

**BYLAWS OF  
THE FAIRWAY FOUR TOWNHOMES, INC  
A COLORADO NOT FOR PROFIT CORPORATION**

**BYLAW I – OBJECT**

- 1.01 Association. The Fairway Four Townhomes Association, Inc., (the "Association") is a nonprofit corporation organized under the Colorado Nonprofit Act, as amended.
- 1.02 Purpose. The purpose for which this Association is formed is to govern, operate and maintain the property situated in the County of San Miguel, State of Colorado, known as the Fairway Four Townhomes Association, hereinafter referred to as the "Project", and which property is subject to the provisions of the Declaration recorded in Book 494 at Page 239, hereinafter referred to as the "Declaration".
- 1.03 Owners and Users Subject to Bylaws. All present or future owners, tenants, licensees, lessees, guests, invitees or other person who might in any manner use the facilities of the Project are subject to the regulations set forth in and provided by these Bylaws. The mere acquisition or rentals of any of the Units (as defined in the Declaration and governed by the deed restriction regulations of the Mountain Village Housing Authority) signify that these Bylaws are accepted, ratified and will be complied with by those acquiring, owning, renting or using the Project, or any part thereof.
- 1.04 Project. The Fairway Four Townhomes consists of the Project, and all appurtenances thereto including, without limitation, cross easements and reciprocal easements. The Project as defined also in the Declaration for the Fairway Four Townhomes consists of real property set forth in the Declaration, improvements thereon, and easement thereto.
- 1.05 Definitions. Except as expressly set forth in these Bylaws, the terms set forth herein shall be defined as set forth in the Declaration.

**BYLAW II – MEMBERSHIP, VOTING, MAJORITY OF  
OWNERS, QUORUM, PROXIES**

- 2.01 Membership. Ownership of a Unit is required for membership in this Association. Any person, on becoming as owner of a Unit, becomes automatically thereby a Member of this Association, subject to these Bylaws. Such membership terminates without any formal Association action upon such person ceasing to own a Unit, but such termination shall not relieve or release any such former Owner from any liability or obligation to the Association, nor shall it impair any rights or remedies which the Association may have against any former Owner, arising out of or in any way connected with ownership of a Unit and membership in the Association. Membership is appurtenant to a Unit and may not be separately conveyed, encumbered, or abandoned.
- 2.02 Voting. All Members shall be entitled to vote on all matters, with one vote per Unit. If title to any Units shall be held by two or more co-owners, then all co-owners have only one vote. Cumulative voting in the election of Directors shall not be permitted.
- 2.03 Majority Vote. Unless otherwise expressly provided in these Bylaws or the Declaration, any action which may be taken by the Association may be taken by a majority vote of a

quorum. The voting rights of Owners set forth in these Bylaws, the Articles of Incorporation and the Declaration may only be amended as provided in Subsection 7.3 (b) of these Bylaws and provided the consent is obtained by holders of fifty-one percent (51%) of the First Priority Mortgagees.

- 2.04 Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy by the Owners of at least twenty-five percent (25%) of the ownership, shall constitute a quorum and an affirmative vote of those representing a majority of the Units represented at such a meeting having a quorum in attendance, either in person or by proxy, shall be necessary to transact business and to adopt decisions binding on all owners. Members present at a duly called and held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.
- 2.05 Proxies. Votes may be cast in person or by proxy. Proxies must be in writing and be filed with the Secretary at the commencement of each meeting. All proxies must be in writing signed by the Owner(s) granting the proxy and may be either general or for a particular meeting. A proxy-holder need not be an Owner.

