

# FIRST AND PATTERSON CONDOMINIUM ASSOCIATION, INC.

## BYLAWS

### ARTICLE I - Plan of Condominium Ownership

1.01 Name. The name of the corporation is First and Patterson Condominium Association, Inc., (herein the "Association") which is to be and constitute the association to which reference is made in the "Condominium Declaration, Olympic Arms Condominium, hereinafter referred to as the "Declaration," recorded in Book 172 at Page 618 of the records of the County Clerk and Recorder of Mesa County, Colorado, pursuant to § 38-33-101 *et seq.*, C.R.S., relating to a condominium ownership project, hereinafter sometimes called "Olympic Arms Condominium," located in Mesa County, Colorado, and to perform all obligations and duties of the Association and to exercise all rights and powers of the Association, as specified therein. The Association is a nonprofit corporation organized under the laws of the State of Colorado.

1.02 Offices. The principal office of the Association shall be located in Mesa County, Colorado, as shall be determined by the Board of Directors and registered with the Colorado Secretary of State from time to time.

1.03 Application. The provisions of these Bylaws are applicable to the residential condominium project known as Olympic Arms Condominiums located in the County of Mesa, Colorado (herein the "project"). All present and future owners and their tenants, future tenants, employees, and any other person who might use the facilities of the project in any manner, are subject to the regulations set forth in the Condominium Declaration of Olympic Arms Condominiums (herein the "Declaration"), the Articles of Incorporation of Olympic Arms Condominiums (herein the "Articles"), and these Bylaws. The mere acquisition or rental of any condominium in the project or the mere act of occupancy of any condominium will signify that the Declaration, Articles of Incorporation, and these Bylaws are accepted, ratified, and complied with.

1.04 Meaning of Terms. Unless otherwise specifically provided herein, the terms used in these Bylaws shall have the same meanings as are given such terms in the Declaration and Articles of Incorporation of Olympic Arms Condominiums.

### ARTICLE II - Duties and Powers

2.01 Purposes. The duties and powers of the Association are those set forth in the Declaration, the Articles of Incorporation, and these Bylaws, together with all general and implied powers of a nonprofit corporation to do any and all things that a corporation organized under the laws of the State of Colorado may lawfully do which are necessary or proper, in operating for the peace, health, comfort, safety and general welfare of its members, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Declaration, Articles of Incorporation, and these Bylaws. By

Olympic Arms Bylaws

way of example, but not limitation, the Association may at any time, and from time to time reconstruct, replace or refinish any improvement or portion thereof upon the common property in accordance with the original design, finish or standard of construction of such improvement, replace destroyed trees or other vegetation and plant trees, shrubs and ground cover upon any portion of the common property. The Association may employ personnel necessary for the effective operation and maintenance of the common property, including the employment of legal, management and accounting services.

### ARTICLE III - Membership

3.01 Membership. No person or entity other than an owner of a condominium unit may be a member of this Association. Any person upon becoming an owner of a condominium unit shall automatically become a member of this Association and shall be subject to these Bylaws. Such membership shall terminate without any formal corporate action whenever such person ceases to own a condominium unit, but such termination shall not relieve nor release any former owner from any liability or obligation incurred under or in any way connected with his ownership of a unit or his membership in the Association, nor shall it impair any of the rights or remedies which the Association board or others may have against such former owner and members arising out of or in any way connected with the ownership and membership and the covenants and obligations incident thereto. No certificates of stock shall be issued by the Association.

3.02 Voting. There shall be one membership in the Association for each condominium unit, as set forth in the Articles of Incorporation. Each membership shall be entitled to one (1) vote. Cumulative voting is required. The Association may suspend the voting rights of a member for failure to comply with the rules and regulations of the Association or failure to comply with any other obligations of the owners of a condominium unit under the Declaration, Articles of Incorporation of Olympic Arms Condominiums, or these Bylaws.

3.03 Attorney in Fact. Where the vote of the member is required or permitted by the statutes of Colorado, the Declaration, the Articles of Incorporation or these Bylaws, any one of the co-owners of a membership present or represented by proxy shall be accepted automatically by the Association as the agent and attorney in fact for other co-owners not present or represented by proxy, for the purpose of casting the vote of that membership. In the event that more than one co-owner of a condominium unit shall attempt to vote in person or by proxy, the Association shall disregard all such votes until the co-owners shall decide among themselves the person authorized to submit the vote for that condominium unit.

3.04 Quorum; Vote Required; Adjournment. Except as otherwise provided in the Articles of Incorporation for the Association, thirty percent (30%) of the total membership of the Association represented in person or by proxy shall constitute a quorum at any meeting of the members. If a quorum exists, the vote of a majority of the

members present or represented by proxy shall be the act of the members. If a quorum does not exist, a majority of the members present in person or by proxy may adjourn the meeting from time to time without further notice other than announcement at the meeting.

3.05 Proxies. Votes may be cast in person or by proxy. Proxies must be executed in writing by the owner or co-owner or his duly authorized attorney in fact and must be filed with the secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease after the completion of the meeting for which the proxy was filed.

#### **ARTICLE IV - Administration**

4.01 Association Responsibilities. In accordance with the provisions of the Declaration, the Articles of Incorporation, and these Bylaws, the Association shall have the responsibility of administrating and managing the condominium project through a Board of Directors.

4.02 Annual Meeting. An annual meeting of the members for the purpose of voting on such matters as properly may come before the meeting shall be held on the date selected by the Board of Directors during the month of January each year.

4.03 Place of Meeting. Meetings of the members shall be held on the property, or such other suitable place as proximate thereto as practicable, in Mesa County, convenient to the unit owners, as may be designated by the Board of Directors.

4.04 Special Meetings. Special meetings of the members may be called at any time by the Board of Directors or by written request of ten percent (10%) or more of the members. The notice of any special meeting shall be given within twenty (20) days after such meeting shall have been called and shall state the time and place of such meeting and the purpose thereof. The special meetings shall be held not less than ten (10) nor more than fifty (50) days after the notice of such special meeting shall have been given. No business shall be transacted at a special meeting except as stated in the notice.

