

**BYLAWS  
OF  
TOWNHOMES AT OLD TOWN NORTH HOMEOWNERS ASSOCIATION**

**ARTICLE I  
DEFINITIONS**

Words and terms used in these Bylaws shall have the meanings given to them in the Declaration and in the Articles of the Association. All other words and terms used in these Bylaws shall have the meanings given to them in the Declaration and in the Colorado Common Interest Ownership Act (the "Act"), as amended.

**ARTICLE II  
MEETINGS OF MEMBERS**

- 2.1 Annual Meeting. The annual meeting of the owners shall be held each year on the 15<sup>th</sup> day of January of each year, or on such other date as may be established by the Board of Directors, for the purpose of electing Directors (after the expiration of the Declarant Control Period) and for the transaction of such other business as may come before the meeting.
- 2.2 Budget Meeting. Meetings of Members to consider proposed budgets shall be called in accordance with the Act. The budget will normally be considered at the annual meeting but may also be considered at a special meeting called for that purpose.
- 2.3 Special Meetings. Special meetings of the Association may be called by the president, by a majority of the Directors of the Board of Directors or by owners holding twenty percent (20%) of the votes in the Association.
- 2.4 Place of Meetings. Meetings of the Members shall be held at any suitable place convenient to the Members, as may be designated by the Board of Directors or the president.
- 2.5 Notice of Meetings. The secretary shall cause notice of meetings of the Members to be given in the manner provided in the Declaration, not less than ten (10) nor more than fifty (50) days in advance of a meeting. No action shall be taken at a special meeting except as stated in the notice. The Members may take any action they desire at an annual meeting, and, except as otherwise provided in C.R.S. § 7-127-104 (3)(b), the notice of an annual meeting need not identify matters to be considered, except as required by the Act or these Bylaws, including at paragraph 7.1.
- 2.6 Waiver of Notice. Any owner may, at any time, waive notice of any meeting of the Members in writing, and the waiver shall be deemed equivalent to the receipt of notice.
- 2.7 Quorum. Except as otherwise provided in these Bylaws, the Declaration, or as provided by law, at any meeting of the owners, the presence in person or by proxy of Members entitled

to cast twenty percent (20%) of all votes entitled to be cast on the matter to be voted upon shall constitute a quorum.

- 2.8 Majority Vote. The vote of a majority of the Members present in person or by proxy at a meeting at which a quorum shall be present shall be binding upon all Members for all purposes except where a higher percentage vote is required in the Declaration, these Bylaws or by law.
- 2.9 Proxies. The vote allocated to a Unit may be cast under a written proxy duly executed by a Member. A Member may revoke a proxy given under this section only by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates one (1) year after its date, unless it specifies a different term.
- 2.10 Adjournment of Meeting. At any meeting of Members, a majority of Members who are present at that meeting, either in person or by proxy, whether constituting a quorum or not, may adjourn the meeting to another time.
- 2.11 Action by Consent. Any action which may be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Members entitled to vote on such action.

### **ARTICLE III**

#### **BOARD OF DIRECTORS**

- 3.1 Powers and Duties. The Board of Directors may act in all instances on behalf of the Association, except as otherwise provided in the Declaration, these Bylaws or the Act. The Board of Directors shall have, subject to the limitations contained in the Declaration and the Act, the powers and duties necessary for the administration of the affairs of the Association and of the Common Interest Community, including the following powers and duties:
  - a. Adopt and amend Bylaws and Rules and Regulations;
  - b. Prepare budgets for revenues, expenditures and reserves;
  - c. Adopt and amend budgets for revenues, expenditures and reserves;
  - d. Levy and collect Assessments in accordance with the Declaration;
  - e. Hire and discharge managing agents;
  - f. Hire and discharge employees, independent contractors and agents other than managing agents;
  - g. Institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violations of the Declaration, Bylaws or Rules and Regulations.