### **BYLAW III – MEETINGS OF MEMBERS**

- 3.01 Place of Meeting. Meetings of the Owners shall be held at such place within San Miguel County as the Board of Directors may from time to time determine. Telephonic meetings shall be permitted.
- 3.02 Annual Meetings. The annual meetings of the Owners shall be held at least once each year on such date between the months of June and October, as shall be selected by the Board of Directors. At each annual meeting the Owners shall elect Directors to serve until the next annual meeting of the members, or, if they sooner resign, until their successors are elected and qualified and may transact such business of the Association as may properly come before the meeting.
- 3.03 Budget Meetings. The budget meetings of the Owners shall be held once each year on such date between the months of November and February, as shall be selected by the Board of Directors. At each budget meeting the Owners shall approve a budget and may transact such business of the Association as may properly come before the meeting. Approval of the budget by mail ballot shall be permitted.
- 3.04 Special Meetings. It shall be the duty of the President, or the Board of Directors, as set forth below, to call such special meetings of the Owners as may be needed to transact business and/or adopt decisions binding on all Owners. Such meetings may be called by the President, by majority of the Board of Directors or by petition of the Ownership of at least twenty-five percent (25%) of the Units in the Project. The Notice of any such special meeting shall state the time and place of such meeting and the specific purpose thereof. Telephone meetings shall be valid if permitted by these Bylaws. Any such meeting shall be held within fourteen (14) days after receipt by the President of such resolution or petition.
- 3.05 Notice of Meetings. It shall be the duty of the Secretary to hand deliver or to mail, postage prepaid, by regular United States mail at least ten (10) day's notice, but not more than fifty (50) days, of each annual, budget or special meeting, stating the purpose thereof, the general nature of any proposed amendment to the Declaration or Bylaws, any budget

changes and any proposal to be held, to each Owner of Record. A waiver of notice signed at or after any meeting shall be valid substitute for notice. The certificate of the Secretary that notice was properly given as provided in these Bylaws shall be prima facie evidence thereof. If mailed, such notice shall be deemed delivered when deposited in the United States mail addressed to the member at his or her address as it appears on the records of the Association, postage prepaid.

3.06 Adjourned Meetings. If any meeting of the Owners cannot be convened because a quorum is not in attendance or the business of a meeting cannot be concluded, the Owners who are present, either in person or by proxy, may adjourn the meeting one or more times for periods of no longer than three weeks, from time to time, until a quorum is obtained or until a conclusion can be reached.

3.07 Order of Business. Meetings of the Owners shall be conducted by the officers of the Association. The order of business at all meetings of the Owners shall be as follows:

- (a) Roll call and Determination of Quorum
- (b) Proof of notice of meeting or waiver of notice
- (c) Reading of minutes of the last meeting
- (d) Reports of officers
- (e) Reports of committees
- (f) Election of Directors (at each annual meeting)
- (g) Unfinished business
- (h) New business

3.08 Action Without Meeting. Any action which, under the provisions of the Colorado Nonprofit Corporation Act, may be taken at a meeting of the Owners, may be taken without a meeting if such action is authorized by a written consent signed by all of the Owners who would be entitled to vote at a meeting and filed with the Secretary or as otherwise provided in the Colorado Nonprofit Corporation Act.

3.09 Waiver of Notice. The transaction of business at any regular or special meeting of the Owners, however called and noticed, shall be as valid as though transacted at a meeting duly held after regular roll call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the Owners present signs a written waiver of notice or a consent to the holding of such meeting. All such waivers and consents shall be filed with the corporate records or made a part of the minutes of the meeting.

3.10 Minutes. Minutes or a similar record of the proceedings of meetings of Owners, when signed by the President or Secretary, shall be presumed to truthfully evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

#### **BYLAW IV – BOARD OF DIRECTORS**

4.01 Association Responsibilities. The responsibility of administering the Project shall be with the Association's Board of Directors.

4.02 Number and Qualification. The affairs of the Association shall be governed by a Board of Directors (the "Board") composed of five persons who are Owners of Units or agents of Owners of Units in the Project. Any Owner that is not a natural person may be represented

on the Board of Directors of the Association by an individual specified by the Owner in writing and duly elected by the members of the Association. The number of directors may be increased by resolution, provided however, that the number of Directors shall not be reduced to less than three nor increased to more than seven. The Board of Directors shall have terms of three years.

4.03 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration for the affairs of the Association and for the operation and maintenance of a peaceful Project. The Board of Directors may do all such acts and things as are allowed by law, the Articles of Incorporation of the Association, these Bylaws, or the Declaration.

4.04 Other Powers and Duties. The Board of Directors shall be empowered and shall have powers and duties as follows:

(a) Enforce Provisions. To administer, implement and enforce the covenants, conditions, restriction, easements, uses, limitation, obligations and all other provisions set forth in the Declaration, these Bylaws, its rules, deed restrictions and covenants.

(b) Adopt Bylaws. To adopt these Bylaws.

(c) Rules and Regulations. To establish, make and enforce compliance with such reasonable rules as may be necessary for the operation, use and occupancy of the Project, including the parking areas, Units, and its Common Elements, with the right to amend such rules and regulations from time to time, such rules and regulations to be consistent with the Declaration, Articles of Incorporation and these Bylaws.

