Removal Meeting to any Officer pursuant to this Section 6.10(b) shall be the record date for the purpose of determining whether the “twenty percent (20%) or more” requirement of this Section 6.10(b) has been met.

(c) Other Delegate District Meetings. Any Delegate District Meeting for any Delegate District that is to be held for any purpose other than, or in addition to, a Delegate Election Meeting or a Delegate Removal Meeting (an “**Other Delegate District Meeting**”), shall be called either by: (a) the President, (b) the Board, or (c) the President at the request of Owners holding at least ten percent (10%) of all votes allocated to Designated Single-family Sites within such Delegate District. Each Delegate District Meeting, other than a Delegate Election Meeting or a Delegate Removal Meeting, shall be held on a date, at a time and at a place selected by the President. If notices of a Delegate District Meeting to be called pursuant to this Section 6.10(c) by the President at the request of Owners holding at least twenty percent (20%) of all votes allocated to Designated Single-family Sites within such Delegate District is not delivered within thirty

(30) days after the date the written demand such from any such Owner is signed by such Owner and delivered to any Officer, then a person signing and delivering such demand may set the time, date and place of such meeting and give notice.

(d) Delegate District Meetings Called by Owners. If the owners calling a Delegate District Meeting pursuant to Section 6.10(a)(i)(C), 6.10(a)(ii)(C), 6.10(a)(iii)(C), 6.10(b) or 6.10(c) withdraw their request to hold such meeting, the Board may charge all or some of such Owners a Default Assessment up to the amount equal to the reasonable costs incurred by Baseline Community Association to prepare for such meeting. The Board may apportion such charges among such Owners as the Board sees fit.

6.11 Notices (Delegate District Meetings).

(a) Required. Not less than ten (10) nor more than fifty (50) days before the date of any Delegate District Meeting, the Secretary or other Officer as designated by the Board shall deliver written notice of such meeting (each, a “**Notice of Delegate District Meeting**”) to each Owner within, and the Delegate and Alternate for, such Delegate District either personally or by the United States mail, at the direction of the Person(s) calling the meeting.

(b) Form of Notice. A Notice of Delegate District Meeting shall: (i) set forth the place, date and time of such meeting, (ii) set forth the items on the agenda for such meeting, including the general nature of any proposed amendment to the Declaration (including the Property Map), the Articles or these Bylaws, (iii) set forth the purpose or purposes for which the meeting is called if such meeting is a Special Delegate District Meeting, and (iv) and such other information required by these Bylaws or applicable law given the purpose or purposes for which the meeting is called.

(c) Notice Deemed Delivered.

(i) With respect to any Person and any Delegate District Meeting, a Notice of Delegate District Meeting therefor shall be deemed delivered to such Person when deposited in the United States mail addressed to such Person at such Person’s address as it appears on the records of Baseline Community Association, with postage thereon prepaid.

(ii) With respect to any Delegate District Meeting, a Notice of Delegate District Meeting therefor shall be physically posted in a conspicuous place, such as on a notice board outside the principal office of Baseline Community Association, and such notice shall be deemed delivered to Person upon such posting if such Person has not furnished to Baseline Community Association a current, valid address for mailing of notice.

(iii) With respect to any Delegate District Meeting, a Notice of Delegate District Meeting therefor shall be posted on Baseline Community Association's website, if such website exists, and shall be sent by electronic mail (e-mail) to all Persons who are entitled to such notice and so request delivery by e-mail and who have furnished Baseline Community Association their e-mail addresses. Notice of each Special Delegate District Meeting, shall be posted on Baseline Community Association's website, if any, and sent by electronic mail (e-mail) as soon as possible but at least twenty-four (24) hours before such meeting.

(d) Waiver of Notice. With respect to any Delegate District Meeting and any Owner, Delegate or Alternate, a waiver of any Notice of Delegate District Meeting, signed by such Owner, Delegate or Alternate and delivered to Baseline Community Association, either before or after such Delegate District Meeting, shall be equivalent to the delivering Notice of Delegate District Meeting for such meeting to such Owner, Delegate or Alternate in accordance with these Bylaws. Attendance of an Owner, Delegate or Alternate at a Delegate District Meeting, either in person or by proxy, shall constitute waiver of notice of such meeting except when such Owner, Delegate or Alternate attends for the express purpose of challenging the validity of the purported notice.

6.12 Proxies (Delegate District Meetings). Not less than ten (10) nor more than fifty (50) days before the date of the Delegate Election Meeting, the Board shall deliver a written form of proxy for such Delegate Election Meeting to each Owner entitled to vote at such meeting listing the applicable Slate of Delegate Candidates. The provisions of Section 3.05 shall apply to proxies for Delegate Election Meetings, except that each proxy for a Delegate Election Meeting shall automatically expire and be deemed void after completion of the Delegate Election Meeting for which the proxy was provided. Any form of proxy distributed for any Delegate Election Meeting shall (a) afford the opportunity to choose among all candidates listed on the applicable Slate of Delegate Candidates, and (b) provide that, when the Owner specifies a choice, the vote shall be cast in accordance with that choice.

6.13 Presiding Officer (Delegate District Meetings). The President or other Officer designated by the President shall preside over all Delegate District Meetings.

6.14 Quorum (Delegate District Meetings). With respect to any proposed action to be submitted to the Owners of Designated Single-family Sites at any Delegate District Meeting, the presence, in person or by proxy, of Owners of Designated Single-family Sites within the subject Delegate District entitled to vote more than five percent (5%) of the votes of all Owners of Designated Single-family Sites within such Delegate District entitled to vote on such proposed action shall constitute a quorum for purposes of such Delegate District Meeting (except as otherwise required by applicable law, these Bylaws, the Articles or the Declaration). Subject to applicable law, Owners of Designated Single-family Sites within the subject Delegation District present, in person or by proxy, at a duly organized Delegate District Meeting may continue to transact business until adjournment notwithstanding the withdrawal of any Owners so as to leave less than a quorum. If the required quorum is not present, in person or by proxy, at any Delegate District Meeting, another meeting may be called to address the same proposed action, subject to

the notice requirements herein, and the presence, in person or by proxy of Owners of Designated Single-family Sites who are entitled to vote one (1%) of the votes of all Owners of Residential Units within such Delegate District entitled to vote on such proposed action shall constitute a quorum for purposes of such Delegate District Meeting, except as otherwise required by applicable laws, these Bylaws, the Articles or the Declaration.

6.15 Adjournments (Delegate District Meetings). Owners entitled to vote at any Delegate District Meeting present, in person or by proxy, may adjourn the meeting from time to time, whether or not a quorum shall be present, without notice other than announcement at the meeting. If a Delegate District Meeting is adjourned to a different date, time or place, notice need not be given if the new date, time or place is announced at the meeting before the adjournment; *provided, however*, except as otherwise required by applicable law, if the Delegate District Meeting is adjourned to a date more than one hundred twenty (120) days after the record date for determining the Owners entitled to notice of the original Delegate District Meeting, then a new notice of a new Delegate District Meeting shall be required in accordance with Section 6.11, and a new record dates for determining which Owners are entitled to notice of the meeting and which owners are entitled to vote at the meeting shall be established pursuant to Section 6.09. At any adjourned meeting which is held without notice other than announcement at the original meeting, the quorum requirement shall not be reduced or changed, but if the originally required quorum is present in person or by proxy, then any business may be transacted which might have been transacted at the meeting as originally called.