- h. Make contracts and incur liabilities;
- i. Regulate the use, maintenance, repair, replacement and modification of Common Elements;
- j. Cause additional improvements to be made as a part of the Common Elements;
- k. Acquire, hold, encumber and convey, in the Association's name, any right, title or interest to real estate or personal property, but Common Elements may be conveyed or be subjected to a security interest only pursuant to the Act;
- l. Grant easements through or over the Common Elements as provided in the Declaration;
- m. Impose a reasonable charge for late payment of Assessments and, after notice and hearing, levy a reasonable fine for a violation of the Declaration, Bylaws and Rules and Regulations.
- n. Exercise any other powers conferred by the Declaration or Bylaws.
- o. Exercise any other power that may be exercised in the State by a legal entity of the same type as the Association;
- p. By resolution, establish committees of Directors and/or Members, permanent and standing, to perform any of the above functions or any other function prescribed by the Declaration under administrative standards as designated in the resolution. All such committees must maintain minutes and publish notice of their actions to Members and the Board of Directors, and all meetings of such committees shall be open to any member of the Association. Actions taken by any committee may be appealed to the Board of Directors within the time and in the manner provided by the rules and regulations adopted by the Board; and
- q. Exercise any other power necessary and proper for the governance and operation of the Association.

3.2 Number and Qualifications. The affairs of the Common Interest Community and the Association shall be governed by the Board of Directors. During the Declarant Control Period, the Board of Directors shall consist of not less than two (2) persons appointed by Declarant. Subject to such minimum requirement, the number of Directors may be increased or decreased by Declarant during the Declarant Control Period. After expiration of the Declarant Control Period, the number of Directors shall consist of at least three (3) but not more than five (5) members, as determined by the Board. After expiration of the Declarant Control Period the manner of Directors election, the qualifications of such Directors, the terms of their office, and all other matters pertaining to the election or appointment of Directors shall be as determined by the Board of Directors or the Members.

- 3.3 Managing Agent. The Board of Directors may employ a Managing Agent for the Common Interest Community at a compensation established by the Board to perform duties and services authorized by it. The Managing Agent shall oversee the operation of the Common Interest Community in accordance with the Declaration, the Act, the Articles of Incorporation of the Association, these Bylaws, the Rules and Regulations and the instructions of the Board of Directors. The duties of the Managing Agent may include the collection of assessments; overseeing the work of maintaining the Common Elements; advising the Board of Directors as to violations of the requirements of the Declaration, Act, Bylaws or Rules and Regulations; preparing a draft budget for submission to the Board; making recommendations to the Board concerning the operation of the Common Interest Community; and such other ministerial duties as may be delegated to the Managing Agent by the Board of Directors. The Managing Agent shall not hire employees or independent contractors for the Association without express authority of the Board of Directors. The managing agent shall also:
- a. Maintain fidelity insurance coverage or a bond in an amount of not less than three (3) months aggregated assessments plus reserves or such higher amount as the Board of Directors may require;
  - b. Maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the managing agent, and maintain all reserve accounts of each association so managed separate from operational accounts of the Association; and
  - c. Prepare and present to the Association an accounting for Association funds and a financial statement not less frequently than annually.
- 3.4 Vacancies. Vacancies on the Board of Directors, caused by any reason other than the removal of a Director by a vote of the Members, may be filled at a regular meeting or at a special meeting of the Board of Directors held for that purpose at any time after the occurrence of the vacancy, even though the Directors present at that meeting may constitute less than a quorum. The filling of vacancies shall be made in the following manner:
- a. As to vacancies of Directors whom Members other than the Declarant elected, by a majority of the remaining elected Directors constituting the Board of Directors; and
  - b. As to vacancies of Directors whom the Declarant has the right to appoint, by the Declarant. Each person so elected or appointed shall be a Director for the remainder of the term of the Director so replaced.
- 3.5 Removal of Directors. The Members, by a two-thirds vote of all persons present and entitled to vote at any meeting of the Members at which a quorum is present, may remove any Director, other than a Director appointed by the Declarant, with or without cause.
- 3.6 Regular Meetings. Regular meetings of the Board of Directors shall be held without other notice than this Bylaw immediately after, and at the same place as, the annual meeting of the Members. The Board of Directors may provide, by resolution, for the holding of additional regular meetings without other notice than such resolution.

