

**BY-LAWS
OF
CIMARRON NORTH SUBDIVISION HOMEOWNER'S ASSOCIATION, INC.**

**ARTICLE I
INTRODUCTION**

NAME AND LOCATION. The name of the corporation is Cimarron North Subdivision Homeowner's Association, Inc., referred to as the "Association." The initial principal office of the corporation was 3032 I-70 Business Loop, Grand Junction Colorado 81504. However, the current location of the principal office is 2564 Trails End Court, Grand Junction, Colorado, 81505. But, meetings may be held at such places within the State of Colorado, County of Mesa, as may be designated by the Board of Directors.

**ARTICLE II
DEFINITIONS**

Section 1. "Association" shall refer to Cimarron North Subdivision Homeowner's Association, Inc., its successors and assigns.

Section 2. "Properties" shall refer to the real property described in the Declaration of Covenants, Conditions, and Restrictions, and such additions thereto as may be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall refer to all real property owned by the Association for the common use and enjoyment of the Owners. Common Area shall include any interest which the Association may acquire in any lands, any easements granted to the Association and all installations, including personalty, existing for the common use of Association members.

Section 4. "Lot" shall refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of any Common Area.

Section 5. "Owner" shall refer to the record owners, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having an interest only as security for the performance of an obligation.

Section 6. "Declarant" shall refer to Great Homes, Ltd., its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. "Declaration" shall refer to the Declaration of Covenants, Conditions, and Restrictions recorded in Book 2337 at Page 559 in the office of the Mesa County Clerk and Recorder.

Section 8. "Member" shall refer to those persons entitled to membership as provided in the Declaration.

Section 9. "Architectural Control Committee" shall refer to the committee appointed by the Board for the control of architectural styles and construction with the Properties.

ARTICLE III MEETING OF MEMBERS

Section 1. Annual Meeting. The first annual meeting of the members was held in September, 2001. Each subsequent regular annual meeting of the members shall be held during the month of FEBRUARY on a date and at a time set by the Board of Directors of the Association.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president, by a majority of the Board of Directors, or upon written request of members holding at least 20% of the votes in the Association.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or the Secretary's designee, by mailing a copy of such notice, postage prepaid, no less than 10 and no more than 50 days before such meeting to each member entitled to vote on the date of such mailing, addressed to the member's address last appearing on the books of the Association or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, if lessees are entitled to vote pursuant to C.R.S. 38-33.3-310(3)(b), and the items on the agenda, including the general nature of any proposed amendment to the Declaration, Articles, or By-Laws, any budget changes, and any proposal to remove an officer or member of the executive board.

Section 4. Quorum. A quorum is deemed present throughout any meeting of the association if **thirty percent (30%)** of the representatives of the lots are present, in person or by proxy, at the beginning of the meeting. If, however, such quorum is not present or represented at a meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, until a meeting can be held on Notice and where a proper quorum is present or represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically terminate upon conveyance by the member of his or her Lot. A unit owner may not revoke a proxy except by actual notice of revocation to the person presiding over a meeting of the association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven months after its date, unless it provides otherwise.

ARTICLE IV
BOARD OF DIRECTORS: SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of four directors, who need not be members of the Association.

Section 2. Term of Office. The term of office for each director shall be two years -- except that the initial terms for the initial President and Vice-President shall be only one year.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of all members of the Association. In the event of death, resignation, or removal of a director, his or her successor shall be selected by the remaining members of the Board and he or she shall serve for the unexpired term of his or her predecessor.

Section 4. Compensation. Directors and officers shall not receive compensation for services rendered to the Association; however, they may be reimbursed for actual expenses incurred in the performance of their duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V
NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors may be made by a Nominating Committee and nominations may also be made from the floor at the annual meeting of members. The Nominating Committee shall consist of a Chairman, who shall be the President of the Board of Directors, and two or more members of the Association. If a Nominating committee is to be used, the Committee shall be appointed by the Board of Directors prior to the annual meeting of the members and shall serve until the termination of that annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members. No member of the Nominating Committee shall, at the same time, be a member of the Board of Directors -- except the then-President.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election, the members or their proxies may cast one vote for each Lot for each vacancy to be filled. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI
MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at such place and hour as may be fixed from time to time by resolution of the Board.

Section 2. Special Meetings. Special meetings of the Board shall be held when called by the President or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors present in person or by telephone shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present in person or by telephone at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. If attendance is by telephone, the member so attending must be able to hear and be heard on all matters brought before the Board.