6.16 Required Vote (Delegate District Meetings). Except with respect to Delegate Elections, at any Delegate District Meeting at which a quorum is present, the affirmative vote of a Majority of the votes represented at such meeting, in person or by proxy, and entitled to vote shall be the act of the Owners of Designated Single-family Sites within the subject Delegate District, unless a greater number is required by applicable law or the Community Documents

6.17 Expenses of Meetings (Delegate District Meetings). Baseline Community Association shall bear the expenses of Delegate District Meetings.

6.18 Action Without a Delegate District Meeting. Any action required or permitted to be taken at a Delegate District Meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by the Owners of all Designated Single-family Sites within the subject Delegate District entitled to vote with respect to the subject matter thereof.

ARTICLE VII

FOUNDER CONTROL

7.01 Founder Control Period.

(a) Founder to Appoint Directors and Officers. Subject to the terms and conditions of paragraphs 7.01(b) and 7.02(a), but notwithstanding any other provision of these Bylaws or in any other Community Document, Founder shall have the exclusive right to appoint and remove all Directors and Officers during the Founder Control Period.

The phrase “**Founder Control Period**” means the period commencing on the date on which Founder forms Baseline Community Association and ending on the earliest to occur of:

(i) the date that is sixty (60) days after conveyance to Purchasers of seventy-five percent (75%) of the maximum number of Sites that may be created by Founder under the Declaration,

(ii) the date that is two (2) years after the last conveyance of a Site by Founder or a Successor Founder in the ordinary course of business, or

(iii) the date that is two (2) years after any right under the Declaration to add new Sites to Baseline Residential was last exercised.

(b) Early Surrender. Founder may voluntarily surrender its right to appoint and remove Officers and Directors prior to the expiration of the Founder Control Period, but, in that event, Founder may require, for the remainder of the Founder Control Period, that specific actions of Baseline Community Association or the Board, as described in a Recorded instrument executed by Founder, be approved by Founder before they become effective.

7.02 Elections By Owners.

(a) Partial Turnover Director. Notwithstanding Section 7.01(a), not later than sixty (60) days after the conveyance of twenty-five percent (25%) of the Sites that may be created under the Declaration to Purchasers, one Director appointed by Founder shall be replaced with a Director elected by Owners other than Founder through Owners’ respective Delegates (the “**Partial Turnover Director**”).

(b) Electing Board Upon Expiration of Founder Control Period. During the thirty (30)-day period immediately preceding the date on which the Founder Control Period expires, the Owners, through the Owners’ respective Delegates, shall elect a Board of three (3) Directors, pursuant to the terms of the Community Documents, at least a majority of whom must be Owners other than Founder or designated representatives of Owners other than Founder. Such Directors shall take office upon election.

ARTICLE VIII

BOARD OF DIRECTORS

8.01 Number of Directors. The Board shall consist of three (3) Directors.

8.02 Powers and Duties of the Board. The Board shall have the duty to manage and supervise the affairs of Baseline Community Association and shall have all powers necessary or desirable to permit it to do so. Without limiting the generality of the foregoing, the Board shall have the power to exercise or cause to be exercised for Baseline Community Association, all of the powers, rights and authority of Baseline Community Association not reserved to the Owners in the Declaration, the Articles, these Bylaws or the Colorado Revised Nonprofit Corporation

Act. Without limiting the generality of the foregoing or powers and duties of the Board set forth elsewhere in the Declaration, the Articles and these Bylaws, the Board shall be vested with and responsible for the following specific powers and duties:

(a) Assessments. The power to fix and levy from time to time Assessments and other charges upon the Owners as provided in the Declaration; to determine and fix the due date for the payment of such Assessments and the date upon which the same shall become delinquent; and to enforce the payment of such delinquent Assessments and other charges as provided in the Declaration.

(b) Insurance. The power to contract and pay premiums for fire and casualty and liability and other insurance in accordance with the provisions of the Declaration.

(c) Common Elements. The duty to manage and care for the Common Elements, and to employ personnel necessary for the care and operation of the Common Elements, and to contract and pay for necessary or desirable improvements on property acquired by Baseline Community Association.

(d) Agents and Employees. The power to select, appoint, and remove all Officers, except Officers appointed by Founder pursuant to Section 7.01(a), and all agents and employees of Baseline Community Association and to prescribe such powers and duties for them as may be consistent with law, with the Articles, the Declaration and these Bylaws; and to fix their compensation and to require from them security for faithful service as deemed advisable by the Board.

(e) Borrowing. The power to borrow money and to incur indebtedness for the purposes of Baseline Community Association, and to cause to be executed and delivered therefor, in Baseline Community Association's name, promissory notes, bonds, debentures, mortgages, pledges, hypothecations or other evidences of debt and securities.

(f) Enforcement. The power to enforce the provisions of the Community Documents and agreements and other instruments of Baseline Community Association.

(g) Delegation of Powers. The power to delegate its powers according to law.

(h) Rules and Regulations. The power to adopt such rules and regulations with respect to the interpretation and implementation of the Declaration, use of Common Elements, and use of any property within the Property; *provided, however*, that such Rules and Regulations shall be enforceable only to the extent that they are consistent with the Declaration, the Articles and these Bylaws.

8.03 Qualifications (to serve as a Director). Each Director, other than a Director set forth in the original Articles or a Director appointed by Founder, must be: (a) eighteen (18) years of age or older, and (b) an Owner or resident of a Designated Single-family Site or a Designated Multi-family Site; and provided further that each individual elected to serve as D#1, D#2 or D#3 shall be an Owner or resident of a Designated Single-family Site or a Designated Multi-family Site within the Election District that elects such Director. For purposes of this Section 8.03, if an

Owner is not an individual, then any officer, director, partner, member, manager or trust officer of such Owner shall be eligible to serve as a Director unless a written notice signed by the Owner and delivered to Baseline Community Association specifies otherwise.

8.04 Election Districts Established.

(a) Established for the Partial Turnover Director. For purposes of electing the Partial Turnover Director, all Delegate Districts shall be deemed to be one Election District.

(b) Established for All Directors. On or before the date that is one hundred twenty (120) days prior to the expiration of the Founder Control Period, Founder shall establish three (3) Election Districts (ED#1, ED#2 and ED#3) for the purposes of electing the Directors pursuant to Section 7.02(b) and all Directors thereafter.

