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ARDIS M. SCHWARTZ
El Paso County Clerk & Recorder

BY-LAWS
OF
GOLD HILL I HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

Name and Location. The name of the corporation is GOLD HILL I HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 727 23 Road, Grand Junction, Colorado 81501, but meetings of members and directors may be held at such places within the State of Colorado, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1. "Association" shall mean and refer to GOLD HILL I HOMEOWNERS ASSOCIATION, INC., a nonprofit corporation, its successors and assigns.

Section 2. "Development Area" shall mean and refer to that certain real property described in Exhibit A. "Part of the Development Area" shall mean and refer to any part of the Development Area on which a condominium regime approved by the Secretary of Housing and Urban Development has not been developed.

Section 3. "Common Area" shall mean all real property owned by the Association for the Common use and enjoyment of the Owners.

Section 4. "Unit" or "Condominium Unit" shall mean and refer to a condominium unit in a condominium regime approved by the Secretary of Housing and Urban Development which is located in the Development Area.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Unit, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Grantor" shall mean and refer to FOUNTAIN CREEK DEVELOPMENT CORPORATION, a Colorado corporation, its successors and assigns, if such successors or assigns should acquire a Part of the Development Area.

Section 7. "Member" shall mean and refer to those persons entitled to membership as provided in the Articles.

Section 8. "Secretary of Housing and Urban Development" shall mean such Secretary or his duly appointed representative.

ARTICLE III MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter, at the hour of 7:30 o'clock P.M. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) but not more than fifty (50), days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10th) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation of the Association or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is aforesaid shall be present or be represented.

Section 5. Membership and Voting Rights. Each Owner of a Unit which is subject to assessments shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Unit which is subject to assessment.

The Association shall have two classes of voting Membership:

A. Class A Class A Members shall be all Owners, with the exception of the Grantor, and shall be entitled to one vote for each Unit owned. When more than one person holds an interest in any Unit, all such persons shall be Members, and the vote for such Unit shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any such Unit.

B. Class B Class B Member(s) shall be the Grantor and shall be entitled to three (3) votes for each Unit owned. The Class B Membership shall cease and be converted to Class A Membership on the happening of any of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A Membership equal the total votes outstanding in the Class B Membership; or

(b) on January 1, 1990; or

(c) if construction of Units is abandoned by Grantor, its successors and assigns, prior to substantial completion of the Units Grantor currently intends to build on said land (for the purposes of this subsection, Grantor shall not be deemed to have abandoned construction unless there has been no initiation of construction of new units for a continuous period of six

months and there is no indication that construction is continuing on the Units previously started and grantor has no intent to continue such construction.

Section 6. Decisions Binding. All agreements and determinations lawfully made by the Association and passed by the Membership by greater than fifty percent (50%), except where voting percentages are elsewhere established in the Articles of Incorporation, these by-Laws, or in the Declaration of the Association, shall be deemed to be binding on all Owners of condominium units, their successors and assigns.

Section 7. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his condominium unit.

ARTICLE IV
BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of three (3) directors, who need not be Members of the Association.

Section 2. Term of Office. At the first annual meeting the Members shall elect one (1) director for a term of one year, one (1) director for a term of two years, and one (1) director for a term of three years; and at each annual meeting thereafter the Members shall elect one (1) director for a term of three years.

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

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

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

ARTICLE V
NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be

announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but no less than the number of vacancies that are to be filled. Such nominations may be made only from among Members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI
MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

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

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors

present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4. Decisions Binding. All agreements and determinations lawfully made by the directors and passed by the Membership by greater than fifty percent (50%), except where voting percentages are elsewhere established in the Articles of Incorporation, these By-Laws, or in the Declaration of the Association shall be deemed to be binding on all Owners of condominium units, their successors and assigns.

ARTICLE VII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws or the Articles of Incorporation;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(e) employ and remove a manager, an independent contractor or contractors, or such employees as they deem necessary, and to prescribe their duties which duties shall include, but not be limited to the operation, maintenance, repair and replacement of the facilities; and

(f) prepare a budget for the costs and expenses of administration, operation, repair and maintenance of the common areas, at least annually, in order to determine the amount of the annual assessment payable by the owners to meet the common expenses of the Association, and allocate and assess such common expenses among the owners according to their respective common ownership interests in and to the common areas, and by majority vote of the Board, to adjust, decrease or increase the amount of assessments, and remit or return any excess of assessments over expenses, working capital, sinking funds, reserve for deferred maintenance and for replacement to the owners at the end of each operating year. To levy and collect special 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 expenses, or because of emergencies.

(g) take any act reasonably necessary to fulfill its duties, functions or obligations.

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

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) establish the annual assessment period and fix the amount of the annual assessment against each Member for each Unit owned and against the Grantor, if any, at least thirty (30) days in advance of each annual assessment;

(d) send written notice of each assessment to every Owner and where appropriate to the Grantor, at least thirty (30) days in advance of each annual assessment period, and levy all such assessments as liens;

(e) in addition to exercising any other available remedies, foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same;

(f) issue, or to cause an appropriate officer to issue, within a ten (10) day notice, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(g) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(h) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(i) cause the Common Area to be maintained; in the event that the need for maintenance or repair of a unit or the improvements thereon is caused through the willful or negligent acts of its Owner, or through the willful or negligent act of the family, guests or invitees of the Owner, the cost of such exterior maintenance shall be added to and become part of the assessment to which such unit is subject.