4.05 Notice of Meetings. It shall be the duty of the secretary to send a notice of each annual or special meeting by first-class mail, or by personal delivery. Any required notice shall be deemed sent upon deposit in the United States mail, postage prepaid, addressed to the last known address of each member, or upon personal delivery thereof, at least ten (10) but not more than fifty (50) days prior to such meeting, stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, to each member of record.

Written waiver of notice signed by the person or persons entitled to such notice, whether before, at or after the time stated therein, shall be equivalent to the giving of such notice.

4.06 Adjourned Meeting. If any meeting of the members cannot be organized because a quorum is not present, the members who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called. After serving notice of the time and place of the subsequent meeting, either in person, by telephone, or by mail upon all members, the meeting shall be conducted and business concluded without regard to the requirements of a quorum as set forth in Article III.

4.07 Order of Business. The order of business at all meetings of the members shall be as follows: (a) roll calls; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) election of Directors (at annual meetings or special meetings held for such purpose); (g) unfinished business, and (h) new business.

4.08 Action of Members by Ballot. Any action, which may be taken at a meeting of the members, except for the election of Directors, may be taken without a meeting by written ballot of the members. Ballots shall be solicited in the same manner as provided in this Article for the giving of notice of meetings of members. Such solicitation shall specify (a) the number of responses needed to meet the quorum requirements, (b) the percentage of approval as necessary to approve the action, and (c) the time by which ballots must be received in order to be counted. The form of written ballot shall afford an opportunity to specify a choice between approval and disapproval of each matter and shall provide that, where the member specifies a choice, the vote shall be cast in accordance therewith. Receipt within the time period specified in the solicitation of a number of ballots which equals or exceeds the quorum which would be required if the action were taken at a meeting and a number of approvals which equals or exceeds the number of votes which would be required for approval if the action were taken at a meeting at which the total number of votes cast was the same as the total number of ballots cast shall constitute approval by written ballot.

4.09 Action Without Meeting. Any action required to be taken, or any action which may be taken, at any meeting of the members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the owners of memberships entitled to vote with respect to the subject matter thereof.

## **ARTICLE V - Board of Directors**

5.01 Number and Qualification. The affairs of the Association shall be governed and managed by a Board of Directors composed of five (5) persons. The number of Directors may be increased or decreased by a vote of the membership, provided however, that the number of Directors shall not be reduced to fewer than three (3), nor increased to more than five (7), and provided further, that no decrease in the number of directors by such action shall have the effect of shortening the term of any incumbent Director. Directors must be elected from the membership of the Association.

5.02 Compensation. Directors and officers shall not receive any salary or compensation for their services as Directors and officers unless such compensation is approved by a vote or written consent of the members, provided however, that nothing herein contained shall be construed to preclude any Director or officer from serving the Association in some other capacity and receiving compensation therefore, and any Director or officer may be reimbursed for his actual expenses incurred in the performance of his duties.

5.03 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a high quality, residential condominium project. The Board of Directors may do all such acts and things as are not by law or these Bylaws or the Declaration or Articles of Incorporation incident hereto, prohibited or otherwise directed to be done by the owners herein. The Board of Directors shall not enter into any contract for a term in excess of one (1) year, without the vote or written approval of the members, except for (a) any contract necessary for the operation of the Association which requires a minimum term in excess of one (1) year, and (b) prepaid casualty or liability insurance policies.

5.04 Special Powers and Duties. Without prejudice to the foregoing general powers and duties and such powers and duties as are set forth in the Declaration, and the Articles of Incorporation, the Board of Directors is vested with, and responsible for, the following powers and duties;

- (a) The power and duty to select, appoint and remove all officers, agents and employees of the Association; to prescribe such powers and duties for them as may be consistent with law, the Declaration, the Articles of Incorporation, and these Bylaws; to fix their compensation and to require from them security for faithful service when deemed advisable by the Board.
- (b) The power and the duty to administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and other provisions set forth in the Declaration, the Articles of Incorporation, and Bylaws for the Association.
- (c) The power and duty to conduct, manage and control the affairs and business of the Association, and to establish, make and enforce reasonable compliance with such rules and regulations as may be necessary for the operation, use and occupancy of this condominium project with the right to amend as may be necessary from time to time. A copy of such rules and regulations shall be delivered or mailed to each member promptly upon the adoption thereof by the Board of Directors.
- (d) The power but not the duty to change the principal office for the transaction of business of the Association from one location to another within the County of Mesa; to designate any place within said County for the holding of any annual

or special meeting or meetings of members; and to adopt and use a corporate seal and to alter the form of such seal from time to time, as the Board, in its sole judgment, may deem best, provided that such seal shall at all times comply with the provisions of law.

- (e) The power but not the duty, with the approval of the members, to borrow funds and to incur indebtedness for the purposes of the Association and to execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary and give security therefore. Such indebtedness shall be the several obligations of all the owners in the same proportion as their interest in the general common elements.
- (f) The power and the duty to fix and levy from time to time annual assessments, special assessments, reconstruction and capital improvement assessments upon the members, as provided in the Declaration and these Bylaws; to determine and fix the due date for the payment of all such assessments, and the date upon which the same shall become delinquent, provided however, that such assessment shall be fixed and levied only to provide for payment of common expenses of the Association and of taxes and assessments on real and personal property owned, leased, controlled or occupied by the Association, or for the payment of expenses for labor rendered or materials or supplies used and consumed, or equipment and appliances furnished for the maintenance, improvement or development of such property or for the payment of any and all obligations in relation thereto, or in performing or causing to be performed any of the purposes of the Association for the general benefit and welfare of its members, in accordance with the provisions of the Declaration and these Bylaws. The Board of Directors is hereby authorized to incur any and all such expenditures for any of the foregoing purposes and to provide, or cause to be provided, adequate reserves for replacements as it shall deem necessary or advisable in the interest of the Association or welfare of its members. Such assessments shall be fixed in accordance with the provisions of the Declaration and these Bylaws. Should any member fail to pay such assessments before delinquency, the Board of Directors, in its discretion, is authorized to enforce the payment of such delinquent assessments, and to collect interest and late charges as provided in these Bylaws.
- (g) To incur such costs and expenses as may be necessary to keep in good order, condition and repair all of the general and limited common elements, and all items of personal property, if any, used in the enjoyment of the entire condominium project.
- (h) The power and duty to contract and pay for, as is reasonably necessary, fire, casualty, blanket liability, malicious mischief, vandalism, errors and omissions, and other insurance, insuring the members, the Association, the