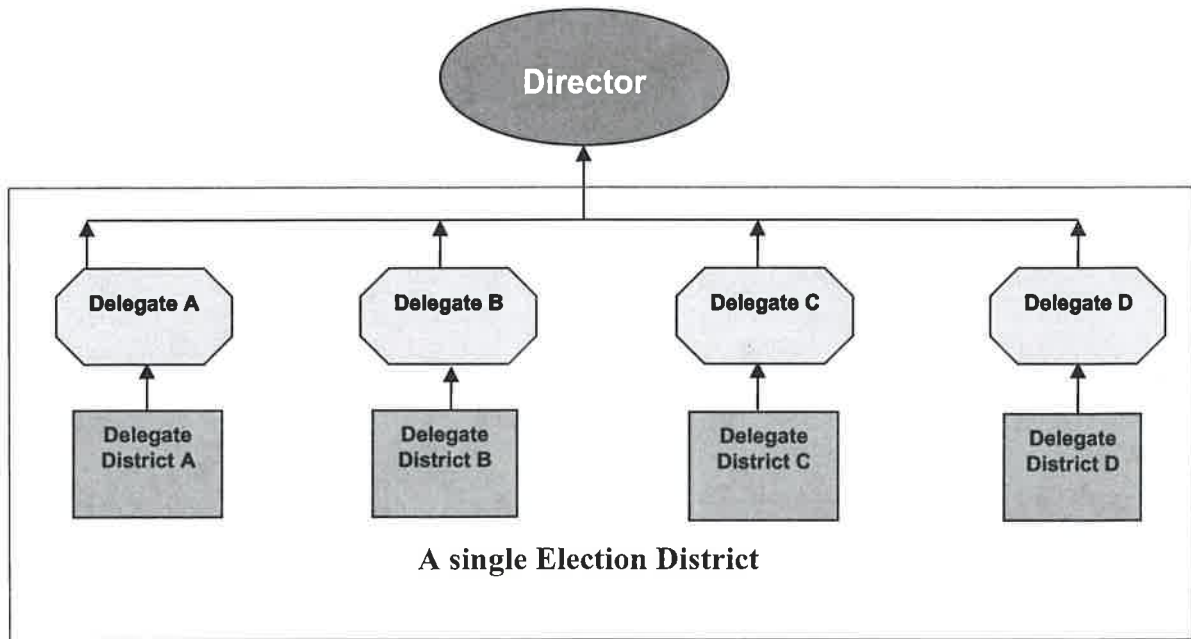
(c) Election District Identification Number. Contemporaneously with establishing any Election, Founder shall assign to such Election District a unique identification number (e.g., “ED#1”) (an “**Election District Identification Number**”), which Election District Identification Number shall not change regardless of which Delegate Districts are included within such Election District and regardless of any other matter, except in case of a combination of Election Districts into a single District (in accordance with Section 8.05), in which case Founder shall select one of the Election District Identification Numbers from the Election Districts being combined to be the Election District Identification Number for the resultant Election District.

(d) Composition Requirements. Each Election District shall be comprised of one or more Delegate Districts, and each Delegate District shall be assigned to only one Election District. An Election District need not be a contiguous geographic area.

(e) Diagram. The diagram in Figure 3 below depicts the voting by representation of votes appurtenant to Designated Single-family Sites in respect of the election of Directors other than Directors appointed by Founder or the Partial Turnover Director. If there is any conflict between such diagram and the other provisions of these Bylaws, the Articles, or the Declaration, then such other provisions shall control.

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Figure 3



8.05 Configuration of Election Districts.

(a) Prior to Close of First Director Election Meeting After Completion. Prior to the close of the First Director Election Meeting After Completion, or at such earlier time as Founder may designate by written notice to the Board, Founder, and only Founder, shall be permitted to:

- (i) establish one or more Election Districts,
- (ii) combine two (2) or more Election Districts into a one Election District,
- (iii) assign Delegate Districts to Election Districts, and
- (iv) reassign any Delegate District from one Election District to another Election District.

(b) After Close of First Director Election Meeting After Completion.

(i) After the close of the First Director Election Meeting After Completion, or at such earlier time as Founder may designate by written notice to the Board, the Board may:

- (A) establish one or more Election Districts,

(B) subject to Section 8.05(c), combine two (2) or more Election Districts into a one Election District,

(C) assign Delegate Districts to Election Districts, and

(D) subject to Section 8.05(c), reassign any Delegate District from one Election District to another Election District.

(c) Required Approvals.

(i) Notwithstanding any other provision herein, the Board may not:

(A) combine two (2) or more Election Districts into a one Election District without the approval of Owners of Designated Single-family Sites within each Delegate District to be so combined, and

(B) reassign any Delegate District from one Election District to another Election District without the approval of Owners of Designated Single-family Sites within the Delegate District to be so reassigned.

(ii) Notwithstanding any other provision herein:

(A) the Owners of Designated Single-family Sites within a Delegate District shall be deemed to have approved the combination of the Election District that includes such Delegate District with another Election District only upon the affirmative Majority vote of all votes allocated to such Designated Single-family Sites that are permitted to be cast with respect to such issue that are cast, in person or by proxy, at a duly held Delegate District Meeting therefor, and

(B) The Owners of Designated Single-family Sites within a Delegate District shall be deemed to have approved the reassignment of such Delegate District to a different Election District only upon the affirmative Majority vote of all votes allocated to Designated Single-family Sites within such Delegate District that are permitted to be cast with respect to such issue that are cast, in person or by proxy, at a duly held Delegate District Meeting therefor.

(d) Restriction on Timing. Notwithstanding any other provision herein, the combination or splitting of any Election Districts, and the reassignment of any Delegate District from one Election District to another Election District, shall not be effective for purposes of any Director Election Meeting or any Director Removal Meeting occurring within one hundred twenty (120) days after the effective date of such formation, combination, splitting or reassignment.

(e) Effectiveness. Notwithstanding any provision herein:

(i) no Election District shall be deemed established until either Founder or the Board, whichever is establishing such Election District, has Recorded, a declaration that: (A) is executed by Founder or an Officer on behalf of the Board, as appropriate, (B) references the Declaration, (C) states that such Election District is thereby established, and (D) specifies the Election District Identification Number for such Election District; and such Election District shall be deemed formed on the date such declaration is so Recorded or such later date set forth in such declaration, if applicable,

(ii) no Election Districts shall be deemed combined with another Election District until either Founder or the Board, whichever is combining Election Districts, has Recorded, a declaration that: (A) is executed by or an Officer on behalf of the Board, as appropriate, (B) references the Declaration, (C) specifies the Election Districts being combined, and (D) specifies the Election District Identification Number for the resultant Election District; and such combination shall be deemed effective on the date such declaration is so Recorded or such later date set forth in such declaration, if applicable,

(iii) no Delegate District shall be deemed assigned to an Election District until Founder or the Board, whichever is so assigning such Delegate District, has Recorded, a declaration that: (A) is executed by Founder or an Officer on behalf of the Board, as appropriate, (B) references the Declaration, (C) identifies the Delegate District being so assigned, (D) states that such Delegate District is thereby assigned to one, and only one, Election District that has already been formed, and (E) sets forth the Election District Identification Number to which such Delegate District is being assigned; and such Delegate District shall be deemed assigned to such Election District on the date such declaration is so Recorded or such later date set forth in such declaration, if applicable, and

(iv) no Delegate District shall be deemed reassigned from one Election District to another Election District until either Founder or the Board, whichever is reassigning such Delegate District, has Recorded, a declaration that: (A) is executed by Founder or an Officer on behalf of the Board, as appropriate, (B) references the Declaration, (C) identifies such Delegate District Site being reassigned, (D) states that such Delegate District is thereby reassigned from an Election District specified therein by Election District Identification Number to another Election District specified therein by Election District Identification Number; and such Delegate District shall be deemed so reassigned on the date such declaration is so Recorded or such later date set forth in such declaration, if applicable.