- 3.7 Special Meetings. Special meetings of the Board of Directors may be called by the president or by a majority of the Directors on at least twenty-four (24) hours advance written notice to each Director. The notice shall be hand-delivered or mailed and shall state the time, place and purpose of the meeting. Mailed notice shall be effective two (2) days after deposit in the U. S. mails, properly addressed with postage prepaid.
- 3.8 Waiver of Notice. Any Director may waive notice of any meeting in writing. Attendance by a Director at any meeting of the Board of Directors shall constitute a waiver of notice. If all Directors are present at any meeting, no notice shall be required, and any business may be transacted at such meeting.
- 3.9 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 votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute a decision of the Board of Directors. If, at any meeting, there shall be less than a quorum present, a majority of those present may adjourn the meeting. At any adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.
- 3.10 Action by Consent. Any action which may be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Directors entitled to vote with respect to the action to be taken.
- 3.11 Attendance at Meetings. Except as otherwise provided in the Act, all meetings of the Association and Board of Directors are open to every Unit Owner of the Association, or to any person designated by a Unit Owner in writing as the Unit Owner's representative, and all Unit Owners or designated representatives so desiring shall be permitted to attend, listen and speak at an appropriate time during the deliberations and proceedings; except that, for regular and special meetings of the Board, Unit Owners who are not Board members may not participate in any deliberation or discussion unless expressly so authorized by a vote of the majority of a quorum of the Board. The Board may place reasonable time restrictions on those persons speaking during any meeting but shall permit an Owner, or an Owner's designated representative, to speak before the Board takes formal action on an item under discussion, in addition to any other opportunities to speak. The Board shall provide for a reasonable number of persons to speak on each side of an issue.
- 3.12 Conflicts of Interest. If any action taken by or on behalf of the Board of Directors would financially benefit any member of the Board of Directors or a member of the Board member's family, the member shall declare a conflict of interest as required by the Act and shall limit participation related to that issue as required by the Act.

**ARTICLE IV**  
**OFFICERS**

- 4.1 Designation. The principal officers of the Association shall be the president, the vice president, the secretary and the treasurer, all of whom shall be elected by the Board of Directors. After the expiration of the Declarant Control Period, the Board of Directors may appoint an assistant treasurer, an assistant secretary and other officers as it finds necessary. The president, but not other officers, must be a Director. Any two (2) offices may be held by the same person, except the offices of president and secretary. The office of vice president may be left vacant.
- 4.2 Election of Officers. After the expiration of the Declarant Control Period, the officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board following the annual meeting of the Members. They shall take office upon election and hold office at the pleasure of the Board of Directors.
- 4.3 Removal and Resignation of Officers. After the expiration of the Declarant Control Period and upon the affirmative vote of a majority of the Directors, any officer may be removed, either with or without cause. A successor may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for that purpose. The officer may resign at any time by giving written notice to the Board of Directors. Such resignation shall take effect on the date of receipt of the notice or any later date specified in the notice. Unless otherwise specified in the notice, the acceptance of such resignation shall not be necessary to make it effective.
- 4.4 Vacancy. After the expiration of the Declarant Control Period, a vacancy in any office may be filled by a majority vote of the members of the Board of Directors.
- 4.5 President. The president shall be the chief executive officer of the Association. The president shall preside at all meetings of the Members and of the Board of Directors. The president shall have all of the general powers and duties which are incident to the office of president of a nonprofit corporation organized under the laws of the State of Colorado. The president may fulfill the role of treasurer in the absence of the treasurer. The president may cause to be prepared and may execute amendments to the Declaration and these Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.
- 4.6 Vice President. The vice president shall take the place of the president and perform the president's duties whenever the president is absent or unable to act. If neither the president nor the vice president is able to act, the Board of Directors shall appoint some other Director to act in the place of the president on an interim basis. The vice president shall also perform other duties designated by the Board of Directors or by the president.
- 4.7 Secretary. The secretary shall keep the minutes of all meetings of the Members and the Board of Directors. The secretary shall have charge of the Association's books and papers as the Board of Directors may direct and shall perform all the duties incident to the office of secretary of a nonprofit corporation organized under the laws of the State of Colorado. The secretary may cause to be prepared and shall attest to execution by the president of

amendments to the Declaration and the Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

- 4.8 Treasurer. The treasurer shall be responsible for Association funds and securities, for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. This officer shall be responsible for the deposit of all monies and other valuable effects in depositories designated by the Board of Directors and shall perform all the duties incident to the office of treasurer of a nonprofit corporation organized under the laws of the State of Colorado. The treasurer may endorse on behalf of the Association, for collection only, checks, notes and other obligations and shall deposit the same and all monies in the name of and to the credit of the Association in banks designated by the Board of Directors. The treasurer may have custody of and shall have the power to endorse for transfer, on behalf of the Association, stock, securities or other investment instruments owned or controlled by the Association or as fiduciary for others. Reserve funds of the Association shall be deposited in segregated accounts or in prudent investments, as the Board of Directors decides. Funds may be withdrawn from these reserves for the purposes for which they were deposited, by check or order, authorized by the Board of Directors, and executed by the treasurer.
- 4.9 Agreements, Contracts, Deeds and Checks. Except as provided in Sections 4.5, 4.7, and 4.8 of this Article IV, all agreements, contracts, deeds, checks and other instruments of the Association shall be executed by the officer or officers of the Association, or such other person or persons, as may be designated by resolution of the Board of Directors.