Board of Directors and other interested parties, as required by and in accordance with the Declaration

- (i) The power and the duty to defend the entire condominium project from loss and damage by suit or otherwise, and to enjoin or seek damages from an owner or any third party as may be necessary in order to enforce the provisions of the Declaration, Articles of Incorporation, and Bylaws of Olympic Arms Condominiums.
- (j) The power and duty to contract and pay for maintenance, gardening, and common utility services, and for materials and supplies and other expenses relating to the common property, and such expenses relating to the units to the extent such were not separately metered or charged, and to employ personnel necessary for the operation of the property, including legal and accounting services, and to contract and pay for improvements on the common property.
- (k) The power but not the duty to grant easements where necessary for utility and other purposes over the common property for the benefit of the members of the Association.
- (l) The power and duty to keep, or cause to be kept, a complete record of all acts and corporate affairs of the Association, including records showing all of the receipts, expenses or disbursements of such Association, and to permit examination thereof at any reasonable time following reasonable notice by a member or members of the Association, and to cause a complete audit of the books and accounts of the Association by a competent accountant once each year if required by the members of the Association.
- (m) The power and duty to establish a bank account or accounts for the common treasury as may be required herein or deemed advisable by the Board of Directors.
- (n) The power but not the duty to sell property of the Association as approved by a vote of the members, subject to the covenants, conditions, and restrictions contained in the Declaration, Articles of Incorporation, and Bylaws of Olympic Arms Condominiums.
- (o) The power and duty to do all those things necessary and reasonable in order to carry out the administration and operation of this condominium project.

5.05 Management Agent. Subject to Colorado Revised Statutes, Section 38-33.3-306(3)(a), the Board of Directors may engage for the Association a professional management agent at a compensation established by the Board to perform such duties and services as the Board shall authorize. Any contract with a management agent must provide for termination by either party for cause, without liability for payment of a

termination fee, upon no more than thirty (30) days' written notice, and without cause or liability for payment of a termination fee, upon no more than ninety (90) days' prior written notice.

5.06 Election and Term of Office. The term of office of each Director elected to fill a vacancy created by the expiration of the term of office of the respective past Director shall be one (1) year. The term of office of each Director elected to fill a vacancy created by the resignation, death or removal of a Director shall be until the next election of Directors. Directors shall be elected at each annual meeting by the members. In the event that an annual meeting is not held, or the Board is not elected thereat, the Board may be elected at any special meeting of the members held for that purpose. Each Director shall hold office until his successor has been elected or until his death, resignation, removal or judicial adjudication of mental incompetence. Any person serving as a Director may be re-elected, and there shall be no limitation on the number of terms during which he may serve.

5.07 Removal; Resignation of Directors. At any annual or special meeting or the members duly called, any one or more of the Directors may be removed with or without cause by a majority vote of the members of the association, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting. Any Director may resign by submitting a written notice to the Board stating the effective date of his resignation, and acceptance of the resignation shall not be necessary to make the resignation effective.

5.08 Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the members of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Any vacancy caused by the removal of a Director may be filled by the vote of the majority of the remaining Directors but only if authorized by a majority of the members of the Association. Each person so elected shall be a Director until a successor is elected at the next annual meeting of the members of the Association, or at a special meeting of the members called for that purpose. A vacancy or vacancies shall be deemed to exist in case of death, resignation, removal or judicial adjudication of mental incompetence of any Director, or in the case the members fail to elect the full number of authorized Directors at any meeting at which such election is to take place. Any vacancy not filled by the Directors may be filled by vote of the members at a special meeting of the members called for such purpose.

5.09 Organizational Meeting. The first regular meeting of a newly elected Board of Directors shall be held within ten (10) days of the election of the Board, at such place as shall be fixed and announced by the Directors at the meeting at which such Directors were elected, for the purpose of organization, election of officers and the transaction of other business. No additional notice need be given to the newly elected Directors in order legally to constitute such meeting, except personal notification or notification by mail of



time and place of such meeting, in the event that a Director is not in attendance at the annual meeting at which he is elected. Such notification shall be given at least three (3) days prior to the meeting.

5.10 Regular Meetings of the Board. Regular meetings of the Board of Directors shall be open to all members, provided that members who are not Directors may not participate in any deliberation or discussion at such regular meeting unless expressly so authorized by a vote of a majority of a quorum of the Board of Directors. Regular meetings may be held at such time and place as shall be determined, from time to time, by a resolution adopted by a majority of a quorum of the Directors, provided however, that such meeting shall be held no less frequently than semi-annually. Notice of the time and place of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone, or telegraph, at least three (3) days prior to the date named for such meeting.

5.11 Special Meetings of the Board. Special meetings of the Board of Directors shall be open to all members, provided that members who are not directors may not participate in any deliberations or discussion of such special meetings, unless expressly so authorized by a vote of a majority of a quorum of the Board of Directors. Special meetings may be called by the president or any two Directors. At least three (3) days' notice shall be given to each Director, personally or by mail, telephone or telegraph, which notice shall state the date, time, place and the purpose of the meeting.

5.12 Notices; Waiver. Any notice required or permitted to be served by mail, shall be sent postage prepaid, to the address of each Director reflected on the records of the Association, and shall be deemed given, if not actually received earlier, at 5:00 p.m. on the second day after it is deposited in a regular depository of the United States mail as provided herein. Before, at, or after any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting by him, except when a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. If all of the Directors are present at any meeting of the Board no notice shall be required and any business may be transacted at such meeting.

5.13 Quorum and Adjournment. Except as otherwise expressly provided by law, the Articles of Incorporation or these Bylaws, at all meetings of the Board of Directors, a majority of the Directors present shall constitute a quorum for the transaction of business, and the acts of a majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At the reconvening of any such adjourned meeting, any business which might have been transacted at a meeting as originally called may be transacted without further notice.

5.14 Action Without Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting, if all Directors individually or collectively consent in writing to such action.

5.15 Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

5.16 Committees. The Board of Directors, by resolution, may from time to time designate such committees as it shall desire and may establish the purpose and powers of each such committee created. The resolution designated and establishing the committee shall provide for the appointment of its members, as well as a chairman, shall state the purposes of the committee, and shall provide for reports, termination, and other administrative matters as deemed appropriate by the Board.