8.06 Election of Directors.

(a) Director Elections. Each Director, except a Director appointed by Founder, shall be elected in an election (a “**Director Election**”) held at an Owner’s Meeting (a “**Director Election Meeting**”).

(b) Types of Director Election Meetings. There are the following two (2) types of Director Election Meetings:

(i) A Director Election Meeting held to fill a vacancy of a Director position caused by the expiration of a Director’s term (other than a Director appointed by Founder) (a “**Regular Director Election Meeting**”), and

(ii) A Director Election Meeting that is not a Regular Director Election Meeting (a “**Special Director Election Meeting**”), such as, for example, a Director Election Meeting held to:

(A) elect an individual to serve as the Partial Turnover Director;

(B) fill a vacancy in any Director position (other than Directors appointed or replaced by Founder) occurring for any reason other than the expiration of such Director’s term, or

(C) elect individuals to serve as Directors at the First Director Election Meeting After Completion.

(c) Timing of Director Elections.

(i) Each Regular Director Election Meeting shall occur at an Annual Owners Meeting. The Board shall set the date of each Annual Owners Meeting in accordance with the requirements of Sections 4.07(a) and 4.08.

(ii) Each Special Director Election Meeting shall occur at a Special Owners Meeting. The Board shall set the date of each Special Director Election Meeting, in accordance with the following requirements:

(A) For the purpose of electing the Partial Turnover Director, such Special Director Election Meeting shall be held no later than the expiration of the Founder Control Period.

(B) For purposes of electing an individual to fill a vacancy in any Director position (other than Directors appointed or replaced by Founder) occurring for any reason other than the expiration of such Director’s term, such Special Director Election Meeting shall be held no later than one hundred fifty (150) days after the effective date of such vacancy.

(d) Location. Each Director Election Meeting shall be held at the principal office of Baseline Community Association or at such other place, within or convenient to the Property, as may be determined by the Person(s) calling the meeting and specified in the notice of the meeting therefor delivered in accordance with Section 4.08.

(e) Nominations and Slate of Director Candidates. For each Director Election Meeting, the Board shall solicit nominations from individuals qualified under Section 8.03 to serve as Directors. The Board may establish nomination procedures and reasonable deadlines for receiving nominations. The date set by the Board for close of nominations shall be not less than ten (10) or more than seventy (70) days before the date of the Director Election Meeting. Nominations for the Board may not be made after the date set for the close of nominations. Not less than ten (10) nor more than seventy (70) before the date of the Director Election Meeting but not before the close of nominations, a slate of eligible candidates for each directorship to be filled (a “**Slate of Director Candidates**”) shall be prepared and distributed by the Board to the Owners or Delegates entitled to vote for such directorship based on the nominations that comply with the nomination guidelines established by the Board and the Director qualifications set forth in Section 8.03. If, after the close of nominations: (i) only one person qualified under Section 8.03 is nominated for any directorship, then the Board may, without further action, declare that person to be elected to such directorship, or (ii) more than one person qualified under Section 8.03 is nominated for any directorship, then a Director Election shall be held at a Director Election Meeting.

(f) Voting by Owners of Delegates. In any election for a Partial Turnover Director or any Director, other than a Director appointed by Founder: (i) Delegates (not Owners of Designated Single-family Sites) shall be entitled to cast votes allocated to Designated Single-family Sites within their respective Delegate Districts; and (ii) the Owners of Voting Sites other than Designated Single-family Sites shall be entitled to cast the votes allocated to their respective Sites.

(g) Terms of Office.

(i) The initial individual elected to serve as the Partial Turnover Director shall be elected to serve until the earlier to occur of: (A) the second Annual Owners Meeting following such Director’s election, and (B) the close of the First Director Election Meeting After Completion.

(ii) At the First Director Election Meeting After Completion: (A) each of D#1 and D#2 shall be elected to serve until the second Annual Owners Meeting following such Director’s election, and (B) D#3 shall be elected to serve until the third Annual Owners Meeting following such Director’s election.

(iii) The term of office for each Director elected at an Annual Owners Meeting (other than the initial individual elected to serve as the Partial Turnover Director and the individuals elected to serve as Directors at the First Director Election Meeting After Completion) shall commence at the close of the Annual

Owners Meeting at which such Director is elected and shall end at the close of the second Annual Owners Meeting following such Director's election.

(h) No Term Limits. There shall be no limit on the number of terms an individual may serve as a Director.

8.07 Timeline for Electing Directors. The table in Figure 4 below is a summary of the timeline for performing various tasks to be completed in connection with the election of Directors. Such table is not applicable to the appointment of Directors by Founder. If there is any conflict between or among the summary below and the Declaration, the Articles, the other provisions of these Bylaws or the Rules, then the terms and conditions of the Declaration, then the Articles, then the other provisions of these Bylaws, then the summary below, then the Rules shall control in that order.

Figure 4

<i><u>Summary Timeline for Electing One or More Directors</u></i>	
<i><u>Time</u></i>	<i><u>Event</u></i>
20-70 days before Director Election Meeting	Close of nominations
After close of nominations	A Slate of Director Candidates is generated
Prior to sending notice of Director Election Meeting	Record date may be set for Owners, Delegates and Alternates entitled to notice of Director Election Meeting. (If set, the record date must be between 10 and 70 days before the Director Election Meeting.)
Prior to sending notice of Director Election Meeting	Record date may be set for eligibility to vote. (If set, the record date must be between 10 and 70 days before the Director Election Meeting.)
10-50 days before Director Election Meeting but not before the close of nominations	Notice of Director Election Meeting and Slate of Director Candidates is sent to Owners, Delegates and Alternates entitled to notice.
Director Election Meeting	Election of Director(s)

8.08 Removal of Directors.

(a) Directors Appointed by Founder. An individual identified in the original Articles or appointed by Founder as a Director may be removed from such position only by Founder. For such removal to be effective, Founder shall give written notice of the removal to the Director, and either the presiding officer of the Board, the President or the Secretary. Such a removal is effective when the notice is delivered unless the notice specifies a future effective date.

(b) Partial Turnover Director. An individual serving as the Partial Turnover Director may be removed from such position, with or without cause, at a Director Removal Meeting, by a sixty-seven percent (67%) or greater vote of the votes allocated to the Owners of Designated Single-family Sites and Designated Multi-family Sites. Such a removal is effective immediately after the counting of all votes cast therefor at such Director Removal Meeting if at least the requisite number of votes are cast in favor of removal.

(c) D#1–D#3. An individual serving as any of D#1, D#2 and D#3 may be removed, with or without cause, at a Director Removal Meeting, by a sixty-seven percent (67%) or greater vote of all votes allocated to the Owners of Designated Single-family Sites and Designated Multi-family Sites within the Election District that such Director represents. Such a removal is effective immediately after the counting of all votes cast therefor at such Director Removal Meeting if at least the requisite number of votes are cast in favor of removal.

8.09 Resignation of Directors. Any Director may resign at any time by giving written notice to other members of the Board stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make any resignation effective.

8.10 Replacement of Directors.

(a) Directors Appointed by Founder. Directors appointed by Founder shall be replaced only by Founder.

(b) Other Directors. A vacancy of any of the Partial Turnover Director position or Director positions D#1, D#2 D#3 shall be filled at a Regular Director Election Meeting or a Special Director Election Meeting.