(c) Maintain Common Elements. To keep in good order, condition and repair of all the Project's General Common Elements, including walkways, drives and lighting.

(d) Insurance. To obtain and maintain, to the extent obtainable, all policies of insurance required by the Declaration. To review, not less frequently than annually, all insurance policies and bonds obtained by the Board. The Board shall also purchase and maintain Directors and Officers insurance.

(e) Assessments. To prepare, adopt, and modify from time to time, the Association's annual budget, to periodically, and in no event less frequently than annually, fix, determine, levy and collect the prorated, annual assessment to be paid by each of the Owners toward the gross expenses of the Association, to determine and fix the due date for the payment of installments of such assessments, to establish a reasonable reserve for more or less major common expenditures such as roadway repair, and for seasonal and regular operating expenditures all as provided in the Declaration.

The Board of Directors may also adjust, decrease or increase the amount of such assessments, and to credit any excess of assessments over expenses and cash reserves to the Owners against the next succeeding assessment period. The Board may also levy and collect special assessments not in excess of one time the set, regular annual assessments whenever in the opinion of the Board it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital assessments, which shall be in statement form and shall set forth in reasonable detail the various expenses, for which assessments are being made.

The Board shall contract and pay for maintenance, lawn maintenance, snow removal, utilities, materials and supplies, and services relating to the Common Elements, including contracting and paying for alterations, improvements and maintenance. The Board shall attempt to procure bids from two (2) or more firms for any work estimated to cost in excess of five thousand dollars (\$5,000).

In setting the amount of the annual assessment (to be collected in annual and not more than monthly installments), the Board shall use its best judgement in estimating an amount at least sufficient to pay, out of the Common Expense fund, for the following services and expenses on a normal basis: grounds maintenance (including lawn maintenance and snow removal), upkeep of any and all facilities, insurance, trash removal, service and leasing contracts (including water, utilities and sewer) for the Association and the Common Elements, management fees, debt service, debt retirement, printing supplies and postage, taxes, foreseeable repairs to Common Elements, reserves for unforeseeable repairs to Common Elements, accounting and legal fees and other foreseeable items.

(f) Penalize Delinquencies. The Board may impose penalties and collect delinquent assessments, by lien enforcement, by suit or otherwise, and enjoin or seek damages from an Owner as provided in the Declaration and in these Bylaws as such may be from time to time amended or supplemented.

(g) Defend. To protect and defend the Fairway Four Townhomes Association from loss and damage by suit or otherwise.

(h) Borrow. To borrow funds and to give security therefor in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration or these Bylaws, and to execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary or desirable.

(i) Contract. To enter into contracts within the scope of their duties and powers.

(j) Bank Accounts. To establish a bank account or bank accounts which are interest bearing or non-interest bearing, checking, savings, or C.D., or otherwise as may deemed advisable by the Board of Directors.

(k) Maintain Records. To keep and maintain detailed, full and accurate books and records showing in chronological order all of the receipts, expenses or disbursements with appropriate specificity and itemization and permit inspection of such books and records during convenient weekday business hours by any of the Owners and/or their mortgagees. Minutes will be kept for all Owners' and Board of Directors' meetings and will be available for review by all Owners upon request during normal business hours.

(l) Annual Statements. To prepare and deliver to each Owner annually or if the Board shall so decide, more frequently, a statement showing all receipts, expenses or disbursements since the last such statement.

(m) Personnel. To designate, hire and remove the personnel necessary for the operation, maintenance, repair and replacement of Common Elements of the Project, including legal and accounting services.

