

**BYLAWS**  
**OF**  
**MOUNT HARRIS AT GRASSY CREEK**  
**OWNERS ASSOCIATION, INC.**

The Executive Board of Mount Harris at Grassy Creek Owners Association, Inc., a Colorado nonprofit corporation, hereby adopts the following Bylaws:

**ARTICLE I**  
**Name and Location**

The name of the nonprofit corporation is Mount Harris at Grassy Creek Owners Association, Inc., hereinafter referred to as the "Association." The principal offices of the Association shall be located at P.O. Box 774406, Steamboat Springs, CO 80477, or such other places within the United States as may from time to time be determined by the Executive Board in its discretion.

**ARTICLE II**  
**Definitions**

Capitalized terms used in these Bylaws shall have the same meaning as those defined in the Declaration of Protective Covenants for Mount Harris at Grassy Creek Subdivision, recorded or to be recorded in the real property records of Routt County, Colorado, as the same may be amended from time to time (herein called the "Declaration"). The terms defined in C.R.S. §§38-33.3-103 shall have the same meanings when used in these Bylaws. The term "Act" shall mean the Colorado Common Interest Ownership Act, C.R.S. §§38-33.3-101 et seq., as may be amended from time to time.

**ARTICLE III**  
**Membership**

Every Owner of an undivided fee simple interest in a Lot in the Subdivision (including Declarant in respect to Lots from time to time owned by Declarant) shall automatically be and become a member of the Association upon acceptance of the deed of transfer to such interest. One and only one membership shall be allotted to each Lot. Where a Lot is owned by more than one person or a corporation or other such entity, all co-owners shall share the privileges of such membership, subject to reasonable regulation by the Executive Board and subject to the restrictions on voting in Article IV below and the Declaration. Membership shall be appurtenant to and may not be separated from ownership of an interest in a Lot. It shall be the duty of each Owner, upon automatically becoming a member under the provisions hereof, to notify the Secretary of the Association or its managing agent in writing of the fact of ownership and to

furnish the single name and address under which the ownership shall be carried and recognized by the Association, and the name and address of all Mortgagees of the Owner's interest in the Lot. The last mailing address provided to the Association and shown in its records shall be deemed to be the current mailing address.

#### **ARTICLE IV Voting Rights of Owners**

Each Lot shall be allotted one vote. If a Lot is owned entirely by one individual Owner or one organizational Owner, such individual Owner or the designated representative of the organizational Owner with respect to such Lot may cast and vote the one vote allotted to such Lot. If, however, a Lot is owned in fee simple by two or more persons, whether in joint tenancy, tenancy in common or otherwise, then all persons owning fee simple interest in such Lot shall, from time to time, by majority vote amongst them or by any other method to which they all agree, select and designate in writing to the Association one individual who shall be entitled to vote and cast the one vote or designate by proxy an individual to cast the one vote allotted to such Lot. The Association shall maintain a record of the individual entitled from time to time to vote on behalf of all persons owning fee simple interest in such Lot, and until the Association is notified in writing to the contrary, only such designated individual, or the written proxy of such designated individual, may cast the one vote allotted to such Lot, and any action taken by such individual purporting to act on behalf of such persons shall be binding upon such persons. Any vote cast by any individual other than the designated individual or his proxy shall not be counted and in the event the Owners of a Lot fail to designate one individual to cast the vote for the Lot, and more than one vote is cast for the Lot, all such votes shall not be counted.

#### **ARTICLE V Meetings of Owners**

Section 1. Annual Meetings. The annual meeting of Owners shall be held in each year, commencing in 2003, on such date and at such time and at such place as shall be fixed by the Executive Board and specified in the notice of the meeting. Failure to hold an annual meeting shall not work a forfeiture or dissolution of the Association, nor remove any officer or director from office.

Section 2. Budget Meeting. A meeting of the Owners to consider ratification of each proposed Association budget shall be called and set by the Executive Board for a date not less than fourteen (14) days nor more than sixty (60) days after mailing of the summary of such proposed budget to all of the Owners, in accordance with the Act. Ratification of such budget may be considered at the annual meeting or at a special meeting called for other purposes as well, provided that such meeting is held within the time period required by the preceding sentence.

Section 3. Special Meetings. Special meetings of the Owners shall be called by a majority of the directors or by the President or upon the written request of Owners having at least twenty percent (20%) of the total votes of the Owners. Business transacted at any special meeting shall be confined to the purposes stated in the notice thereof.