(c) Term for Replacement. Any individual elected or appointed pursuant to this Section 8.10 shall hold office for the remainder of the term of the Director that individual replaced.

8.11 Meetings Called (for Director Election or Removal). Each Director Election Meeting and each Director Removal Meeting shall be called in accordance with the provisions of Section 4.07.

8.12 Notices (for Director Election or Removal). The provisions of Section 6.11 as applied to Special Delegate District Meetings shall apply to all Director Election Meetings and Director Removal Meetings.

8.13 Proxies (for Director Election or Removal). All proxies for the election, replacement or removal of Directors shall be permitted subject to the conditions and other terms set forth in Section 3.05.

8.14 Quorum (for Director Election or Removal). With respect to each Director Election Meeting and each Director Removal Meeting for any Election District, the presence, in person or by proxies permitted under these Bylaws, of Delegates and Owners of Voting Sites other than Designated Single-family Sites entitled to cast at least five percent (5%) of the votes of appurtenant to all Voting Sites within such Election District that are entitled to vote shall constitute a quorum at such Director Election Meeting or Director Removal Meeting, as appropriate; *provided however*, if the required quorum is not present, in person or by proxy, at any such Director Election Meeting or Director Removal Meeting, a subsequent meeting may be called, subject to the notice requirements hereinabove specified, and the presence, in person or by proxy, of Delegates and Owners of Voting Sites other than Designated Single-family Sites entitled to cast at least one percent (1%) of the votes appurtenant to all Voting Sites within such Election District that are entitled to vote shall constitute a quorum at such meeting. Subject to applicable law, Delegates and Owners of Voting Sites other than Designated Single-family Sites present, in person or by proxies permitted under these Bylaws, at a duly organized Director Election Meeting or Director Removal Meeting may continue to transact business until adjournment notwithstanding the withdrawal of any Owners or Delegates so as to leave less than a quorum.

8.15 Adjournments (for Director Election or Removal). Adjournments of Director Election Meetings and Director Removal Meetings are subject to the provision of Section 6.15.

8.16 Directors Elected. At any Director Election, from and among those persons nominated pursuant to Section 8.06(e) and qualified to serve under Section 8.03, the person receiving the most votes shall be deemed elected.

8.17 Expenses of Meetings (for Director Election or Removal). Baseline Community Association shall bear the expenses of all Director Election Meetings and Director Replacement Meetings.

ARTICLE IX

MEETINGS OF THE BOARD

9.01 Regular Meetings of the Board. 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. A 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, an Owners Meeting at which one or more Directors are elected.

9.02 Special Meetings of the Board. Special meetings of the Board may be held at any place within the State of Colorado, at any time when called by the president, or by two (2) or more Directors, upon the giving of at least two (2) 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, by mailing or telegraphing it prepaid, and addressed to such Director at such Director's post office address as it appears on the books of Baseline Community Association, by telephone, electronic transmission, other forms of wired or wireless

communication or other forms permitted by applicable law. Notices need not state the purposes of the meeting. No notice of any adjourned meeting of the Directors shall be required.

9.03 Participation by Telephone or Other Means. The Board may permit any Director to participate in any meeting of the Board through the use of any means of communication by which all Directors participating may hear each other during the meeting. A Director participating in a meeting by this means shall be deemed present.

9.04 Notice of Board Meetings.

(a) Deemed Delivered. Notice of a Board Meeting shall be deemed delivered to a Director: (a) if mailed, at 5:00 p.m. (MST) on the second business day after it is deposited in the mail addressed to the Director at such Director's home or business address as either appears in the records of Baseline Community Association, with postage thereon prepaid, (b) if by given by telephone, when given by telephone to the Director or to any person answering the telephone who sounds competent and mature at such Director's home or business telephone number as either appears on the records of Baseline Community Association, (c) if sent by electronic transmission, immediately upon sending of such transmission addressed to the address such Director designated for receipt of electronic transmissions of the type sent as such address appears in the records of Baseline Community Association, and (d) if given personally, upon delivery of a copy of a written notice to, or upon verbally advising, the Director or some person who appears competent and mature at such Director's home or business address as either appears on the records of Baseline Community Association.

(b) Waiver. 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; provided, however, at special meetings of the Board at which a matter is addressed that is required to be included in the notice of such meeting but was not included, the attendance of a Director at such meeting shall not be deemed a waiver of notice of such meeting with respect to such matter if such Director objects to transacting of business with respect to such matter and does not vote with respect thereto.

9.05 Proxies (Board Meetings). Directors may not vote by proxy at any meeting of Directors.

9.06 Presiding Officer (Board Meetings). The Board shall appoint a Director to act as chairperson and another Director or an Officer to act as secretary at each meeting of the Directors, in each case to serve in such capacity for so long as the Board shall decide.

9.07 Agendas and Open Meetings of the Board.

(a) Agendas Made Available. Agendas for Board meetings shall be made reasonably available for examination by all Owners, Delegates, Alternates and their representatives. If there is no formal agenda, residential Owners, Delegates and Alternates are nonetheless entitled to a general description of the purpose of the meeting and the subject matter that will be discussed.

(b) Notice of Method. The Board shall inform all Owners, Delegates and Alternates, at least annually, of the method by which agendas of Board meetings and other information required by C.R.S. § 7-128-203(3)(I)(A) will be provided, including the physical location of places where agendas and meeting notices may be posted or the web address where online postings may be made. The Board shall give at least thirty (30) days' advance notice of any change in the manner or means by which such meeting information will be provided.

(c) Open Meetings. All regular and special meetings of the Board, or any committee thereof, shall be open to attendance by all Owners, Delegates, Alternates and their respective representatives, except for executive (closed door) sessions permitted pursuant to C.R.S. § 38-33.3-308.

(d) Opportunity to be Heard. Except as set forth otherwise in these Bylaws, but subject to applicable law: (i) at an appropriate time determined by the Board, but before the Board votes on an issue under discussion, the Board shall permit Owners, Delegates or their designated representatives to speak regarding the issue; (ii) the Board may place reasonable time restrictions on persons speaking during the meeting; and (iii) if more than one person desires to address an issue and there are opposing views, the Board shall provide for a reasonable number of persons to speak on each side of the issue.

9.08 Quorum (Board Meetings). 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.

9.09 Adjournments (Board Meetings). Directors present at any meeting of Directors may adjourn the meeting from time to time, whether or not a quorum shall be present, without notice other than an announcement at the meeting, for a total period or periods not to exceed thirty (30) days after the date set for the original meeting. At any adjourned meeting which is held without notice other than announcement at the meeting, the quorum requirement shall not be reduced or changed, but if the originally required quorum is present, any business may be transacted which may have been transacted at the meeting as originally called.

9.10 Required Vote (Board Meetings). 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.

9.11 Expenses of Board Meetings. Baseline Community Association shall bear the expenses of Board Meetings.

9.12 Action Without a Board Meeting. Any action required or permitted to be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the Directors at a properly held meeting.

ARTICLE X **OFFICERS**

10.01 Officers, Employees and Agents. The officers of Baseline Community Association shall consist of a President, one or more Vice Presidents, a Secretary, a Treasurer and such other officers, assistant officers, employees and agents as may be deemed necessary by the Board. Officers may, but need not be, Directors. No person shall simultaneously hold more than one position as an Officer except the offices of Secretary and Treasurer.

