

**BY-LAWS OF  
SAWMILL CREEK CONDOMINIUM ASSOCIATION**

The name of the organization shall be Sawmill Creek Condominium Association.

**ARTICLE ONE**

**(Object)**

**Plan of Ownership**

The purpose for which this nonprofit association is formed is to govern the condominium property which has been or will be submitted to the provisions of the *Condominium Ownership Act of the State of Colorado* by the recording of the Declaration and Map and bearing the name associated with this Association.

All present or future owners or any other person that might use in any manner the facilities of the project located on the property therein described are subject to the regulations set forth in these By-Laws. The mere acquisition or rental of any of the condominium units (hereinafter referred to as Units) or the mere act of occupancy of any of said units will signify that these By-Laws are accepted, ratified and will be complied with.

Any reference to "owner" or "ownership" as used in these By-Laws means and refers to the owner of the condominium unit. "Declarant" as used herein means the named declarant in the Condominium Declaration for Sawmill Creek Condominiums (hereinafter "Declaration").

**ARTICLE TWO**

**Membership, Voting, Majority of Owners, Quorum, Proxies**

1. *Membership.* Except as is otherwise provided in these By-Laws, ownership of a condominium unit is required in order to qualify for membership in this association. Any person becoming an owner of a condominium unit shall automatically become a member of this association and be subject to these By-Laws. Such membership shall terminate without any formal association action whenever such person ceases to own a condominium unit, but such termination shall not release or relieve any such former owner from any liability or obligation incurred under or in any way connected with this association during the period of ownership and membership in the association, or impair any rights or remedies which the unit owners have, either through the Board of Directors of the Association or directly, against such former owner and member arising out of or in any way connected with ownership and membership and the covenants and obligations incident thereto.

2. *Voting.* The owner or owners of a condominium unit in the project shall be entitled to one vote. Cumulative voting is prohibited.

3. *Majority of Unit Owners.* As used in these By-Laws, the term "majority of unit owners" shall mean those owners of more than fifty percent (50%) of the undivided ownership of the general common elements.

4. *Quorum.* Except as otherwise provided in these By-Laws, the presence in person or by proxy of members holding fifty-one percent (51%) of the votes entitled to be cast shall constitute a quorum. An affirmative vote of a majority of the members present, either in person or by proxy, shall be required to transact the business of the meeting.

### **ARTICLE THREE**

#### **Administration**

1. *Association Responsibilities.* The owners of the units will constitute an Association of Unit Owners, hereinafter referred to as "Association", and will have the responsibility of administering the project through a Board of Directors, hereinafter referred to as the "Board".

2. *Place of Meeting.* Meetings of the Association shall be held at such places within the State of Colorado as the Board may determine.

3. *Annual Meetings.* The first meeting of the Association members shall be held within ninety (90) days following the giving of notice by the Declarant that seventy-five percent (75%) of the original condominium units in the condominium project have been sold, or earlier notice by the Declarant of extinguishment of control, whichever shall first occur. Thereafter, the annual meetings of the Association shall be in October of each succeeding year. At such meetings there shall be elected by vote of the owners a Board in accordance with the requirements of Section 4 of Article IV of these By-Laws. The owners may also transact such other business of the Association as may properly come before them.

4. *Special Meetings.* The President may call a special meeting or the owners on his own initiative or as directed by resolution of the Board or upon receipt of a petition signed by at least one-third of the owners. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business except as stated in the notice shall be transacted at a special meeting unless by consent of two-thirds of the owners present, either in person or proxy. Any such meeting shall be held at such place and time as the President determines within thirty (30) days after receipt by the President of such resolution or petition.

5. *Notice of Meetings.* The Secretary shall cause to be mailed or delivered a notice of each annual or special meeting, stating the purpose thereof as well as the time and place it is to be held, to each owner of record, at the registered address of each owner, at least five (5) days, but not more than thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in this section or the delivery of such notice shall be considered notice served, and the Certificate of the Secretary that notice was duly given shall be prima facie evidence thereof.

6. *Adjourned Meetings.* If any meeting of owners cannot be organized because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting, to a time announced at the meeting.