5.17 Compensation. No member of the Board of Directors shall receive compensation for serving as a Director, however, by resolution the Board of Directors may authorize payment of any expenses incurred by a Director or officer in performing their duties. No such payment shall preclude any Director from serving the Association in any other capacity and receiving compensation therefore.

5.18 No Waiver of Rights. The omission or failure of the Association or any condominium owner to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provisions of the Condominium Declaration, Articles of Incorporation, and Bylaws of Olympic Arms Condominiums, and the rules and regulations adopted pursuant to these Bylaws, shall not constitute or be deemed a waiver, modification, or release thereof, and the Board of Directors shall have the right to enforce the same at any time thereafter.

## **ARTICLE VI - Officers**

6.01 Designation. The officers of the Association shall be a president, a vice-president, a secretary, and a treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may elect or appoint such other officers, agents, factors and employees, as it may deem necessary or desirable. Officers shall be elected or appointed from within the members of the Board of Directors. Any person may hold two or more offices simultaneously, except that the office of president and secretary shall not be held by the same person.

6.02 Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board of Directors, and each officer shall hold his office at the pleasure of the Board of Directors, until he shall resign or be removed or otherwise disqualified to serve or his successor shall be elected and qualified to serve.

6.03 Removal of Officers. Upon an affirmative vote of a majority of the entire Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose. Any officer may resign at any time by giving written notice to the Board or to the president or secretary of the Association. Any such resignation shall take effect at the date or receipt of such notice or at any later time specified therein, and unless otherwise specified in said notice, acceptance of such resignation by the Board shall not be necessary to make it effective.

6.04 Compensation. Officers, agents, and employees shall receive such reasonable compensation for their services as may be authorized or ratified by the Board of Directors prior to the inducing of such services, provided however, that no officer shall receive any compensation for services performed in the conduct of the Association's business unless such compensation is approved by the vote or written consent of the members, and provided further, that (1) nothing herein contained shall be construed to preclude any officer serving the Association in some other capacity and receiving compensation, and (2) any officer may be reimbursed for his actual expenses incurred in the performance of his duties. Absent resolution providing for compensation, appointment of any officer, agent, or employee shall not of itself create contractual rights of compensation for services performed by such officer, agent, or employee.

6.05 President. The president shall be the chief executive officer of the Association, and shall, subject to the control of the Board of Directors, direct, supervise, coordinate and have general control over the affairs of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of president of an Association, including but not limited to the power to appoint committees from among the members from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association and the power to prepare, execute, certify, and record amendments to the Declaration properly adopted by the Association in accordance with the terms of the Declaration and the Colorado Common Interest Ownership Act. He shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

6.06 Vice-President. The vice-president shall take the place of the president and perform his duties whenever the president shall be absent or disabled or whenever the president refuses or is unable to act. If neither the president nor the vice-president is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The vice-president shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or these Bylaws.

6.07 Secretary. The secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association at the principal office of the Association or at such other place as the Board of Directors may order. The secretary shall keep the seal of the Association in safe custody and shall have charge of the Books

and papers as the Board of Directors may direct; and the secretary shall, in general, perform all of the duties incident to the office of secretary. The secretary shall see that all notices are duly given in accordance with the provisions of these Bylaws and as required by law, shall keep minutes of the proceedings of the members and Board of Directors, shall keep a listing of the names and addresses of the owners and co-owners entitled to vote, and shall perform such other duties as may, from time to time, be assigned to him by the Board of Directors or by the president. The Board may appoint one or more assistant secretaries who may act in place of the secretary in case of his absence, or inability or failure to act.

6.08 Treasurer. The treasurer shall be the chief financial officer of the Association and shall have responsibility for Association funds and securities and shall be responsible for keeping, or causing to be kept, full and accurate accounts, tax records and business transactions of the Association, including accounts of all assets, liabilities, receipts and disbursements in books belonging to the Association. The treasurer shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors. The treasurer shall disburse the funds of the Association as may be ordered by the Board of Directors, subject to the Declaration, Articles of Incorporation, and these Bylaws, and shall render to the president and Directors, upon request, an account of all of his transactions as treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws. The Board may appoint one or more assistant treasurers who may act in place of the treasurer in case of his absence, inability or failure to act.

#### **ARTICLE VII - Indemnification of Directors and Officers**

7.01 Indemnification. The Association shall indemnify every Director and officer or other authorized individual, their personal representative and heirs, against all loss, cost and expense, including attorneys' fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his services to the Association, except as to matters in which he shall finally be adjudged in such suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association determines that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duties on behalf of the Association. The forgoing rights shall not be exclusive of other rights to which the Director or officer may be entitled under Colorado statutes as existing and as they may be amended. All liability, loss, damage, costs and expenses incurred or suffered by the Association by reason of or arising out of the foregoing indemnification provision shall be treated and handled by the Association as a common expense, provided however, that nothing in this Article shall be deemed to obligate the Association with respect to any duties or obligations assumed or liabilities incurred by him beyond the scope of his authority within the Association.

7.02 Contractual Obligations. Contracts or other legal commitments made by the Board of Directors, officers, and others authorized to act in behalf of the Association shall be made as agent for the unit owners, and such person shall have no personal responsibility on any such contract or legal obligation except as a unit owner, and the liability of any unit owner on any such contract or legal obligation shall be limited to his proportionate share of the total liability thereof as the common interest of each unit owner bears to the aggregate common interest of all of the unit owners except that any losses incurred because of any inability to collect such proportionate amount of the total liability of any unit owner shall be shared proportionately by the other owners. All contracts or other commitments entered into by the Board of Directors, officers, or other authorized persons shall be in accordance with the limitations set forth in Sections 5.03, 5.04 and 5.05.

#### **ARTICLE VIII - Obligation of the Members**

8.01 Assessments Generally. Each condominium unit owner by the acceptance of a deed to such unit, whether or not it is so expressed in the deed, shall be deemed to covenant and agree with each other and with the Association to pay all annual, special, and supplemental assessments made by the Association for the purposes provided in the Declaration, Articles of Incorporation, and these Bylaws. Such assessments shall be fixed, established and collected from time to time in the manner provided herein.