Section 4. Notice of Meetings. Written notice of each meeting of the Owners shall be given by, or at the direction of, the Secretary, by mailing a copy of such notice, postage prepaid, at least ten (10) days and not more than fifty (50) days before such meeting to each Owner entitled to vote thereat, addressed to the Owner's most-current address as determined pursuant to the Declaration or to any other mailing address designated in writing by the Owner to the Association. Such notice shall specify the place, day and hour of the meeting, and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes, and any proposal to remove an officer or member of the Executive Board. Any Owner may, at any time, waive notice of any meeting of the Owners in writing, and the waiver shall thereby be deemed equivalent to the receipt of notice.

Section 5. Quorum. Except as otherwise provided in these Bylaws, the presence at the beginning of the meeting, in person or by proxy of Owners able to vote who are entitled to vote forty percent (40%) of the total votes allotted to all Lots shall constitute a quorum for the transaction of business.

Section 6. Adjournment of Meeting. At any meeting of Owners, Owners holding a majority of the votes of Owners present at such meeting, either in person or by proxy, may adjourn the meeting to another time and place, within Routt County, Colorado. If a quorum is present at the beginning of a meeting, those Owners present can continue to do business despite the withdrawal of enough Owners to leave less than a quorum, provided that any action that is approved, is approved by the number of votes required if a quorum were present.

Section 7. Fixing Record Date. The Executive Board may fix any date not more than forty-five (45) days prior to any meeting date as the record date for the determination of Owners entitled to notice of, and to vote at, a regular or special meeting of Owners, and all persons who are individual Owners or are designees of organizational or multiple Owners at the close of business on that date (but only such persons) will be entitled to vote at such meeting and any adjournment thereof.

Section 8. Place of Meeting. The Executive Board may designate any place, within Colorado, as the place for any annual meeting or for any special meeting of Owners. A waiver of notice signed by all Owners entitled to vote at a meeting may designate any place, either within or outside Colorado, as the place for such meeting. If no designation of place is made, or if a special meeting shall be called otherwise than by the President or Executive Board, the place of meeting shall be the principal offices of the Association in Colorado.

Section 9. Proxies. Any individual Owner, and any individual designated by an organizational Owner as the individual entitled to cast the votes of such organizational Owner, in the manner described in the Articles, who is entitled to vote at a meeting of Owners, may be represented by a proxy given to some individual other than such Owner. All proxies shall be in writing, shall specify the Lot to be represented by the proxy holder, shall refer only to a particular meeting, shall be dated no earlier than three (3) months before the meeting, shall be delivered to the Secretary of the Association or its managing agent prior to such meeting at which such proxy is voted, and shall be available for inspection at the meeting where exercised. An Owner may not revoke a proxy except by actual notice of revocation to the person presiding



over a meeting of the Association. Every proxy shall be revocable and shall automatically cease upon conveyance by the Owner of his Lot. A proxy terminates automatically eleven (11) months after its date, unless it specifies a shorter term. A proxy is void if it is not dated or purports to be revocable without notice.

Section 10. Lots Owned by Association. A vote allocated to a Lot owned by the Association shall not be cast.

Section 11. Majority Vote. The vote of Owners present in person or by proxy at a meeting at which a quorum shall be present, holding a majority of the votes of Owners present at such meeting, shall be binding upon all Owners and shall constitute the decision of the Owners of the Association for all purposes, except where a higher percentage vote of the Owners is required by the Declaration, the Articles, these Bylaws, or by law. No cumulative voting shall be allowed on any question or in the election of directors.

Section 12. Decisions Without a Meeting. A vote of Owners may be obtained by mail or by facsimile transmission ("Fax"), if the Executive Board so resolves, and if the ballot to all Owners is mailed or Faxed by the Secretary, managing agent or legal representative of the Association and contains the exact question or questions submitted for vote and ballot by mail or Fax and a brief explanation of same and the position of the Executive Board with respect thereto, and if reasonable time is allowed for return of ballots before the vote is counted. Such mail or Fax vote shall not be permitted as respects any matter which by law, by the Declaration, by the Articles or by these Bylaws, requires approval by more than a majority of Owners. The annual meeting of Owners shall not be handled by mail or Fax.

## **ARTICLE VI**

### **Executive Board; Selection; Term of Office**

Section 1. Number. The affairs of the Association shall be managed by an Executive Board comprised initially of one (1) director. During the Declarant Control Period the Declarant may appoint such director. Such director may or may not be an Owner in the Subdivision. After the Declarant Control Period, every director elected or appointed to the Executive Board shall own an undivided fee simple interest in a Lot or shall be an individual designated to the Association as entitled to vote on behalf of an organizational Owner. At the end of the Declarant Control Period, or after Declarant has surrendered the right to appoint and remove the members of the Executive Board, the number of directors may be increased to not more than five (5), as the Owners may then determine.