10.02 Appointment and Term of Office of Officers. Except for Officers appointed by Founder in accordance with the Community Documents, the Officers shall be appointed by the Board at the annual meeting of the Board and shall hold office, subject to the pleasure of the Board, until the next annual meeting of the Board or until their successors are appointed, whichever is later, unless the officer resigns, or is removed earlier.

10.03 Removal of Officers, Employees and Agents. Any Officer, employee or agent may be removed by the Board, with or without cause, whenever in the Board's judgment the best interests of Baseline Community Association will be served thereby. The removal of an Officer, employee or agent shall be without prejudice to the contract rights, if any, of the Officer, employee or agent so removed. Election or appointment of an Officer, employee or agent shall not of itself create contract rights.

10.04 Resignation of Officers. Any Officer may resign at any time by giving written notice to the Board stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective.

10.05 Officer Vacancies. Any vacancy occurring in any position as an Officer may be filled by the Board. An Officer appointed to fill a vacancy shall be appointed for the unexpired term of his or her predecessor in office.

10.06 President. The President shall be the principal executive officer of Baseline Community Association and, subject to the control of the Board, shall direct, supervise, coordinate and have general control over the affairs of Baseline Community Association, and shall have the powers generally attributable to the chief executive officer of a corporation. The President shall attend all meetings of the Board and of the Owners.

10.07 Vice Presidents. The Vice Presidents may act in place of the President in case of his or her death, absence or inability to act, and shall perform such other duties and have such authority as is from time to time delegated by the Board or by the President.

10.08 Secretary. The Secretary shall be the custodian of the records and the seal of Baseline Community Association and shall affix the seal to all documents requiring the same; shall see that all notices are duly given in accordance with the provisions of these Bylaws and as required by law and that the books, reports and other documents and records of Baseline Community Association are properly kept and filed; shall take or cause to be taken and shall keep minutes of the meetings of the Board and of committees of the Board; shall keep at the principal office of Baseline Community Association a record of the names and addresses of the Owners; and, in general, shall perform all duties incident to the office of Secretary and such other duties as may, from time to time, be assigned to him or her by the Board. The Board may appoint one or more Assistant Secretaries who may act in place of the Secretary in case of his or her death, absence or inability to act.

10.09 Treasurer.

(a) Duties. The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of Baseline Community Association; shall deposit all such funds in the name of Baseline Community Association in such depositories as shall be designated by the Board; shall keep correct and complete financial records and books of account and records of financial transactions and condition of Baseline Community Association and shall submit such reports thereof as the Board may, from time to time, require; shall arrange for preparation of the financial reports required under Section 12.03; and, in general, shall perform all the duties incident to the office of Treasurer and such other duties as may from time to time be assigned to him or her by the Board or by the President. The Board may appoint one or more Assistant Treasurers who may act in place of the Treasurer in case of his or her death, absence or inability to act.

(b) Funds. In accordance with Section 306 of CCIOA, if the Board delegates powers of the Board or Officers, to a management agent or any other Person who is not an Officer, relating to the collection, deposit, transfer or disbursement of funds of Baseline Community Association, then such management agent or other Person shall:

(i) maintain fidelity insurance coverage or a bond in an amount not less than fifty thousand dollars (\$50,000) or such higher amount as the Board shall determine,

(ii) maintain all funds and accounts of Baseline Community Association separate from the funds and accounts of other associations, or companies or other Persons and shall maintain all reserve accounts of each association so managed separate from operational accounts of Baseline Community Association, and

(iii) cause an annual accounting of Baseline Community Association funds and a financial statement to be prepared and presented to the Board by a public accountant, a certified public accountant or a management agent.

10.10 Bonds. Baseline Community Association shall require fidelity bonds or other legally sufficient insurance or security covering officers or other persons handling funds of Baseline Community Association as required in the Declaration. Baseline Community Association shall pay the premiums for such bonds.

ARTICLE XI

LIABILITY, INSURANCE AND INDEMNIFICATION

11.01 Liability, Insurance and Indemnity.

(a) Definition. The term “**Indemnified Party**” means: (i) each current or former employee of Baseline Community Association designated as an “Indemnified Party” by the Board, and (ii) each current or former Director, Officer, Delegate, Alternate, or member of the Design Review Committee.

(b) No Liability. To the fullest extent permitted by applicable law, no Indemnified Party shall be liable to any Owner or Baseline Community Association for monetary damages for any mistake of judgment or breach of fiduciary duty.

(c) Insurance. Baseline Community Association shall obtain and maintain, at Baseline Community Association’s expense, a policy of liability insurance covering each of the Indemnified Parties in an amount determined in good faith by the Board to be appropriate.

(d) Indemnity. To the fullest extent permitted by the Colorado Revised Nonprofit Corporation Act, as the same now exists or may hereafter be amended or replaced, Baseline Community Association shall defend and indemnify each Indemnified Party against all costs, expenses and liabilities, including the amount of judgments, amounts paid to settle claims and liabilities, and amounts paid for reasonable attorneys’ fees and other related expenses which may be incurred by or imposed on such Indemnified Party in connection with any claim, action, suit, proceeding, investigation or inquiry (each, a “**Claim**”) hereafter made, instituted, or threatened in which such Indemnified Party may be involved as a party or otherwise by reason of such Indemnified Party being or having been a Director, Officer, Delegate, or Alternate or by reason of any past or future action taken, authorized or approved by such Indemnified Party or any omission by such Indemnified Party regardless of the time such Indemnified Party incurs such costs, expenses or liabilities, including those related to: (i) any actual or alleged error or misstatement or misleading statement or act or omission or neglect or breach of duty while acting in such Indemnified Person’s official capacity as Director, Officer, Delegate, or Alternate; or (ii) any matter claimed against such person solely by reason of such person being a Director, Officer, Delegate, or Alternate (collectively, “**Expenses**”).

(e) Opinion of Counsel. As to whether or not an Indemnified Party may be indemnified by Baseline Community Association in the absence of such final adjudication of such matter, each Indemnified Party may conclusively rely upon an Opinion of Counsel obtained by the Board. The foregoing right of indemnification shall not be exclusive of other rights to which any such Indemnified Party may be entitled as a matter of law or otherwise and shall inure to the benefit of the heirs, executors, administrators and assigns of each such Indemnified Party.

(f) Limitation. The right of indemnification under this Section 11.01 shall not extend to matters as to which the subject Indemnified Party is finally adjudged in an action, suit or proceeding to have been liable for gross negligence or willful misconduct in the performance of such person's duty except to the extent that a court may determine, upon application, that despite such adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity. The right of indemnification under this Section 11.01 shall not extend to any matter as to which said indemnification would not be lawful under the laws of the State of Colorado.

11.02 Advances of Expenses and Defense. Baseline Community Association may advance Expenses to, or where appropriate, may undertake the defense of, any Indemnified Party in connection with any Claim, provided that the Board may condition such advances or defense on the Indemnified Party committing, in writing, to reimburse Baseline Community Association for the Expenses advanced or for the costs and expenses of such defense if it should ultimately be determined that Indemnified Party is not entitled to indemnification under Section 11.01.