8.02 Personal Obligation of Owner. All assessments, including amounts accelerated as herein after provided, together with interest, late charges, costs, and attorneys' fees shall be a separate, distinct and personal obligation of the person or entity who was the owner of the condominium at the time when the assessment fell due, and shall bind his heirs, devisees, personal representatives, and assigns. This personal obligation cannot be avoided by abandonment of the condominium or by waiver of the use of any common area or limited common area.

Suit to recover a money judgment for such personal obligations shall be maintainable by the Association without foreclosing or waiving the assessment lien securing the same as provided in Section 8.11. The assessment lien shall not be deemed to merge into the money judgment by the fact that the judgment was obtained without foreclosure of the lien. The assessment lien or any amendment thereof shall maintain the priority provided in this Article whether it be foreclosed prior to, in conjunction with, or subsequent to obtaining a money judgment against the condominium unit owner. Any judgment entered shall include the principal amount of delinquent assessments, or the unpaid accelerated balance thereof, together with delinquency charges, interest, and costs of collection including a reasonable attorney's fee.

8.03 Personal Liability of Purchaser or Successor for Assessments. Upon any voluntary or involuntary conveyance of a condominium, the new owner (purchaser) shall be jointly and severally liable with the previous owner (seller) for all unpaid assessments levied by the Board of Directors against the seller for his share of the common expenses

up to the time the contract or deed of conveyance was recorded, without prejudice to the right of the purchaser to collect from the seller therefore. However, any such purchaser shall be entitled to a statement from the Board of Directors setting forth the amount of the unpaid assessments against the seller due the Association as provided in Section 8.12. The purchaser shall not be liable for, nor shall the condominium conveyed be liable for any unpaid assessments levied by the Board of Directors against the seller in excess of the amount set forth in such statement, provided however, that the purchaser shall be liable for any such assessments after the date of any such statement, and the condominium unit may be sold in a foreclosure action to collect any validly recorded assessment lien in accordance with Section 8.11.

Notwithstanding the foregoing, any first or second mortgagee or other purchaser for value who obtains title to a condominium pursuant to the remedies provided in the first or second mortgage or foreclosure of the first or second mortgage, which under Section 8.11 is recorded prior to the assessment lien, if any, of the Association, shall not be liable for unpaid assessments or charges against the mortgaged condominium unit which accrued prior to the time such mortgagee or purchaser acquires title to that condominium unit.

8.04 Purpose of Assessments. The assessments levied by the Board of Directors on behalf of the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the condominiums and for the operation, replacement, improvement and maintenance of the property. All assessments shall be used solely for the common benefit of all of the members for purposes authorized by the Declaration, the Articles of Incorporation, or these Bylaws. Disbursements of the funds collected by assessment shall be made by the Board of Directors for such purposes as may be necessary for the discharge of its responsibilities hereunder. Nothing contained herein shall be construed in any way to prohibit the Association from using any assessments to abate any annoyance or nuisance emanating from outside the boundaries of the property. Annual assessments shall include, and the Association shall acquire and pay for out of the applicable funds derived from such annual assessments, the following: (a) water, electrical, lighting and other necessary utility services for the common property, and any condominium units, if not separately metered; (b) maintenance and repair of private driveways, walkways, and parking area within or constituting common elements; (c) landscape planning and maintenance by the Association of all slopes, landscaping and planted areas within the common elements, including irrigation and lighting; (d) fire and casualty insurance with extended coverage as required to be maintained by the Declaration and these Bylaws, covering the full insurable replacement cost of the common elements and limited common elements; (e) liability insurance, as provided in the Declaration and these Bylaws, insuring the Association against any liability to the public or to any owner, their invitees or tenants incident to their occupation and use of the common elements or limited common elements, with limits of liability to be set by the Board of Directors of the Association and increased or decreased in its discretion; (f) such errors and omissions, and Directors' and officers' liability insurance as the Board deems appropriate; (g) Workmen's Compensation insurance to the extent

necessary to comply with any applicable laws, medical payments insurance, and any other insurance deemed necessary by the Board of Directors of the Association; (h) standard fidelity bonds covering all members of the Board of Directors of the Association and other employees or agents of the Association as, and in the amount determined by the Board of Directors; (i) painting, maintenance, or repair and replacement of all building, equipment and landscaping in, on and of the common elements and limited common elements, as the Board of Directors of the Association shall determine is necessary and proper; (j) any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Association is required to secure or pay for pursuant to the terms of the Declaration or these Bylaws or which in the opinion the Association's Board of Directors shall be necessary or proper for the operation of the common elements or limited common elements or for the enforcement of the Declaration, Articles of Incorporation, or these Bylaws..

8.05 Amount of Assessments. The assessments against all condominium units shall be based upon advanced estimates by the Board of Directors of the cost to provide for the payment of all estimated common expenses for a period of one (1) year arising out of or connected with the maintenance and operation of the common elements and limited common elements and furnishing utilities and other services to the units. Said estimated expenses may include management, insurance premiums, landscaping and care of grounds, electricity, lighting, heating water, snow removal, trash and garbage collection, sewer services, repairs, replacements and maintenance, wages for Association employees, legal and accounting fees, and deficits remaining from a previous period, and any other expenses and liabilities which may be incurred by the Association for the benefit of the members under or by reason of the Declaration, Articles of Incorporation or these Bylaws. The Board of Directors is also authorized to create a reasonable and adequate contingency reserve, surplus or sinking fund for maintenance, repairs and replacements of those common elements and limited common elements that must be replaced on a periodic basis, and such assessments may be made as with other assessments in regular monthly installments or by special assessment. Written notice of any change in the amount of annual assessments levied by the Association through the Board shall be given to all members not less than ten (10) days prior to the effective date of such change.

8.06 Special Assessments. If the Board determines that the estimate of total charges for the current year is, or will become, inadequate to meet all expenses of the common elements or limited common elements for any reason, it shall immediately determine the appropriate amount of the inadequacy. The Board shall have the authority to levy, at any time by a majority vote of a quorum, a special supplemental annual assessment, reflecting a revision of the total charges to be assessed against each condominium. This assessment may be in the form of an increased monthly charge or a lump sum special assessment.