Section 2. Selection or Election; Term of Office. Subject to C.R.S. §38-33.3-303(5) (a)(I), Declarant has reserved the right in the Declaration for Declarant, to appoint and remove the members of the Executive Board and the officers of the Association during the Declarant Control Period. The Declarant may voluntarily surrender the right to appoint and remove the members of the Executive Board and the officers of the Association before termination of the Declarant Control Period, provided that specified actions of the Association or the Executive Board, as described in a recorded instrument executed by the Declarant, shall be approved by the Declarant before such actions become effective. Directors shall be elected by the Owners,



except for directors appointed by Declarant pursuant to the Declarant's reserved right to do so. The terms of office of the directors shall be staggered: At the first annual meeting, two (2) directors shall be elected for terms of two (2) years, and at such time as there are three (3) or more directors, two (2) directors shall be selected for terms of two (2) years and one (1) director shall be selected for a term of one (1) year. Each director shall thereafter be selected or elected for a term of two (2) years. Each director shall hold office until the selection and qualification of his successor.

Section 3. Removal of Directors. During the Declarant Control Period, Declarant may remove any director whom the Declarant had the right to appoint, by notice in writing given to such director and the Executive Board, with or without cause. At any regular or special meeting of the Owners duly called for such purpose, one or more of the directors who were elected by Owners (rather than appointed by Declarant) may be removed with or without cause by the affirmative vote of at least sixty percent (60%) of all the votes allotted to the Owners, and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting.

Section 4. Resignations; Vacancies. Any director may resign at any time by giving written notice to the President or to the Secretary of the Association. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any vacancy of a director whom the Declarant has the right to appoint, whether occurring by reason of resignation, death, by disqualification of a director, or by an increase in the number of directors, may be filled by Declarant until the end of the Declarant Control Period. Any vacancy of a director occurring after the end of the Declarant Control Period, or occurring to a Director whom Owners other than the Declarant elected or may elect, may be filled by the affirmative vote of a majority of the remaining directors who have been elected by Owners then in office though less than a quorum. A director elected to fill a vacancy, whether by Declarant, by the Owners or by the remaining directors, shall serve through the unexpired term of the vacant directorship.

Section 5. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed, at the discretion of the Executive Board, for his actual expenses incurred in the performance of his duties and for his actual travel expenses to attend meetings of the Executive Board.

Section 6. Declarant Control Period. Declarant Control Period shall mean the period of Declarant control, which terminates no later than the earlier of:

- (a) sixty (60) days after conveyance, on a cumulative basis, of seventy-five percent (75%) of all Lots in the ordinary course of business to Lot Owners who are not the Declarant;
- (b) two (2) years after the last conveyance of a Lot by the Declarant to a Lot Owner in the ordinary course of business; or
- (c) two (2) years after any right to add new Lots under this Declaration was last exercised.



Section 7. Directors Elected by Owners Other Than Declarant. Pursuant to the Act, not later than sixty (60) days after conveyance, on a cumulative basis, of twenty-five percent (25%) of the Lots that may be created in the Subdivision, to Owners other than the Declarant, at least one (1) director, and not less than twenty five percent (25%) of the directors, shall be elected by Owners other than the Declarant. Not later than sixty (60) days after conveyance, on a cumulative basis of fifty percent (50%) of the Lots that may be created in the Subdivision, to Owners other than the Declarant, not less than one-third (1/3) of the directors must be elected by Owners other than the Declarant. When by this Section the Owners other than the Declarant are entitled to elect one or more directors, then the Executive Board shall promptly call a special meeting of the Association for such purpose.

## **ARTICLE VII Meetings of Directors**

Section 1. Regular Meetings. At least one regular meeting of the Executive Board shall be held annually after, but not later than one week after, the annual meeting of the membership of the Association. The directors may hold such other regular or special meetings as they may determine. There shall be an organizational meeting of the Executive Board following the election of any new Executive Board.

Section 2. Special Meetings. Special meetings of the Executive Board shall be held when called by the President or Secretary of the Association upon the written request of any two (2) directors if more than one (1) director comprises the Executive Board, or upon the written request of one director if the Executive Board is comprised of only one director, after not less than three (3) days' prior notice of the time and place thereof has been given to each director by leaving such notice with him or at his residence or usual place of business, or by mailing or telegraphing it prepaid and addressed to a director at his post office address as it appears on the books of the Association, or by telephone call personally to such director, or by facsimile transmission to the Fax telephone number of such director. Notices need not state the purpose of the meeting. No notice of any adjourned meeting of the directors shall be required.