7. *Order of Business:* The order of business at all meetings of the owners of units shall be as follows:

- (a) Roll call and certifying proxies

- (b) Proof of notice of Meeting or waiver of notice
- (c) Reading of Minutes of preceding meetings.
- (d) Reports of officers
- (e) Reports of committees
- (f) Election of directors
- (g) Unfinished business
- (h) New business
- (i) Adjournment

8. *Performance of Functions by Declarant.* The rights, duties, and functions of the Board shall, at the Declarant's option, be exercised by the Declarant by and through those persons named as Directors in the Articles of Incorporation and as is provided in the Declaration.

#### **ARTICLE FOUR** **Board of Directors**

1. *Number and Qualifications.* Consistent with the relevant provisions of the Declaration, the Declarant shall exercise the rights, duties and functions of the Board as provided therein by and through the persons named in the Articles of Incorporation as the Directors until the first meeting of the members of the Association. At the first meeting there shall be elected any six members of the Association to the Board who shall thereafter govern the affairs of this Association until their successors have been duly elected and qualified.

2. *Powers and Duties.* The Board shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the condominium project as a first class residential condominium property. Such powers and duties of the Board shall include, but shall not be limited to, the following, all of which shall be done for and in behalf of the owners of the condominium units:

- (a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration submitting the property to the provisions of the *Condominium Ownership Act of the State of Colorado* and the By-Laws of the Association and supplements and amendments thereto;
- (b) To establish, make and enforce compliance with such rules and regulation as may be necessary for the operation, use and occupancy of all of the condominium units with the right to amend same from time to time. A copy of such rules and regulations shall be delivered or mailed to each member upon the adoption thereof;

- (c) 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 common personal property;
- (d) To insure and keep insured all of the insurable general common elements and condominium units in an amount equal to the maximum replacement value; To insure and keep insured all of the common fixtures, common equipment and common personal property for the benefit of the owners of the condominium units and their first mortgagee; Further, to obtain and maintain insurance as provided in the Declaration.
- (e) To prepare a budget for the condominium at least annually, in order to determine the amount of the common assessments payable by the unit owners to meet the common expenses of the condominium project, and allocate and assess such common charges among the unit owners as provided in Paragraph 19 of the Declaration, and by majority vote of the Board to adjust, decrease or increase the amount of the quarterly or monthly 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 [MISSING TEXT]; 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;
- (f) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an owner as is provided in the Declaration and these By-Laws; To enforce a late charge of not more than [MISSING TEXT] or collect interest at the rate of twelve percent per annum in connection with assessments remaining unpaid more than twenty (20) days from due date for payment thereof, together with all expenses, including attorney's fees incurred. The Board shall have the duty, right, power and authority to prohibit use of a condominium unit by an owner, lessee, sublessee, tenant or guest in the event that any assessment made remains unpaid more than thirty (30) days from the due date for payment thereof;
- (g) To protect and defend in the name of the Association any part or all of the condominium project from loss and damage by suit or otherwise;
- (h) To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the recorded Declaration and these By-Laws and to execute all such instruments evidencing such indebtedness as the Board may deem necessary and give security therefor. Such indebtedness shall be the several obligation of all of the owners in the same proportion as provided in Paragraph 19 of the Declaration. The persons who shall be authorized to execute promissory notes and securing instruments shall be the President and Secretary or Assistant Secretary.
- (i) To enter into contracts to carry out their duties and powers;

- (j) To establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable;
- (k) To make repairs, additions, alterations and improvements to the general common elements consistent with managing the condominium project in a first class manner and consistent with the best interests of the unit owners;
- (l) To keep and maintain full and accurate books and records, showing all of the receipts or disbursements, and to permit examination thereof at any reasonable time by each of the owners;
- (m) To prepare and deliver annually to each owner a consolidated statement showing receipts, expenses or disbursements since the last such statement;
- (n) To meet at least semi-annually and if a managing agent is employed, an employee of the managing agent shall be in attendance, upon invitation of the Board;
- (o) In general, to carry on the administration of this Association and to do all of those things necessary and reasonable in order to carry out the governing and the operation of the Condominium property;
- (p) To manage the use of all parking areas under the control of the Association, open spaces, common areas and other property in common use; and
- (q) To employ for the Association a managing agent to exercise those duties and powers granted to it by the Board, but not those powers which the Board, by law, may not delegate.