## **ARTICLE V**

### **INDEMNIFICATION**

The Directors and officers of the Association shall have the liabilities, and be entitled to indemnification, as provided in the Colorado Revised Nonprofit Corporation Act and the Colorado Common Interest Ownership Act, the provisions of which are incorporated by reference and made a part of this document.

## **ARTICLE VI**

### **BOOKS AND RECORDS**

All records maintained by the Association or the Managing Agent shall be available for examination and copying by any owner, any holder of a Security Interest in a Unit or its insurer or guarantor, or by any of their duly authorized agents or attorneys, at the expense of the person examining the records, during normal business hours and after reasonable notice. Books and records to be maintained by the Association shall include current copies of the Declaration, Articles of Incorporation of the Association, Bylaws of the Association, Rules and Regulations adopted by the Association and financial statements and reports of the Association. The records of the Association shall be subject to such audits as may be required by the Act.

## **ARTICLE VII**

## MISCELLANEOUS

- 7.1 Notices. All notices to the Association or the Board of Directors shall be delivered to the office of the Managing Agent, or, if there is no Managing Agent, to the office of the Association, or to such other address as the Board of Directors may designate by written notice to all Members. Except as otherwise provided in the Declaration, notices to an owner shall be sent to the owner's address as it appears in the records of the Association. All notices to holders of Security Interests in the Units shall be sent to their respective addresses, as designated by them in writing to the Association. Notices shall be hand delivered or sent by United States mail, first class with postage prepaid. All notices shall be deemed to have been given when actually received or three (3) days after being deposited in the United States mail, whichever first occurs. The notice of any meeting of the Association, the Board of Directors or any Committee shall be physically posted in a conspicuous place, to the extent that such posting is feasible and practicable. The notice shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes, and any proposal to remove an officer or member of the Board of Directors. The Association shall provide notice of all regular and special meetings of Owners by electronic mail to all Owners who so request and who furnish the Association with an electronic mail address.
- 7.2 Association Management. The Association shall:
- a. maintain accounting records using generally accepted accounting principles;
  - b. provide, or cause to be provided (as determined by the Board of Directors), education to owners at no cost on at least an annual basis as to the general operations of the Association and the rights and responsibilities of Owners, the Association and the Board of Directors under Colorado law;
  - c. keep permanent records of all Association meetings, waivers of notices of meetings as required by the Act;
  - d. keep a record of Unit Owners in a form that allows preparation of a list of names and addresses, showing the number of votes each Owner holds;
  - e. adopt policies, procedures and rules and regulations concerning:
    - i. collection of unpaid assessments;
    - ii. handling of conflicts of interest involving board members;
    - iii. conduct of meetings, which may refer to applicable provisions of the nonprofit code or other recognized rules and principles;
    - iv. enforcement of covenants and rules, including notice and hearing procedures and the schedule of fines;
    - v. inspection and copying of association records by unit owners;
    - vi. investment of reserve funds; and
    - vii. procedures for the adoption and amendment of policies, procedures and rules.
- 7.3 Calendar Year. The Association shall operate on a calendar year basis and its books shall be maintained on such basis.



- 7.4 Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

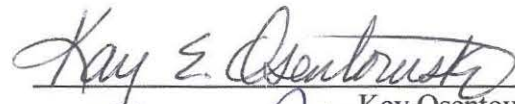
**ARTICLE VIII**  
**AMENDMENTS**


The Bylaws may be amended by the vote of a majority of the members of the Board of Directors. No amendment of the Bylaws of this Association shall be adopted which would affect or impair the validity or priority of any Security Interest in a Unit.

**ARTICLE IX**  
**CONFLICT OF DOCUMENTS**

In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and, in the case of any conflict between the Declaration and the Articles or these Bylaws, the Declaration shall control.

Certified to be the Bylaws adopted by unanimous consent of all members of the Board of Directors of Townhomes at Old Town North Homeowners Association, effective this 15 day of October, 2015.

  
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Kay Osentowski

  
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