11.03 Rights Not Exclusive. The right of indemnification provided under Section 11.01 shall not be exclusive of other rights to which such Indemnified Party may be entitled.

ARTICLE XII

MISCELLANEOUS

12.01 Amendments.

(a) By the Board. Except as limited by law, the Articles, the Declaration, or these Bylaws, and specifically subject to Sections 12.01(b)-(d), the Board shall have power to make, amend and repeal these Bylaws at any regular meeting of the Board or at any special meeting of the Board called for that purpose at which a quorum is present. If, however, the Owners shall make, amend or repeal any Bylaw, the Board shall not thereafter amend the same in such manner as to defeat or impair the object of the Owners in taking such action.

(b) By Owners. Except as limited by law, the Articles, the Declaration or these Bylaws, subject to Sections 12.01(c) and 12.01(d), these Bylaws may be amended or repealed by the Owners only upon the affirmative vote of a Majority of all votes in Baseline Community Association. Notwithstanding the foregoing, but subject to Sections 12.01(c) and 12.01(d), except to the extent permitted or required by CCIOA any amendment to these Bylaws that changes the votes allocated to any Site must be approved

by at least sixty-seven percent(67%) of all votes in Baseline Community Association, including at least sixty-seven percent (67%) of the votes allocated to Sites not owned by Founder.

(c) Founder Approval Required. Notwithstanding any other provision of any these Bylaws, these Bylaws may not be amended during the Founder Rights Period without Founder's prior written consent.

(d) Amendments Affecting Delegates and Alternates. With respect to any amendment to these Bylaws directly affecting the rights or obligations of Delegates or Alternates, the votes allocated to Designated Single-family Sites shall cast by the Owners of such Designated Single-family Sites and not by Delegates. The Board shall determine whether any matter directly affects the rights or obligations of Delegates or Alternates.

12.02 Compensation of Officers, Directors and Others. No Director, Delegate or Alternate shall have the right to receive any compensation from Baseline Community Association for serving as a Director, Delegate or Alternate except for reimbursement of expenses as may be approved by resolution of disinterested members of the Board. Officers, members of the Design Review Committee, agents and employees shall receive such reasonable compensation as may be approved by the Board except that no officer, director or employee of Founder or of any Affiliate of Founder may receive compensation as an officer, agent, employee or Director.

12.03 Books and Records.

(a) Records of Baseline Community Association. To the extent required by CCIOA, Baseline Community Association shall maintain the following, all of which shall be deemed to be the sole records of Baseline Community Association for purposes of document retention and production to Owners:

(i) detailed records of receipts and expenditures affecting the operation and administration of Baseline Community Association,

(ii) records of claims for construction defects and amounts received pursuant to settlement of those claims,

(iii) minutes of all Owners Meetings, Delegate District Meetings and meetings of the Board, a record of all actions taken by the Owners or Board without a meeting, and a record of all actions taken by any committee of the Board,

(iv) written communications among, and the votes cast by, Board members that are:

(A) directly related to an action taken by the Board without a meeting pursuant to C.R.S. § 7-128-202, or

(B) directly related to an action taken by the Board without a meeting pursuant to the Bylaws,

(v) the names of Owners in a form that permits preparation of a list of the names of all Owners and the physical mailing addresses at which Baseline Community Association communicates with them, showing the number of votes each Owner is entitled to vote,

(vi) the Declaration, other covenants (if any), Bylaws, Articles, Rules and Regulations, responsible governance policies adopted pursuant to Section 209.5 of CCIOA and other policies adopted by the Board,

(vii) financial statements as described in C.R.S § 7-136-106 for the past three (3) years and tax returns of Baseline Community Association for the past seven (7) years, to the extent available,

(viii) a list of the names, electronic mail addresses, and physical mailing addresses of Baseline Community Association's current Board and Officers,

(ix) Baseline Community Association's most-recent annual report delivered to the Colorado Secretary of State, if any,

(x) financial records sufficiently detailed to enable Baseline Community Association to comply with Section 316(8) of CCIOA concerning statements of unpaid Assessments,

(xi) Baseline Community Association's most-recent reserve study, if any,

(xii) current written contracts to which Baseline Community Association is a party and contracts for work performed for Baseline Community Association within the immediately preceding two (2) years,

(xiii) records of Board or committee actions to approve or deny any requests for design or architectural approval from Owners,

(xiv) ballots, proxies, and other records related to voting by Owners or Delegates for one year after the election, action, or vote to which they relate,

(xv) resolutions adopted by the Board relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members, and

(xvi) all written communications within the past three (3) years to all Owners generally as Owners.

(b) Made Available. Subject to Sections 12.03(d)-(f), to the extent required by CCIOA, all records maintained by Baseline Community Association must be available for examination and copying by an Owner or the Owner's authorized agent. Baseline Community Association may require that Owners submit a written request, describing with reasonable particularity the records sought, at least ten (10) days prior to inspection or production of the documents and may limit examination and copying times to normal business hours or the next regularly scheduled Board meeting if the meeting occurs within thirty (30) days after the request. Notwithstanding any provision of the Community Documents to the contrary, Baseline Community Association may not condition the production of records upon the statement of a proper purpose.

(c) Membership Lists. Notwithstanding any provision of the Community Documents to the contrary, a membership list or any part thereof may not be obtained or used by any Person for any purpose unrelated to an Owner's interest as an owner of a Site without consent of the Board. Without limiting the generality of immediately preceding sentence, without the consent of the Board, a membership list or any part thereof may not be:

- (i) used to solicit money or property unless such money or property will be used solely to solicit the votes of the Owners or Delegates in an election to be held by Baseline Community Association,
- (ii) used for any commercial purpose, or
- (iii) sold to or purchased by any Person.

(d) Records that May be Withheld. Notwithstanding any provision of the Community Documents to the contrary, Baseline Community Association may withhold records from inspection and copying to the extent that they are or concern:

- (i) architectural drawings, plans, and designs, unless released upon the written consent of the legal owner of the drawings, plans, or designs,
- (ii) contracts, leases, bids, or records related to transactions to purchase or provide goods or services that are currently in or under negotiation,
- (iii) communications with legal counsel that are otherwise protected by the attorney-client privilege or the attorney work product doctrine,
- (iv) disclosure of information in violation of law,
- (v) records of an executive session of the Board, or
- (vi) individual Sites other than those owned by the requesting Owner.

(e) Records that Shall be Withheld. Notwithstanding any provision of the Community Documents to the contrary, records maintained by Baseline Community Association are not subject to inspection and copying, and must be withheld by Baseline Community Association, to the extent that they are or concern:

(i) personnel, salary, or medical records relating to specific individuals, or

(ii) personal identification and account information of members and residents, including bank account information, telephone numbers, electronic mail addresses, driver's license numbers, and social security numbers; except that, notwithstanding Section 104 of CCIOA, a member or resident may provide Baseline Community Association with prior written consent to the disclosure of, and Baseline Community Association may publish to other members and residents, the person's telephone number, electronic mail address, or both. Such written consent must be kept as a record of Baseline Community Association and remains valid until the person withdraws it by providing Baseline Community Association with a written notice of withdrawal of the consent. If a person withdraws his or her consent, Baseline Community Association is under no obligation to change, retrieve, or destroy any document or record published prior to the notice of withdrawal. As used in this Section 12.03(e)(ii), written consent and notice of withdrawal of the consent may be given by means of a "record", as defined in the "Uniform Electronic Transactions Act", C.R.S., Title 24, Article 71.3, if the parties so agree in accordance with C.R.S. § 24-71.3-105.