Section 3. Quorum. A majority of the number of directors fixed by the Bylaws shall constitute a quorum for the transaction of business. In the event a quorum of directors is not present, a lesser number may adjourn the meeting to some future time. Every act or decision done or made by a majority of the directors present at a meeting duly called and convened, at which a quorum is present, shall be regarded as the act of the Executive Board, except where a greater vote is required by law, by the Declaration, by the Articles or by these Bylaws.

Section 4. Waiver of Notice. Before, at or after any meeting of the Executive 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 Executive Board shall be a waiver of notice by him except when a director attends the meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.



Section 5. Informal Action by Directors. 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.

Section 6. Telephone Communication in Lieu of Attendance. A director may attend a meeting of the Executive Board by using an electronic or telephonic communication method whereby the director may be heard by the other members of the Executive Board and may hear the deliberations of the other Executive Board members on any matter properly brought before the Executive Board. The director's vote shall be counted and the presence noted as if that director were present in person on that particular matter.

## ARTICLE VIII Powers and Duties

Section 1. Powers. The business and affairs of the Association shall be managed by its Executive Board which may exercise all powers of the Association and do all lawful acts and things as are not by statute, the Articles, these Bylaws, or the Declaration directed or required to be exercised and done by the Owners. Directors and officers of the Association will not be held liable for errors or mistakes in judgment, pertaining to law or fact, when they have acted on a matter calling for the exercise of their judgment or discretion, when they have used such judgment and have so acted in good faith and given the Association the benefit of their best judgment and care. The power and authority of the Executive Board shall include, but shall not be limited to, the power and authority, acting directly or through the Association's officers or through the Association's manager or managing agent:

- (a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration.
- (b) To establish, make and amend rules, regulations, provisions and resolutions as may be necessary, convenient or proper for the management, operation, use or occupancy of the Subdivision, the Lots, the Common Property and all real and personal property owned or leased by the Association for common use, and to enforce compliance therewith pursuant to the Declaration, including (without limitation) the right, power and authority to establish penalties for the infraction thereof and to assess fines in favor of the Association for specific violations of any regulation, provision, rule, or resolution.
- (c) To create any reserve required by the Declaration or deemed appropriate by the Executive Board.
- (d) To hire and discharge contractors, agents and employees, and to designate and remove personnel necessary for the operation, maintenance, repair, restoration, and replacement of the Common Property, and to set and determine the conditions and duties of, and wages, benefits and payments to, any such contractor, agent, employee or personnel.

- (e) To enter into, make, amend and terminate contracts or agreements pertaining to its authority and responsibilities, and to incur liabilities.
- (f) To institute, defend, or intervene in litigation or administrative proceedings or seek injunctive relief for violations of the Declaration, Bylaws, Architectural Guidelines or rules and regulations, in the Association's name, on behalf of the Association or two or more Owners, on matters affecting the Subdivision.
- (g) To adopt and amend these Bylaws, rules and regulations and Architectural Guidelines.
- (h) To adopt and amend budgets for revenues, expenditures and reserves.
- (i) To impose and receive a payment, fee or charge for services provided to Owners of Lots and for the use, rental or operation of the Common Property.
- (j) To impose a reasonable charge for late payment of Assessments and, after notice and hearing, to levy a reasonable fine for a violation of the Governing Documents of the Association.
- (k) To grant easements for any period of time, including permanent easements, and to grant leases, licenses, and concessions for no more than one (1) year, through or over the Common Property.
- (l) To provide for the indemnification of the Association's officers and the Executive Board and to maintain Directors' and Officers' liability insurance.
- (m) To exercise, for the Association, all powers, duties and authority vested in or delegated to the Association and not reserved to the membership or the Declarant by other provisions of these Bylaws, the Articles, or the Declaration, and to exercise any other power conferred by the Act or necessary and proper for the governance and operation of the Association or the Subdivision.

Section 2. Duties. It shall be the duty of the Executive Board acting directly or through the Association's officers or through the Association's manager or managing agent:

- (a) To cause to be kept a complete record of all its acts and corporate affairs and to present the annual report of affairs required by Section 4 of this Article to the Owners at or before the annual meeting of the Owners.
- (b) To supervise all officers, agents, contractors and employees of the Association, and to see that their duties are properly performed.
- (c) To prepare annually a budget for the collection of Assessments and the payment of the Common Expenses of the Association (including reserves) for the ensuing fiscal year, pursuant to Article XII herein.
- (d) To fix, determine, levy and collect Assessments to be paid by the Owners to meet the Common Expenses and to fund any reserve required by the Declaration or deemed appropriate by the Executive Board.
- (e) To maintain in clean and good order, attractive and sanitary condition, and in good repair, all of the Common Property and all property of the Association.