In addition to the special assessments authorized above, the Board of Directors may levy a special assessment, payable over such a period as the Association may determine, for the purpose of defraying, in whole or in part, the cost of any construction

or reconstruction, unexpected repair or replacement of the condominium project or any part thereof, or any other expense incurred or to be incurred as provided in the Declaration, Articles of Incorporation, or Bylaws of Olympic Arms Condominiums. Any amounts assessed pursuant hereto against all owners shall be assessed to all owners in proportion to their percentage interest in the common elements. Notice in writing of the amount of such special assessments and the time and method of payment thereof shall be given promptly to the owners, and no payment shall be due less than thirty (30) days after such notice shall have been given. Payment of a special assessment may be made in any manner deemed reasonable or necessary by the Board of Directors of the Association, including monthly installments.

A special assessment shall be deemed delinquent if it is not paid within thirty (30) days of the due date if the same is payable in a single payment, or by the eleventh day of the month in which an installment falls due if the same is due in monthly installments. Delinquent assessments hereunder shall bear interest at the same rate as delinquent annual assessments pursuant to Section 8.08 from the date such assessment or installment thereof falls due. Further, delinquent assessments hereunder shall accrue such delinquency charges, and costs of collection, including attorney's fees, and shall be subject to the same collection procedures as provided in these Bylaws for collection of delinquent annual assessments.

8.07 Apportionment of Assessments. All assessments made pursuant to this Article against the members of the Association shall be assessed in proportion to the percentage interest that a member holds in the common elements.

8.08 Notice of Annual Assessments and Time for Payment Thereof. Each year at the regular annual meeting of the Board of Directors, the Directors shall determine and set the annual assessment for the upcoming year of the Association based on projected costs and expenses. Following the determination of assessments, the Board shall give written notice to each owner as to the amount of the annual assessment with respect to his condominium unit as soon as practical. Assessments shall be paid without further notice in twelve (12) equal monthly installments, the first installment being due the first day of January of the year for which the assessment is made, and each succeeding installment being due the first day of each month thereafter until paid in full. Assessments shall become delinquent the 11<sup>th</sup> day of the month in which they are due. Delinquent assessments and other applicable charges shall bear interest from the date they become due until such time as they are paid at the rate of one and one-half percent (1 ½%) per month. Failure of the Board of Directors to give notice of the annual assessment as provided herein shall not affect the liability of the owner of any condominium unit for such assessment, but the date when the first monthly payment shall be due in such case shall be the first day of the month following the month in which such notice shall have been given, and in the event that fewer than twelve (12) months remain in the calendar year, such annual assessments shall be made payable as otherwise herein provided over the number of months remaining in such calendar year.



8.09 Delinquency and Acceleration. Each installment of any assessment as provided for in these Bylaws which shall become delinquent as hereinbefore provided, shall be assessed a delinquency charge not to exceed \$10.00 or five percent (5%) of the amount of the delinquent installment, per condominium unit per month, whichever is greater. Such delinquency charge shall be in addition to the accumulation of interest thereon as hereinbefore provided. Such delinquent charges and interest shall not exceed the usury rate of interest for Colorado as from time to time may be promulgated. Other costs of collection, including but not limited to attorney fees allowed by the court, shall be in addition to the fees and charges included herein. Further, if any installment of an annual, special, or supplemental assessment is not paid by the date it becomes delinquent, the Board of Directors may elect to accelerate the balance of the installments of the annual, special, or supplemental assessment for the calendar year. In order to effect such acceleration the Board of Directors shall mail a notice to the condominium owner and the first mortgagee of the condominium specifying (a) that the installment or installments are delinquent; (b) that the condominium unit owner may cure the default by a date certain; (c) a date, not less than thirty (30) days from the date the notice is mailed to the owner, by which such default must be cured; and (d) a statement that failure to cure the default on or before the date specified in the notice will result in an acceleration of the balance of the installments of the annual, special, or supplemental assessment for that calendar year.

If the delinquent installment or installments of the annual, special, or supplemental assessment and any charges thereon are not paid in full on or before the date specified in the notice, the Board, at its option, may declare all of the unpaid balance of the annual, special, or supplemental assessment for the then current calendar year, attributable to that owner and his condominium, to be immediately due and payable without further demand and may enforce the collection of the full assessment(s) and all charges thereon in any manner authorized by law, the Declaration, Articles of Incorporation, or these Bylaws.

In the event that a member shall cure his delinquency after receiving notice of acceleration as herein provided, and shall thereafter become delinquent in the payment of any installment of any annual, special, or supplemental assessment within the following twelve (12) months, the Board of Directors may accelerate the due date of the balance of the annual, special, or supplemental assessment and the member shall have no right to cure.

8.10 Attorneys' Fees. In the event that the Board of Directors shall be required to retain an attorney to collect any delinquent assessments, or to enforce any of the obligations of a member as set forth in the Declaration, Articles of Incorporation, or these Bylaws, the non-complying member shall pay all costs incurred, including reasonable attorneys' fees.

8.11 Lien for Assessment. All sums assessed for either annual, supplemental or special assessments to any condominium unit as hereinbefore set forth, together with interest thereon, delinquency charges, and costs of collection, including a reasonable

attorney's fee, shall be secured by a lien on such condominium unit in favor of the Association. Such lien shall be superior to all other liens and encumbrances and to the owners homestead exemption on such condominium unit, except only for: (a) valid tax and special assessment liens on the condominium unit in favor of any governmental assessing authority; (b) a lien for all sums unpaid on the first mortgage duly recorded prior to such assessment lien in the Mesa County, Colorado, real estate records, including all unpaid obligatory advances to be made pursuant to such mortgage and all other amounts advanced pursuant to such mortgage and secured by the lien thereof in accordance with the terms of such instrument; (c) a lien for all sums unpaid on a second mortgage duly recorded prior to such assessment in the Mesa County, Colorado, real estate records, including all unpaid obligatory advances to be made pursuant to such mortgage and all amounts advanced pursuant to such mortgage and secured by the lien thereof in accordance with the terms of such instrument; (d) any other lien given priority under Colorado Revised Statutes, Section 38-33.3-316. All other lienors of mortgagees acquiring liens or mortgages on any condominium unit after these Bylaws shall have been recorded in said records shall be deemed to consent that such lien or mortgage shall be inferior to future liens for assessments, as provided herein, whether or not such consent be specifically set forth in the instrument creating such liens and whether or not such lien or mortgage shall be placed of record prior to the Association's Lien for Assessment.