Section 4. Open Meetings. All regular and special meetings of the Association's board, or any committee thereof, shall be open to attendance by all members of the Association or their representatives. Agendas for meetings of the executive board shall be made reasonably available for examination by all members of the association or their representatives.

ARTICLE VII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

- (A) adopt and publish rules and regulations governing the use of the Common Area and Facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (B) suspend the voting rights and right to use the Common Area of a member during any period in which such member is in default in the payment of any assessment levied by the Association. The right to use the Common Area may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;
- (C) exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation or the Declaration;

- (D) declare the office of a member of the Board of Directors to be vacant in the event such member is absent from three (3) consecutive regular meetings of the Board of Directors without an excuse for such absence being noted in the minutes of the meeting;
- (E) employ a manager or such other employees or independent contractors as they deem necessary and to prescribe their duties;

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (A) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting or at any special meeting when such statement is requested in writing by at least 20% of the members who are entitled to vote;
- (B) supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed;
- (C) as more full provided in the Declaration, to:
 - (1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
 - (2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of the due date of each annual assessment; and
 - (3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.
- (D) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (E) procure and maintain adequate liability and hazard insurance on property owned by the Association as required by C.R.S. 38-33.3-313;
- (F) cause all officers or employees having fiscal responsibilities to be bonded as it may deem appropriate;

(G) cause the Common Area to be maintained.

Section 3. Adoption of Budget. The Board shall adopt a budget annually for the proper operation of the Association. Within thirty days after adoption of any proposed budget, the board shall mail, by ordinary first-class mail, or otherwise deliver, a summary of the budget to all members and shall set a date for a meeting of the members to consider ratification of the budget not less than 14 nor more than 60 days after mailing or other delivery of the summary. Unless at that meeting a majority of all members or any larger percentage specified in the Declaration reject the budget, the budget is ratified. In the event that the proposed budget is rejected, the periodic budget last ratified by the members must be continued until such time as the members ratify a subsequent budget proposed by the Board.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers shall be a President and a Vice-President, who shall at all times be members of the Board of Directors, and a Secretary/Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Association membership, and each shall hold office for two (2) years unless he or she shall sooner resign, or shall be removed or otherwise be disqualified to serve. (The exception is that the initial President and Vice-President shall only have one-year terms.) Consecutive terms are permitted.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period (not to exceed one year), have such authority, and perform such duties as the Board may determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president, or the secretary. Such resignation shall take effect on the date of receipt of such notice or 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 Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

- (A) President. The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other written instruments and may sign all checks and shall co-sign all promissory notes; and shall be in charge of the day-to-day affairs of the Association.
- (B) Vice-President. The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board. The vice-president may also sign all checks.
- (C) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses; and shall perform such other duties as required by the Board.
- (D) Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; may sign all checks and shall co-sign promissory notes of the Association; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting.

ARTICLE IX COMMITTEES

The Board shall appoint an Architectural Control Committee ("ACC"), if provided in the Declaration, and such other committees as are permitted by these By-Laws. If the method for appointing an Architectural Control Committee is not specified in the Declaration, a method may be determined at a meeting attended by 30% of the lot owners for which specific notice has been given of this agenda item. A majority vote of this quorum shall determine the method for appointment of the ACC. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose. Board members may serve on any of the committees.

ARTICLE X
BOOKS AND RECORDS

The books, records, papers, and legal documents, of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation, and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLES XI
ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 12 percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property. The Association may add as an additional charge, all interest, costs, and reasonable attorneys' fees and collection costs incurred in collecting any amounts owed. No owner may waiver or otherwise escape liability for assessments provided for herein by non-use of the Common Area or abandonment of his or her Lot. The record owners of any Lot are personally liable for all maintenance charges owed or assumed during such time of ownership.

ARTICLE XIII
AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the Board by a vote of a majority of the members of the Board.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declarations and these By-Laws, the Declarations shall control.

Section 3. Either the President or the Secretary of the Association shall have the authority to prepare, execute, certify, and record amendments to the Declarations on behalf of the Association.

ARTICLE XIV
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of CIMARRON NORTH SUBDIVISION Homeowner's Association, Inc., have set our hands this ____ day of _____, 2001.

_____, President Date

_____, Vice-President Date

Secretary Date

Treasurer Date

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of the CIMARRON NORTH SUBDIVISION Homeowner's Association, Inc., a Colorado non-profit corporation, and,

THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the ____ day of _____, 2001.

IN WITNESS WHEREOF, I have subscribed my name this ____ day, of _____, 2001.

Secretary