- (f) To obtain and maintain insurance in connection with the Subdivision, if necessary, for the benefit of the Owners and the Association, in the manner and in at least the amounts set forth in the Declaration.
- (g) To collect promptly all delinquent Assessments by suit, by foreclosure of lien, by exercise of any power or remedies granted or provided in the Declaration or the Act, or otherwise, as may be available at law or in equity, and to enjoin or seek damages from an Owner as is provided in the Declaration, the Act or these Bylaws.
- (h) To protect and defend the Subdivision from loss or damage by suit or otherwise.
- (i) To borrow funds in order to pay for any expenditure or outlay authorized by these Bylaws or the Declaration, and to execute all such instruments evidencing such indebtedness as the Executive Board may deem necessary or advisable, subject to the limitations of the Declaration and Articles.
- (j) To enter into, amend and terminate contracts and agreements within the scope of its duties and powers.
- (k) To establish bank accounts for the common treasury and for all separate funds and reserves which are required or may be deemed advisable by the Executive Board.
- (l) To maintain complete and accurate books and financial records showing all of the receipts, expenses and disbursements of the Association. The Association shall keep and maintain all records and documents required by the Act to be kept and maintained by the Association.
- (m) To cause to be made by an independent certified public accountant pursuant to C.R.S. §38-33.3-303(9)(b), an audit of the financial statements of the Association from the date the Association received funds until the date the Declarant Control Period ends and such other audits as may be required by the Declaration and the Bylaws.
- (n) To maintain a complete and accurate list and record of all Owners and all First Lienors, and the last known address of each, entitled "Owners and Mortgagees of Lots".
- (o) To issue, or cause the Secretary or the Association's managing agent to issue, within ten (10) days after receipt of written request of any Owner, mortgagee, prospective mortgagee, purchaser or other prospective transferee of a Lot, or title insurer, a written statement of the Lot Owners assessment account status. The Association may charge the requesting party a fee for such statement to be established by a majority vote of the Executive Board.
- (p) To make available to any Owner or any First Lienor, or the duly authorized agents or attorneys of any Owner or First Lienor, or the insurer or guarantor of any first lien security interest on a Lot, for inspection purposes, the books, minutes, accounts, financial statements, contracts and records of receipts and expenditures of the Association and Executive

- Board, together with current copies of the Declaration and the Articles, Bylaws, rules and regulations of the Association; provided, however, that the Board may restrict examination to normal business hours during weekdays and at the principal offices of the Association.
- (q) To notify in writing the First Lienor of a Lot, and the insurer or guarantor of the first lien security interest who has sent a prior written request to the Association, of (i) any condemnation or casualty loss that affects a material portion of the Lot securing the first lien security interest, (ii) any sixty (60) day delinquency in the payment of Assessments or charges owed by the Owner of the Lot encumbered by the first lien security interest, (iii) a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association, and (iv) any proposed action that requires the consent of a specified percentage of First Lienors.
  - (r) To collect diligently all Assessments and fines and to enforce strictly and impartially all limitations, conditions, covenants and provisions in the Act, the Declaration, the Articles, these Bylaws, the Architectural Guidelines, and the rules, regulations, provisions, resolutions and decisions adopted by the Executive Board.
  - (s) To cause all officers and employees and managing agents having responsibility over and access to the funds and treasury of the Association to be bonded if required by the Declaration.
  - (t) To remove snow and any other obstacles on a frequent and regular basis from all roadways not otherwise maintained by the County, and to take reasonable protective steps toward keeping the Common Property and Association property safe and secure from vandalism and criminal mischief.
  - (u) To do and perform all things required by the Declaration, the Articles, these Bylaws and the Architectural Guidelines to be performed by the Association and not specifically and exclusively vested in the Owners.
  - (v) To do any and all things necessary or proper to accomplish the purposes of the Association.
  - (w) To enforce by legal means the provisions of the Declaration, these Bylaws, the Architectural Guidelines and the rules and regulations adopted by the Executive Board and to bring any proceeding which may be instituted on behalf of or against the Owners concerning the Association; provided, the Executive Board shall not be obligated to take any action if it reasonably determines that the Association's position is not strong enough to justify taking such action. Such a decision shall not be construed a waiver of the right of the Association to enforce such provision at a later time under other circumstances or estop the Association from enforcing any other covenant, restriction or rule.