(f) Charges. Baseline Community Association may impose a reasonable charge, which may be collected in advance and may cover the costs of labor and material, for copies of Baseline Community Association records. The charge may not exceed the estimated cost of production and reproduction of the records.

(g) Form of Copy. A right to copy records under this Section 12.03 includes the right to receive copies by photocopying or other means, including the receipt of copies through an electronic transmission if available, upon request by the Owner.

(h) Form of Delivery. Baseline Community Association is not obligated to compile or synthesize any information it is required to disclose or provide pursuant to this Section 12.03.

(i) No Commercial Purposes. Baseline Community Association records and the information contained within those records shall not be used for commercial purposes.

(j) Audit and Review. The books and records of Baseline Community Association shall be subject to (i) an audit, using generally accepted auditing standards, or (ii) a review using statements on standards for accounting and review services, in either case, by an independent and qualified person selected by the Board. Such person need

not be a certified public accountant except in the case of an audit. A person selected to conduct a review shall have at least a basic understanding of the principles of accounting as a result of prior business experience, education above the high school level, or bona fide home study. Such audit or review report shall cover Baseline Community Association's financial statements, which shall be prepared using Generally Accepted Accounting Principles or the cash or tax basis of accounting; *provided, however*, that an audit shall be required hereunder only if: (x) at such time, Baseline Community Association has annual revenue or expenditures of at least two hundred fifty thousand dollars (\$250,000), and (y) such audit is requested by Owners of, or Delegates representing Owners of, at least one-third (1/3) of the Sites; *provided, further* that nothing in this Section 3.4 shall preclude the Board from requesting an audit or review of Baseline Community Association's books and records from time to time on conditions established by the Board. Copies of the results of an audit or review prepared pursuant to this subsection shall be made available upon request of any Owner beginning no later than thirty (30) days after its completion.

(k) Methods of Delivery. The information described in this Section 12.03 shall be provided to the Owners by Baseline Community Association either by (i) posting such information on an internet website with notice of the URL for such website delivered to the Owners by electronic mail or first-class mail, (ii) placing such information on a literature table or in a binder in Baseline Community Association's main office, (iii) mail or personal delivery, or (iv) such other method as may be permitted under CCIOA.

12.04 Statement of Account. Upon payment of a reasonable fee to be determined by Baseline Community Association and upon written request of an Owner of a Site or any person with any right, title or interest in a Site or intending to acquire any right, title or interest in a Site, Baseline Community Association shall furnish, within ten (10) days after the receipt of such request, a written statement of account setting forth the amount of unpaid Assessments, or other amounts, if any, due or accrued and then unpaid with respect to the Site, the Owner of the Site, and the amount of the Assessments for the current fiscal period of Baseline Community Association payable with respect to the Site. Such statement shall, with respect to the party to whom it is issued, be conclusive against Baseline Community Association and all parties, for all purposes, that no greater or other amounts were then due or accrued and unpaid and that no other Assessments have then been levied.

12.05 Annual Corporate Reports. Once per year, Baseline Community Association shall deliver for filing with the Secretary of State of Colorado, within the time prescribed by law, corporate reports on the forms prescribed and furnished by the Secretary of State and containing the information required by law and shall pay the fee for such filing as prescribed by law.

12.06 Fiscal Year. The fiscal year shall mean an annual period ending on a date established by the Board from time to time in accordance with applicable law.

12.07 Seal. The Board may adopt a seal which shall have inscribed thereon the name of Baseline Community Association and the words "SEAL" and "COLORADO."

12.08 Shares of Stock and Dividends Prohibited. Baseline Community Association shall not have or issue shares of stock, and no dividend shall be paid, and no part of the income or profit of Baseline Community Association shall be distributed to its Owners, Directors or officers.

12.09 Loans. No loan shall be made by Baseline Community Association to any Owner, Director or Officer. Any Owner, Director or Officer who assents to or participates in the making of any such loan shall be liable to Baseline Community Association for the amount of such loan until the repayment thereof.

12.10 Special Rights of First Mortgagees. Any First Mortgagee of a First Mortgage encumbering any Site, upon filing a written request therefor with Baseline Community Association, shall be entitled to (a) receive written notice from Baseline Community Association of any default by the mortgagor of such Site in the performance of the mortgagor's obligations under the Declaration, the Articles, these Bylaws or the Rules and Regulations, which default is not cured within sixty (60) days after Baseline Community Association learns of such default, (b) examine the books and records of Baseline Community Association during normal business hours, (c) receive a copy of financial statements of Baseline Community Association including any annual financial statement within ninety (90) days following the end of any fiscal year of Baseline Community Association, (d) receive written notice to attend any meeting of Owners, (e) designate a representative to attend any meeting of Owners, (f) receive written notice of abandonment or termination of the Declaration, (g) receive thirty (30) days written notice prior to the effective date of any proposed, material amendment to the Declaration (including the Property Map), the Articles or the Bylaws, (h) receive thirty (30) days written notice prior to the effective date of termination of any agreement for professional management of Baseline Community Association or the Common Elements following a decision of Baseline Community Association to assume self-management of the Common Elements, (i) receive immediate written notice as soon as Baseline Community Association receives notice or otherwise learns of any damage to the Common Elements if the cost of reconstruction exceeds ten thousand dollars (\$10,000), and (j) receive written notice as soon as Baseline Community Association receives notice or otherwise learns of any condemnation or eminent domain proceedings or other proposed acquisition with respect to any portion of the Common Elements.

12.11 Minutes and Presumptions Thereunder. Minutes or any similar record of Owners Meetings, Delegate District Meetings and meetings of the Board, when signed by the Secretary or acting Secretary of the meeting, shall be presumed to truthfully evidence the matters set forth therein. A recitation in any such minutes that notice of the meeting was properly given shall be prima facie evidence that the notice was given.

12.12 Checks, Drafts and Documents. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to Baseline Community Association, shall be signed or endorsed by such person or persons, and in such manner as, from time to time, shall be determined by resolution of the Board.

12.13 Execution of Documents. The Board, except as these Bylaws otherwise provide, may authorize any Officer or agent to enter into any contract or execute any instrument in the name and on behalf of Baseline Community Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board, no Officer, agent or employee of Baseline Community Association shall have any power or authority to bind Baseline Community Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

END OF BYLAWS


CERTIFICATION

We the undersigned do hereby certify:


That we are the duly elected and acting President and Secretary of Baseline Community Association, Inc., a Colorado nonprofit corporation (the "**Baseline Community Association**"); and

That the foregoing Bylaws were duly adopted by resolution of Baseline Community Association's board of directors as the bylaws for Baseline Community Association on the ~~25th~~^{30th} day of April, 2019.

IN WITNESS WHEREOF, we have hereunto subscribed our names on the dates set forth below.



Name: Kim Perry
Title: President
Date: April 30, 2019



Name: Jim Niemczyk
Title: Secretary
Date: April 30, 2019