- (n) Suspend Voting Rights. To suspend the voting rights of an Owner for failure to comply with these Bylaws, the rules and regulations of the Association or with other obligations, of the Owners, financial or otherwise, imposed by the Declaration.
- (o) Govern, Administer Project. In general, to supervise and oversee the Association's officers, to carry on the administration of the Association and do all of those things necessary and/or desirable to govern and operate the Project.
- (p) Sanctions. In the event the Board of Directors itself, or through delegation of its powers to an Officer or Managing Agent, shall decide to invoke a sanction, penalty, fine or suspension of voting rights or other rights against an Owner, a written notice of such sanction shall promptly be delivered or mailed to the Owner in question notifying such party that the sanction will be stayed for a period of ten days during which time period the party in question may request a meeting with the Board of Directors to present his facts and/or opinions with respect to the matter. The Board shall, upon request for such a meeting, endeavor to hold such within the ten-day period during which the sanction is stayed. The Board may take whatever action, pursuant to the Declaration or these Bylaws, which it deems appropriate as a result of the meeting with the Owner or Tenant.
- (q) Easements. To grant, for the Association on behalf of itself and as attorney-in-fact for the Owners, easements to and over the Common Elements.
- (r) Property. To take and hold by purchase, gift, or otherwise, real and personal property for the Association, to exercise all of the rights, powers and privileges of ownership to the same, and to use, manage, mortgage, sell, transfer, lease, license, or otherwise dispose of any such property or any interest therein, provided that the Board procures bids from at least two (2) firms for any contract which will likely produce more than five thousand dollars (\$5,000) revenue annually to the Association.
- 4.05 Managing Agent. The Board of Directors may employ for the Association a Managing Agent (at a compensation established by the Board of Directors), to perform such duties and services it shall authorize. The Board of Directors may delegate to such Managing Agent any of the Board's powers and duties but, notwithstanding such delegation, the Board shall not be relieved of its responsibility under the Declaration. Any contract of employment entered into with a Managing Agent must provide that it is cancelable by the Association without cause, upon 30 days written notice, and with cause at any time.
- 4.06 Election and Term of Office. Members of the Board of Directors shall be elected from among the Owners by a majority or more (if more than two candidates stand for election) a plurality, as appropriate, of the members voting at the annual meeting of the Association. Cumulative voting is not permitted. The term of each Director's service shall extend until the third annual meeting of the Association following his election, or so long thereafter as may be necessary for a successor to be duly elected and qualified; or until the Director may resign or is removed in a manner herein provided. Any Owner serving as Director may be reelected, and there shall be no limitation on the numbers of terms which he may serve. Any person desiring to be a candidate for Director shall submit a written statement to that effect to the Secretary, signed by the candidate, or be nominated orally by another Owner at the meeting at which voting is to occur.
- 4.07 Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be appointed by the remaining

Directors. The Board of Directors shall survey all Owners for potential Directors to be appointed. A Director so selected shall serve until that particular Director's term is terminated.

- 4.08 Removal of Directors. At any annual or special meeting of the Owners, duly called, any one or more of the Directors may be removed with or without cause by the affirmative vote of 67% of the Owners present at the meeting, and a successor may then and there be elected by the Owners 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 prior to a vote being taken on the matter.
- 4.09 Compensation and Fidelity Bonds. The Board of Directors shall serve without salary or compensation. 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. All actions of the Board of Directors in good faith and using reasonable care shall be without recourse by the Association or any Owner.
- 4.10 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and at such place in San Miguel County as shall be determined, from time to time, by a majority of Directors; at least one such meeting shall be held each calendar quarter. Notice of regular meetings of the Board of Directors shall be given by the Secretary to each Director, personally or by mail, telephone, fax or electronic mail at least three days prior to the day named for such meeting. Telephonic meetings shall be permitted.
- 4.11 Special Meetings. Special meetings of the Board of Directors may be called by the President, or if the President is absent or refuses to act, by the Vice-President or by any two (2) Directors. At least two (2) days notice shall be given by the Secretary to each Director, given personally or by mail, telephone, fax or electronic mail, which notice shall set forth the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President in like manner and on like notice on receipt of a written request to call such a special meeting from at least a majority of Directors. Telephonic meetings shall be permitted. Whenever any Director has been absent from any special meeting of the Board, an entry in the minutes to the effect that notice has been duly given shall be prima facie evidence that due notice of such meeting was given to such Director.
- 4.12 Waiver of Notice. Before, or at 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 such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.
- 4.13 Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the 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 be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business, which might have been transacted at the meeting as originally called, may be transacted without further notice.

- 4.14 Consent By Directors. The Directors shall have the right to take any action without a meeting which they could have taken at a meeting by obtaining the vote or written consent of all the Directors or as otherwise provided in the Colorado Nonprofit Corporation Act, as amended from time to time. Any action so approved shall have the same effect as though taken at a meeting of the Board.
- 4.15 Committees. The Board may, from time to time designate such committee as it shall desire and may establish the purposes and powers of each such committee created. In establishing the committee, the Board shall provide for the appointment of its members, as well as the chairman, shall state the purposes of the committee, and shall provide for such reports, termination, and other administrative matters as the Board deems appropriate.