Section 3. Managing Agent. The Executive Board may employ a property manager(s) or management firm, which may be a corporation or other entity, to carry on and perform maintenance, repair, management, operations, billing, accounting and any other functions,



responsibilities and obligations (whether like or unlike the foregoing) for the Association, and to act as managing agent for the Association at a compensation rate established by the Executive Board. They shall have such powers and perform such duties and services as the Executive Board may authorize; provided, however, the Executive Board when so delegating shall not be relieved of its responsibilities under the Declaration, the Articles or at law. The Declarant, or any officer, director, partner, manager, shareholder or joint venturer of Declarant, or any entity controlled by Declarant, or any affiliate of Declarant, may be and act as managing agent, or own or have an interest in the property management entity.

Section 4. Annual Report. After the close of the fiscal year, the Executive Board shall submit to the Owners of the Association a report as to the condition of the Association and its property and the affairs of the Association for the preceding year. In any event, any holder, insurer or guarantor of a first lien security interest shall be allowed to have an audited financial statement of the affairs of the Association prepared at the sole expense of such holder, insurer or guarantor.

#### **ARTICLE IX Indemnification**

The Association shall indemnify to the fullest extent permitted by law any director, officer, employee, agent, or former director, officer, employee or agent of the Association for expenses and costs (including attorneys' fees) actually and necessarily incurred by him in connection with any claim asserted against him, by action in court or otherwise, by reason of his being or having been such director or officer, except in relation to matters as to which he shall have been guilty of gross negligence or misconduct in respect of the matter in which indemnity is sought.

#### **ARTICLE X Officers and Their Duties**

Section 1. Identification of Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer, and such other officers as the Executive Board shall from time to time by resolution create. The President shall at all times be a director of the Association. The other officers need not be directors. All officers shall be elected by the Executive Board; provided, however, that Declarant has reserved the right for Declarant, to appoint and remove the officers of the Association at any time and from time to time, in the sole discretion of the Declarant or the designee of Declarant, with or without cause, but only during the Declarant Control Period. The Declarant may voluntarily surrender the right to appoint and remove the officers of the Association before termination of the Declarant Control Period, but in that event the Declarant may require, for the duration of the Declarant Control Period, that specified actions of the Association or the Executive Board, as described in a recorded instrument executed by the Declarant, shall be approved by the Declarant before such actions become effective. The office of Vice President may be vacant.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Executive Board which is held after each annual meeting of the Owners, subject to Section 1 above.

Section 3. Term. Each officer of the Association shall be elected annually by the Executive Board, subject to Section 1 above, and each shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed by the directors or Declarant, or be otherwise disqualified to serve.

Section 4. Special Appointments. The Executive Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Executive Board may, from time to time, determine, subject to Section 1 above.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the affirmative vote of a majority of the directors then in office, or by the Declarant prior to the end of the Declarant Control Period. Any officer may resign at any time by giving written notice to the Executive Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice, or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Executive Board, subject to Section 1 above. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 7. Compensation. No officer shall receive compensation for any service he or she may render to the Association. However, any officer may be reimbursed, at the discretion of the Executive Board, for his or her actual expenses (including travel expenses) incurred in the performance of his or her duties and in attending meetings of the Executive Board or of the Owners.

Section 8. Multiple Offices. The offices of President and Secretary must be held by separate individuals.

Section 9. Duties. The duties of the officers are as follows:

- (a) President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Executive Board. He shall have the general and active control of the affairs and business of the Association and general supervision of its officers, agents and employees, and shall see that the orders, decisions, and resolutions of the Executive Board are carried out. The President or any Vice President shall sign all notes, security instruments, leases, agreements and other written instruments of the Association. The President may prepare or cause to be prepared and may execute, certify and record amendments to the Declaration and these Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.