To evidence a lien for sums assessed pursuant to this Article, the Association may prepare a written notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the owner of the condominium unit, if known, and a description of the condominium unit sufficient to identify the same. Such a notice shall be signed by the Association and may be recorded in the office of the County Clerk and Recorder of Mesa County, Colorado. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by judicial foreclosure by the Association in the same manner in which mortgages on real property may be foreclosed in Colorado. In any such foreclosure, the owner shall be required to pay the costs and expenses of such proceeding, the cost and expense of filing the notice of lien and all reasonable costs of collection, including a reasonable attorneys' fee. The owner shall also be required to pay the Association for any assessments against the condominium unit which shall become due during the period of foreclosure, including any assessment accelerated as provided in Section 8.09, and the same shall be secured by the lien being foreclosed. The Association shall have the right and power to bid at the foreclosure sale or other legal sale and to acquire, hold, convey, encumber and otherwise deal with the property the same as the owner thereof. No action to foreclose the assessment lien shall be commenced until at least ten (10) days after a copy of such lien shall have been mailed to the owner of the condominium unit and such lien shall expire two (2) years after the date it is filed unless legal action to foreclose the same shall have been commenced.

A release of notice of lien shall be executed by the Association and recorded in the Mesa County, Colorado, real estate records, upon payment of all sums secured by the lien.

Any encumbrancer or person holding a lien on a condominium unit may pay, but shall not be required to pay, any amounts secured by the assessment lien created by this section, and upon such payment, such encumbrancer shall be subrogated to all rights of the Association with respect to such lien, including priority.

Upon the written request of any encumbrancer of a condominium unit, specifically including any first mortgagee, the Association shall give written notification of any default in the performance by any individual condominium unit owner of any obligation under the Declaration, Articles of Incorporation, or these Bylaws not cured within thirty (30) days of such delinquency, specifically including any assessments remaining unpaid.

8.12 Statement of Account. Upon fourteen (14) calendar days' advance written request, delivered personally or by certified mail, first class postage prepaid, return receipt requested, to the Association's registered agent by any owner or unit owner's designee or holder of a security interest or its designee, prospective mortgagee or prospective purchaser of a condominium unit, the Association shall issue a written statement setting forth the amount of the delinquent assessments, if any, with respect to such condominium unit, the amount of the current annual assessment, the amount of the monthly installment thereof, and the date that such assessment becomes due, which statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within fourteen (14) days, all unpaid assessments which became due prior to the date of making such request, except such delinquent assessments for which an assessment lien has been recorded, shall be subordinate to the lien of a mortgagee which acquired its lien subsequent to requesting such statement. Where a prospective purchaser makes such request, the personal obligation of the purchaser shall be released automatically if the statement is not furnished within the fourteen (14) day period provided herein, and the purchaser subsequently acquires the condominium unit, however, a previously recorded

8.13 Inspection of Records. Any owner and such owner's authorized agents may inspect all financial and other records of the Association upon advance written request to the Board of Directors specifying the desired records. Any such inspections shall occur during convenient weekday business hours. The Board may withhold from examination or copying any records that in its reasonable business judgment would (a) constitute an unwarranted invasion of privacy, (b) constitute privileged information under the attorney-client privilege, (c) involve pending or anticipated litigation or contract negotiations, or (d) involve employment, promotion, discipline, or dismissal of a specific board member or employee. The Association may impose a reasonable charge for the cost of labor, material, and reproduction expenses for any documents provided.

8.14 Maintenance and Repairs. Each owner shall maintain, repair, replace, paint, paper, plaster, tile, finish and restore or cause to be so maintained, repaired, replaced and restored, at his sole expense, all portions of the condominium unit, ceilings, floors, doors, windows, screens and permanent fixtures, in a clean, sanitary and attractive condition, in

accordance with the original construction design of the improvements in the project. However, no bearing walls, ceilings, floors or other structural or utility bearing portions of the building housing or unit shall be pierced or otherwise altered or repaired, without the prior written approval of the Board of Directors of the Association. It shall further be the duty of each owner, at his sole expense, to keep free from debris and in reasonably good state of repair, the limited common elements over which an exclusive easement has been reserved for the benefit of such owner, however, no owner shall be responsible for the structural repair, resurfacing, replacement or painting of his assigned limited common elements, so long as the painting, repair, or replacement is not caused by the willful or negligent acts of the owner or his family or guests.

However, it shall be the duty of the owner to repair or replace any portion of the common elements or limited common elements which were damaged through the fault or negligence of such member or his family, guests, tenants or invitees. Further, such owner shall pay, when due, any and all charges for all utility services which services are not centrally metered but are separately metered to his unit.

Each owner shall be responsible for maintaining those portions of any heating and cooling equipment and other utilities which are located within his unit or which exclusively serve his unit.

8.15 Other Obligations. It shall be the obligation of every condominium unit owner, his tenants, employees, invitees, agents and other persons who might use the facilities to the project in any manner to strictly comply with the Declaration, the Articles of Incorporation of Olympic Arms Condominiums, and these Bylaws.

#### **ARTICLE IX - Use of Condominium Unit**

9.01 Residential. Except as approved by resolution of the Board of Directors, each condominium unit shall be used for residential purposes only, and no trade or business of any kind may be carried on therein. Lease or rental of a unit for lodging or residential purposes shall not be considered to be a violation of this covenant; provided, however, each owner shall use due care and diligence in leasing their units regarding the good character, habits and general desirability of the tenants. In any event, the use of each unit shall at all times be in conformity with the applicable zoning regulations.

9.02 Rules and Regulations. The Board of Directors shall have the power to establish, make and enforce compliance with such rules and regulations as may be deemed necessary for the operation, use and occupancy of the condominium project with the right to amend and supplement the same from time to time as it may deem necessary. Copies of such rules and regulations shall be furnished to each unit owner prior to the date when the same shall become effective.

Any member who refuses to comply with rules and regulations of the Association as enacted shall be subject to having the offensive conduct enjoined by a court of law,

and in the event that the common or limited common elements or the property of others has been damaged by such failure to comply with such rule, then such member shall be liable for any damage resulting.