## **BYLAWS V – OFFICERS**

- 5.01 Designation. The Officers of the Fairway Four Townhomes Association, Inc. shall be a President, one or more Vice Presidents, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors.
- 5.02 Election of Officers. The Officers of the Association shall be elected annually by the Board of Directors. The Officers must be elected from the Board of Directors. One person may hold concurrently the office of Vice President and Secretary or Vice President and Treasurer or Treasurer and Secretary, but the President shall serve only in the office of President.
- 5.03 Removal of Officers. Upon an affirmative vote a majority of the 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 called for such purpose. Any Officer may resign at any time by giving written notice to the Board, the President, or the Secretary, such resignation taking effect at the date of receipt of the notice or at any later time specified therein, and unless otherwise specified in the notice, acceptance of such resignation by the Board shall not be necessary to make it effective.
- 5.04 President. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association and the Board of Directors. The President shall have all of the General Powers and duties which are usually vested in the office of a President of a nonprofit corporation, including, but not limited to, the power to appoint committees from among the Members from time to time as may be deemed appropriate, and to assist in the conduct of the affairs of the Association or as may be established by the Board or by the Members of the Association at any regular or special meeting. The President shall be ex officio a member of all standing committees and shall have other powers and duties as may be prescribed by the Board or these Bylaws.
- 5.05 Vice President. The Vice President (in order of designation at the time of appointment, if more than one) shall have all the powers and authority and shall perform all of the functions and duties of the President, in the absence of the President or in the absence of the President's ability for any reason to exercise such powers and functions or perform such duties. If neither the President nor any Vice-President is able to act, the Board shall appoint some 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 or by these Bylaws.



5.06 Secretary. The Secretary shall keep the minutes of all meetings of the Association and of all meetings of the Board, shall have charge of such books and papers as the Board of Directors may direct, shall give or cause to be given notices of meetings of the Owners and of the Board and shall, in general, perform all of the duties normally incident to the office of Secretary. The Secretary shall compile and keep up to date at the principal office of the Association a complete list of Members and their last known addresses as shown on the records of the Association. Such list shall be open to inspection by Members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours. The Secretary shall perform all other duties given to the Secretary by the Board or these Bylaws. The Secretary shall also ascertain, certify, record and publicize the outcome of all votes taken by the Directors or the Owners, as the case may be. The Secretary shall also be responsible for all filings required by law, except tax returns.

5.07 Treasurer. The Treasurer shall have responsibility for Association funds, shall keep the financial books and records of account of the Association and shall be responsible for keeping full and accurate accounts of all receipts and disbursements 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's books and records shall be open to inspection by all Owners and First Priority Mortgagees during regular weekday business hours. The Treasurer shall make a report, at least once annually, to the Board containing the Association's balance sheet as of the end of the fiscal period covered by the report and a statement of the Association's income and expenses for the same period. Any First Priority Mortgagee, at its own expense, may have prepared an audited financial statement of the Association with respect to any prior fiscal year. The Board shall cause a summary of the Treasurer's report to be transmitted to each member. The Treasurer shall be responsible for keeping the assessment roll which shall include a separate account for each Site. Such account shall designate the name and address of the Owner, the amount of each assessment against the Owner, the due dates of all assessment installments, the amounts paid by the Owner and all unpaid assessments. The Treasurer shall be responsible for submitting to the Board each proposed budget and assessment and for filing tax returns as required by law.

## **BYLAW VI – INDEMNIFICATION OF DIRECTORS AND OFFICERS**

6.01 Indemnification. Pursuant to Colorado law, the Fairway Four Townhomes Association, Inc. shall indemnify its Directors and Officers, and his or her heirs, executors and administrators against loss, costs and expense, including attorney's fees, reasonably incurred in connection with any action, suit or proceeding to which such person may be made a party by reason of being or having been a Director or Officer of the Association, except as to matters to which such person shall be finally adjudged in such action, 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 is advised by counsel that the person be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director or Officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director or Officer may be entitled. All liability, loss. Any damage, costs, and expense incurred or suffered by the Association by reason of, or arising out of, or in connection with the foregoing indemnification shall be considered as Common Expenses. Nothing contained in Section 6.01 shall, however, be deemed to obligate the Association to indemnify any Member who is or has been a Director of the Association

with respect to any duties or obligations assumed or liabilities incurred simply as a Member or Owner of a Unit under or by virtue of the Declaration and not as an Director.