- (b) Vice Presidents. Each Vice President shall assist the President and shall perform such duties as may be assigned to him by the President or by the Executive Board. In the absence of the President, the Vice President designated by the Executive Board or (if there be no such designation) designated in writing by the President shall have the powers and perform the duties of the President. If no such designation shall have been made, any other officer may exercise such powers and perform such duties.
- (c) Secretary. The Secretary shall:
- (i) Keep the minutes of the meetings of the Owners and of the Executive Board;
  - (ii) See that all notices are duly given in accordance with the provisions of these Bylaws, the Declaration and as required by law;
  - (iii) Be custodian of the corporate records and of the seal of the Association and affix the seal to all instruments and documents when authorized by the Executive Board;
  - (iv) Unless delegated to a manager or managing agent, the Secretary shall keep at the registered office or principal place of business of the Association within Colorado, a book (which may be a separate section of the minute book of the Association ) containing the names and registered addresses of all Owners, the designation of the Lot owned by each Owner, and, if such Lot is subject to a first lien security interest, the name and address of the First Lienor; and
  - (v) In general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the President or by the Executive Board. Assistant Secretaries, if any, shall have the same duties and powers, subject to supervision by the Secretary. The duties of the Secretary may be delegated to the managing agent or a representative of the managing agent of the Association, if so provided in the contract between the Association and such managing agent.
- (d) Treasurer. The Treasurer shall be the principal financial officer of the Association and shall have the care and custody of all funds, securities, evidences of indebtedness and other personal property of the Association and shall deposit or keep the same in accordance with the instructions of the Executive Board. The Treasurer shall sign all checks and drafts of the Association, shall receive and give receipts and acquittances for moneys paid on account of the Association, and shall pay out of the funds on hand all bills, payrolls and other just debts of the Association of whatever nature upon maturity. The Treasurer shall keep and maintain the Association's financial records and books of account, cause to be prepared the annual financial reports, prepare the annual Association budget, levy, assess and collect all general and special Assessments and take such actions to accomplish collection of delinquent accounts as are authorized

by the Executive Board and permitted by the Declaration, the Articles or these Bylaws. The Treasurer shall perform all other duties incident to the office of the Treasurer and, upon request of the Executive Board, shall make such reports to it as may be required at any time. The Treasurer shall, if required by the Declaration and as a Common Expense, give the Association a bond in such performance of his or her duties and for the restoration to the Association of all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his or her control belonging to the Association. The Treasurer shall have such other powers and perform such other duties as may be from time to time prescribed by the Executive Board or the President. The Assistant Treasurers, if any, shall have the same powers and duties, subject to the supervision of the Treasurer. The duties of the Treasurer may be delegated to the managing agent or a representative of the managing agent of the Association, if so provided in the contract between the Association and such managing agent.

#### **ARTICLE XI Committees**

The Executive Board shall have the power, but not the obligation to appoint such committees among the membership, as it shall deem necessary, to perform such responsibilities as are delegated to it by resolution of the Executive Board. The powers and duties of any committee formed shall be limited to those powers contained in the resolution of the Executive Board that creates, or enables the committee.

#### **ARTICLE XII Obligations of Owners**

##### Section 1. Maintenance and Repair.

- (a) Every Owner shall perform or cause to be performed at its own expense all maintenance and repair work within his own Lot necessary to maintain the Lot in a good and habitable state of repair.
- (b) Each Owner shall reimburse the Association promptly upon receipt of its statement for any expenditures incurred by it in repairing and replacing any Common Property damaged by the negligence or intentional acts of such Owner or its tenants, invitees, agents or guests.

Section 2. Compliance with Declaration, Articles, Bylaws and Rules. Each Owner, and each guest, invitee and tenant of each Owner, shall comply with all of the provisions of the Declaration, the Articles and Bylaws, and all rules, regulations, provisions, resolutions and decisions issued by the Executive Board. If an Owner or guest, invitee or tenant of an Owner fails to so comply, the Association shall have all powers and remedies provided for in the Declaration, including, without limitation, the power, during the period of any failure of compliance, (a) to suspend the right of such delinquent Owner, its guests, invitees and tenants to



use the Common Elements and Association property held for common use (provided that access to such Owner's Lot shall never be denied), and/or (b) to suspend the voting rights allotted to the Owner's Lot; provided, however, that none of the powers in this Section 2 may be exercised except after not less than three (3) days' advance notice given to the delinquent Owner and to the First Lienor of the affected Lot. The manager or managing agent for the Association may exercise any remedy or power of the Association above described.

### **ARTICLE XIII** **Security Interest in Membership**

Any Owner shall have the right irrevocably to constitute and appoint the First Lienor as the true and lawful attorney-in-fact for such Owner to vote for such Owner at any and all meetings of the Association and to vest in the First Lienor of such Owner's Lot any and all rights, privileges and powers that such Owner has under the Articles and these Bylaws or by virtue of the Declaration, subject to the Act. No such proxy or power-of-attorney shall be effective until the same is executed and subscribed and sworn to by the Owner and is filed with the Association, and further, such proxy or power-of-attorney shall be effective only on written notice by the First Lienor to the Association that such first Lienor deems its security in jeopardy. A release of the first lien security interest on the Lot shall operate automatically to revoke such proxy or power-of-attorney. Nothing herein contained shall be construed to relieve any Owner, as mortgagor, of the duties and obligations as an Owner or to impose upon the First Lienor the duties and obligations of an Owner.