ARTICLE VIII
OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

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

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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

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

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

President

(a) The president shall preside at all meetings of the Board of Directors and all meetings of the Members; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it

on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE IX COMMITTEES

The Association shall appoint a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Articles of Incorporation and the

By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI
ASSESSMENTS

As more fully provided in the Enabling Declaration of each condominium regime located in its respective parcel of the Development Area and in the covenants of the Part of the Development Area owned by the Grantor, each Member and the Grantor are obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the Board shall assess a late fee of \$20.00 and this fee and the assessment shall bear interest (to accrue on a daily basis) from the date of delinquency until fully paid at the rate of eighteen per cent (18%) per annum, and, in addition to any other remedies at law or in equity, the Association may bring an action at law against the Owner or the Grantor obligated to pay the same or foreclose the lien against the property, and interest, costs, and the reasonable attorneys', agents' and consultants' fees of any such action shall be added to the amount of such assessment. Neither an Owner or the Grantor may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of any property.

ARTICLE XII
CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: GOLD HILL I HOMEOWNERS ASSOCIATION, INC.

ARTICLE XIII
AMENDMENTS

Section 1. These By-Laws may be amended or revoked, at a regular or special meeting of the Members, during the first twenty years after the date hereof unless ninety percent (90%) of the Owners and the Mortgagees of all the mortgages covering the condominium units agree to such revocation or amendment by duly recorded instruments; thereafter revocation or amendment may be affected by the agreement of seventy-five (75%) of both such Owners and mortgagees documented by duly recorded instruments; provided that any amendment or revocation must comply with the statutes of Colorado and the ordinances of any governmental entity having jurisdiction over the units, in existence at the time such amendment becomes effective. However, such amendment shall not be effective without the prior written approval of the Secretary of Housing and Urban Development and the Federal Housing Commissioner such amendment shall not be effective without the prior written approval of the Secretary of Housing and Urban Development.

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

**ARTICLE XIV
MISCELLANEOUS**

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

**ARTICLE XV
INDEMNIFICATION OF OFFICERS,
DIRECTORS, AND COMMITTEE MEMBERS**

Section 1. The Association shall indemnify every director, officer, agent or employee, and any former director, officer, agent, or employee against loss, costs, and expense, including counsel 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 such director, officer, agent or employee of the Association, except as to matters as to which such person shall be finally adjudged to be liable for gross negligence or fraud. Any such indemnification shall be limited to and may only be paid out of the insurance proceed provided by an insurer furnishing Officers and Directors Errors and Omissions insurance coverage and any other insurance protecting the Association from liability because of the negligent acts of its servants, including insurance covering motor vehicles for public liability, property damage, medical and other similar coverage, it being the intent and purpose of this provision to limit all payments or settlements in indemnification to the actual proceeds of insurance policies.

Section 2. No indemnification shall be provided for acts constituting gross negligence, nor for fraud, nor for more reprehensible conduct.

Section 3. No officer, director, agent or employee of the Grantor, its successors or assigns, nor of any managing agent who is an independent contractor, nor of any other independent contractor, shall be protected by these indemnification provisions nor by any insurance policies obtained by the Association in relation thereto, but any such protection is the sole and separate responsibility of the Grantor, its successors and assigns, any managing agent who is an independent contractor, or any other independent contractor as one of their expenses of doing business.

Section 4. In the event of a settlement, the settlement shall be approved by the insurance carrier, and paid for by the insurance carrier out of the insurance proceeds.

Section 5. Each and every management contract made between the Association and a manager or managing agent during the period when the Grantor or other developer controls the Association shall terminate absolutely, and in any event, no later than thirty days after the termination of control by the Grantor or other developer of the Association.

ARTICLE XVI
CONTRACTS

Contracts or other commitments made by the Board of Directors or officers shall be made as agent for the Association, and


they shall have no personal responsibility on any such contract or commitment.

ARTICLE XVII
ENABLING DECLARATION

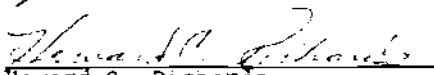
Section 1. With reference to the requirements of the Condominium Ownership Act, Section 38-33-106, 1973 C.R.S. as amended, the provisions of the Enabling Declaration of Gold Hill Condominiums, Parcel 1 are hereby incorporated by reference herein.

Section 2. Conflicts between the Enabling Declaration and these By-laws shall be resolved in favor of the Enabling Declaration, and conflicts between the Articles of Incorporation and these By-laws or the Enabling Declaration shall be resolved in favor of the Articles of Incorporation.

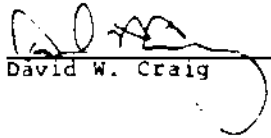
IN WITNESS WHEREOF, we, being all of the directors of the GOLD HILL I HOMEOWNERS ASSOCIATION, INC., have hereunto set our hands this 17th day September, 1983.



John L. Cavness



Howard C. Richards



David W. Craig

STATE OF COLORADO)
CITY AND) ss.
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this
17th day of NOVEMBER, 1983, by John L. Cavness, Howard C.
Richards and David W. Craig, as Directors of the GOLD HILL I
HOMEOWNERS ASSOCIATION, INC.

Witness my hand and official seal.

My commission expires 1-6-85.

Janelle Gail Good
Notary Public

Address: 423 S. CASCADE AVE
COLO. SPRGS, CO 80903



CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am duly elected and acting secretary of the GOLD HILL
I HOMEOWNERS ASSOCIATION, INC., a Colorado corporation; and

THAT the foregoing By-Laws constitute the original By-Laws
of said Association, as duly adopted by written consent of the
Board of Directors thereof, on the 17th day of November, 1983.

IN WITNESS WHEREOF, I have hereunto subscribed my name and
affixed the seal of said Association this 17th day of November
 , 1983.

Howard C. Richards
Howard C. Richards, Secretary

EXHIBIT A

Lot 1, Gold Hill Plaza, Filing No. 1

Lot 1, Gold Hill Plaza, Filing No. 2

County of El Paso, State of Colorado