#### **BYLAW VII – AMENDMENTS**

- 7.01 Bylaws. These Bylaws may be amended by the Board of Directors. Any notice of any meeting therefore shall specify the nature and text of any proposed amendment or amendments. The Members of the Association may amend the Bylaws by a vote therefor by sixty-seven (67%) percent or more of the Members present in person or by proxy in a duly constituted meeting of the Members for such purpose. However, if the Members in the Association shall make, amend and repeal any Bylaw, the Directors shall not thereafter amend the same in such manner as to defeat or impair the object of the Owners in taking such action. From and after any amendment of these Bylaws, an references to “the Bylaws” shall be deemed to include any such amendments, unless otherwise stated.
- 7.02 Copy of Bylaws. This Association shall keep in its office for the transaction of business the original or a copy of these Bylaws, as amended from time to time, certified by the Secretary, which shall be open to inspection by the Owners and First Priority Mortgagees as reasonable times during regular weekday business hours.

#### **BYLAW VIII – MISCELLANEOUS**

- 8.01 Compliance. These Bylaws are intended to comply with the requirements of the Colorado Condominium Ownership Act, as amended. If there is any conflict in these Bylaws with the Colorado Statute, these Bylaws shall be amended by the Board of Directors so as to comply with such statutes.
- 8.02 Character of Association. This Association is organized not for profit. No Member, Director, Officer or other person may receive any property or funds, or shall receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, be distributed to, or inure to the benefit of any of the Board of Directors, Officers or Members, except upon a dissolution of the Association, provided however, always: (1) that reasonable compensation may be paid to any Member, Manager, Director or Officer while acting as agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (2) that any Member, Manager, 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.
- 8.03 Inspection of Records. Any Owner of First Mortgagee of a Unit may inspect the records or receipts and expenditures of the Association pursuant to Colorado Statute at convenient, weekday business hours, upon reasonable notice to the Board of Directors or Managing Agent, if any. Upon request, any Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner and/or which might comprise a lien against the Owner’s Unit. Upon issuance of such a certificate by the Association, the Association shall be barred from collecting or attempting to collect a greater amount than that set out in the certificate for the time period covered by the certificate, from any Owner, First Mortgagee or new purchaser who may have acted in reliance on such certificate.

- 8.04 Limitation of Liability. The Board shall not be liable for any failure of any service to be obtained and paid for by the Board hereunder, or for injury or damage to person or property caused by the elements or another Owner or person, or resulting from electricity, water or rain which may leak or flow from outside or from any parts of the Buildings, or from any of its pipes, drains, conduits, appliances, or equipment, from any other place, unless caused by gross negligence by the Board. The Board shall not be liable for any damage, breakage or injury from golf balls from the adjacent golf course being hit onto the Property and striking the Property or an occupant. No diminution or abatement of Common Expense assessments shall be claimed or allowed for inconveniences or discomfort arising from the making or repairs or improvements to the Common Elements or from any action taken by the Board to comply with any law, ordinance, or order of a governmental authority.
- 8.05 Severability. The provisions hereof shall be deemed independent and severable, and invalidity or partial invalidity or unenforceability of any provision or portion hereof shall not affect the validity of unenforceability of any other provision hereof.
- 8.06 Interpretation. The provisions of these Bylaws shall be liberally construed to effectuate the purpose of creating a uniform plan for the development and operation of a planned unit development property. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce such provision or any other provision hereof.
- 8.07 Implied Consent. Whenever in these Bylaws, the Articles of Incorporation or the Declaration the consent or approval of the First Priority Mortgagees is required, such consent or approval is presumed conclusively as to such First Priority Mortgagees that fail to respond to a written proposal, amendment or other request for response, sent by registered or certified mail, return receipt requested, within thirty (30) days of such request.
- 8.08 Relationship to Declaration. In the event of a conflict between the terms of the Declaration and these Bylaws, the terms of the Bylaws shall control.

KNOW ALL MEN BY THESE PRESENT, that the undersigned do hereby certify that the above and foregoing Bylaws were duly adopted by the Board of Directors of said Association as the Bylaws of said Association on the 6th of September 2001, and that they do now constitute the Bylaws of said Association.

Effective Date: September 6, 2001.

BOARD OF DIRECTORS:

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David Wright  
Acting President