### **ARTICLE XIV** **Notices**

Section 1. Notices. Notices to directors and Owners shall be in writing and delivered personally or mailed to the directors or Owners at their addresses appearing on the books of the Association, except as otherwise specifically permitted in these Bylaws. Notice by mail shall be deemed to be given at the time when deposited in the United States Mail, addressed to the Owner or director at his address as it appears on the books of the Association, with postage prepaid. Notice to directors may also be given by telephone if personally connected with such director or by facsimile transmission to the FAX number of such director.

Section 2. Waiver. Whenever any notice is required to be given to any Owner or director under the provisions of any statute or of the Articles or of these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be the equivalent to the giving of such notice.

Section 3. Attendance is Waiver. Attendance of any Owner or director at a meeting shall constitute a waiver of notice of such meeting, except where a director or Owner attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

**ARTICLE XV**  
**Miscellaneous**

Section 1. Fiscal Year. The fiscal year of the Association shall be the calendar year.

Section 2. Principal Office; Change of Same. The principal offices of the Association shall be as set forth in these Bylaws. The Executive Board, by appropriate resolution, shall have the authority to change the location of the principal offices of the Association from time to time without necessity of prior notice to the Owners; provided, however, that the Association shall advise all Owners of such change of principal offices at or prior to the next annual meeting of the Owners.

Section 3. Seal. The seal of the Association shall bear the name of the Association and the words "Colorado-Seal". The seal shall be in the custody of the Secretary or the managing agent.

Section 4. Right of Entry. The President, the manager or managing agent and any other person authorized by the Executive Board shall have the right to enter each Lot to inspect for any necessary maintenance or repair to the Common Elements, to perform maintenance and repair to the Common Elements, or to resolve any emergency originating in or threatening such Lot whether or not the Owner or occupant is present at the time.

Section 5. Compliance. These Bylaws are set forth in compliance with the requirements of the Act and the laws of the State of Colorado.

Section 6. Conflict. These Bylaws are subordinate and subject to all provisions of the Act, the Articles and the Declaration. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as in the Act and the Declaration. In the event of any conflict between these Bylaws and the Act, the provisions of the Act shall control. In the event of any conflict between these Bylaws and the Declaration, the provisions of the Declaration shall control; and in the event of any conflict between the Articles and these Bylaws, the Articles shall control; and in the event of any conflict between the Articles and the Bylaws and the Act or other statutes of the State of Colorado, the provisions of the Act or statutes of the State of Colorado shall control.

Section 7. Severability. In the event any provision or provisions of these Bylaws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions hereof, which can be given effect.

Section 8. Waiver. No restriction, condition, obligation or provision of these Bylaws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 9. Captions. The captions contained in these Bylaws are for convenience only and are not a part of these Bylaws and are not intended in any way to limit or enlarge the terms and provisions of these Bylaws.



Section 10. Gender, etc. Whenever in these Bylaws the context so requires, reference to the singular shall be deemed to include the plural and the converse, and reference to any gender shall be deemed to include all genders.

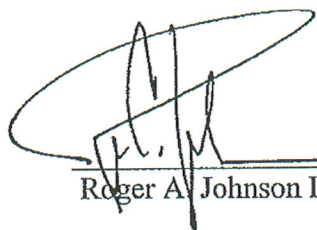
## ARTICLE XVII Amendments

Section 1. By Directors. The Executive Board may alter or amend these Bylaws at any meeting of the Executive Board by majority vote of the directors. However, any alteration or amendment to the Bylaws made by vote of the membership as permitted under Section 2 below shall not be further altered or amended by the Executive Board.

Section 2. By Owners. The Owners, by the vote of at least sixty-seven percent (67%) of the votes allotted to the Owners, unless expressly made subject to a higher voting requirement by law, the Articles, the Declaration, or these Bylaws, may alter, amend or repeal the Bylaws at any annual meeting or at any special meeting called for that purpose at which a quorum is present.

Section 3. Limitation. No amendment to these Bylaws may be made by either the directors or the Owners the effect of which would be to contradict any requirement or prohibition of the Act, and any such attempted amendment shall be void.

THE FOREGOING BYLAWS have been adopted by the directors of the Association as of the 25<sup>th</sup> day of AUGUST, 2004.

  
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Roger A. Johnson II, Director