In the event that the Association shall retain an attorney at law to enforce any such rule or regulation or recover damages for violation thereof, the Association shall be entitled to recover its costs in the action, including reasonable attorneys' fees.

The Association may suspend any member's voting rights in the Association during any period which such member fails to comply with any obligation of such member under the Declaration, Articles of Incorporation, or these Bylaws. The Association may also take judicial action against any member to enforce compliance with such obligations or obtain damages for non-compliance, all to the extent provided by law.

9.03 Common Storage Area. The Board of Directors may designate and maintain common storage areas for the use of the members of the Association. The Board of Directors shall not assume nor incur any liability for loss, destruction, or damage to articles stored in such areas.

#### **ARTICLE X - Contracts, Conveyances and Other Instruments**

10.01 Contracts. The Board of Directors may authorize any officer or agent of the Association to enter into any contract or execute and deliver any instrument in the name of the Association, except as otherwise specifically required by the Declaration, Articles of Incorporation, and these Bylaws.

10.02 Conveyance. The property of the Association may be conveyed or encumbered by authority of the Board of Directors or such other person or persons to whom such authority may be delegated by resolution of the Board of Directors. Conveyances or encumbrances shall be by instrument, executed by the president, or vice-president and by the secretary, or executed by such other person or persons to whom such authority may be delegated by the Board of Directors.

10.03 Checks. All checks, drafts, notes and other orders for the payment of money shall be signed by the president or a vice-president, and the secretary or treasurer, or shall be signed by such officers of the corporation as shall be duly authorized by resolution of the Board of Directors.

10.04 Fiscal Year. The fiscal year of the Association shall be from January 1 to December 31.

10.05 Seal. The Board of Directors may adopt a corporate seal of such design as it may deem appropriate.

## ARTICLE XI - Mortgages

11.01 Notice to The Association. An owner who mortgages or otherwise encumbers his condominium unit shall notify the Association through a member of the Board of Directors, giving the name and address of his mortgagee. The Association shall maintain such information in a book entitled Mortgagees of Condominium Units.

11.02 Notices. The Association shall at the request of a mortgagee of a condominium unit report any unpaid assessments due from the owner on such condominium unit.

11.03 Mortgagees as Proxies. Condominium unit owners shall have the right to constitute and appoint a beneficiary of a deed of trust or the mortgagee of a mortgage as their true and lawful attorney to vote their unit membership in this Association at any and all meetings of the Association and to vest in such beneficiary or mortgagee or his nominee any and all rights, privileges and powers they have as the unit owners under the Declaration, Articles of Incorporation, or these Bylaws. A release of the beneficiary's deed of trust or mortgagee's mortgage shall operate to revoke such power. Nothing contained herein shall be construed to relieve condominium unit owners of their duties and obligations as condominium unit owners, or to impose upon the beneficiary of the deed of trust or mortgagee the duties and obligations of the unit owner.

## ARTICLE XII - Evidence of Ownership

12.01 Evidence of Ownership. Each condominium owner, upon becoming an owner shall furnish the Board of Directors or the officers of the Association a photocopy or a certified copy of the recorded instrument vesting that person with such ownership interest or a properly completed and submitted substitute form as approved by the Board of Directors, which instrument shall remain in the files of the Association. A member shall not be deemed to be in good standing nor shall he be entitled to vote at any annual meeting or special meetings of the members unless this requirement is first met.

12.02 Designated Representative. If title to a condominium unit is held by more than one person or by firm, corporation, partnership, association, or legal entity, or any combination thereof, such owners shall execute a power of attorney appointing and authorizing one person or alternate persons to attend the meetings and to cast whatever vote the owner might cast if personally present. Such appointment shall be effective and remain in force unless voluntarily revoked.

## ARTICLE XIII - Nonprofit Association

13.01 This Association is not organized for profit. No member, member of the Board of Directors, officer or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation of the Association, and in no event shall any part of the funds or assets

of the Association be paid as salary or compensation to, or distributed to, any member of the Board of Directors, officer or member except as may be allowed by law upon dissolution. Reasonable compensation may be paid to any member, manager or officer while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and that any Director or officer may receive reasonable compensation for serving as such Director or officer if such shall be approved by a vote of the membership, and, further, provided that any member, Director, or officer may, from time to time be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

#### ARTICLE XIV - Conflicting Provisions

14.01 In case any of these Bylaws conflict with any provision of the laws of the State of Colorado, such conflicting portions of these Bylaws shall be null and void, but all other Bylaws shall remain in full force and effect. In case of any conflict between the Declaration and these Bylaws or the Articles of Incorporation and these Bylaws, the Declaration or Articles of Incorporation, respectively, shall control.

#### ARTICLE XV - Amendment

15.01 Articles of Incorporation. Amendments may be made to the Articles of Incorporation upon the approval of at least three fourths (3/4) of the membership at a duly constituted meeting for such purpose.

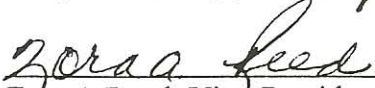
15.02 Bylaws. These Bylaws shall replace any and all bylaws that may have existed prior to this date and may be amended from time to time, altered, or repealed by a majority vote of the Board of Directors, at a duly constituted meeting for such purpose. No amendment to these Bylaws shall be contrary to or inconsistent with the provisions of the Declaration or Articles of Incorporation.

#### ARTICLE XVI - Effective Date

16.01 These Bylaws shall take effect at the time the same shall be adopted by three fourths (3/4) of the entire membership of the Association.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands this \_\_\_\_\_ day of \_\_\_\_\_ 2004.

  
Perry A Melendy, President

  
Zora A Reed, Vice-President

Isabel F. Downing  
Isabel F Downing, Secretary/Treas

Kay L. Melendy  
Kay L Melendy, Director

Rosella Gorsett  
Rosella Gorsett, Director

KNOW ALL MEN BY THESE PRESENTS that the undersigned secretary of the Association does hereby certify that the above and foregoing Bylaws were duly adopted by the Board of Directors of the Association at a special meeting held for such purpose on the 4<sup>th</sup> day of June, 2004, and that these Bylaws do constitute the Bylaws of said Association.

Isabel F. Downing  
Isabel F Downing, Secretary