3. *No Waiver of Rights.* The omission or failure of the Association or any condominium unit owner to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provisions of the Declaration, the By-Laws, or the Rules and Regulations adopted pursuant thereto, shall not constitute or be deemed a waiver, modification or release thereof, and the Board of Directors or the Managing Agent shall have the right to enforce the same thereafter.

4. *Election and Term of Office.* At the first meeting of the Association the term of office of two Directors shall be fixed for three (3) years; the term of office of two Directors shall be fixed for two (2) years; and the term of office of two Directors shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three (3) years. Except as is otherwise provided by these By-Laws, the Directors shall hold office until their successors have been elected and hold their first meeting.

5. *Vacancies.* Vacancies in the Board caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than quorum; and each person so elected shall be a Director until his successor is elected.

6. *Removal of Directors.* Subject to the relevant provisions of the Declaration, at any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority of the owners, a successor may then and there be elected to fill the vacancy thus created. Any Director whose bonds shall be a common removal has been proposed by the owners shall be given an opportunity to be heard at the meeting prior to voting thereon.

7. *Organization Meeting.* The first meeting of a newly elected Board following each annual meeting of the unit owners shall be held with ten (10) days thereafter at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, provided a majority of the whole Board shall be present.

8. *Regular Meetings.* Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least two such meetings shall be held during each calendar year. Notice of regular meetings of the Board shall be given to each Director, personally or by mail, telephone or telegraph at least seven (7) days prior to the day named for such meeting.

9. *Special Meetings.* Special meetings of the Board may be called by the President on three (3) days' notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of two or more Directors.

10. *Waiver of Notice.* Before or at any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of 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, no notice shall be required and any business may be transacted at such meeting.

11. *Board of Directors' Quorum.* At all meetings of the Board, a majority of the Directors 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. If, at any meeting of the Board there be less than 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.

12. *Fidelity Bonds.* The Board may require that all officers and employees of the Association and the Managing Agent who handle or are responsible for Association funds to obtain fidelity bonds. The premiums on such shall be a common expense.

## **ARTICLE FIVE**

### **Fiscal Management**

The provisions for fiscal management of the condominium units for and in behalf of all of the unit owners as set forth in the Declaration may be supplemented by the following provisions:

Accounts. The funds and expenditures of the unit owners by and through the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expenses.

- (a) Current expenses, which shall include all funds and expenditures within the year for which the funds are budgeted, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves or to additional improvements.
- (b) Reserve for deferred maintenance, which shall include funds for maintenance items which occur less frequently than annually.
- (c) Reserve for replacement, which shall include funds for repairs or replacement required because of damage, wear or obsolescence.

## ARTICLE SIX

### Officers

1. *Designation.* The officers of the Association shall be President, a Vice-President, a Secretary and a Treasurer, all of whom shall be elected by the Board, and such assistant officers as the Board shall, from time to time, elect. Such officers need not be members of the Board, but each shall be an owner of a condominium unit in this condominium project, or the Declarant's representative(s). The office of President and Treasurer may be held by the same person, and the office of Vice-President and Secretary may be held by the same person.

2. *Election of Officers.* The officers of the Association shall be elected annually by the Board at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

3. *Removal of Officers.* Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, whether with or without cause, and his successor elected at any regular meeting of the Board, or any special meeting of the Board called for such purpose.

4. *President.* The President shall be the chief executive officer of the Association. He shall preside at all meetings of Association and of the Board. 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 owners from time to time, as he may in his discretion decide is appropriate, to assist 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 meetings.

5. *Vice-President.* The Vice-President shall have all the powers and authority and perform all the functions and duties of the President, in the absence of the President, or his inability for any reason to exercise such powers and functions or perform such duties.

6. *Secretary.* The Secretary shall keep all the minutes of the meeting of the Board and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board may direct; and he shall, in general, perform all the duties 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 registered addresses as shown on the records of the Association. Such list shall also show opposite each member's name the number or other appropriate designation of the unit owned by such member, the undivided interest in the general common elements. 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. In addition, a list of all mortgagees of units shall maintained The records referred to in this subsection may be maintained by the Managing Agent.

7. *Treasurer.* The Treasurer shall have the responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association; provided, however, that the day to day responsibilities for booking and collecting and disbursing funds shall be delegated to a paid employee of the Association or to a Managing Agent. The Treasurer's responsibility shall be to review the accounts not less than quarter-annually.

## ARTICLE SEVEN

### Indemnification of Officers, Directors and Managing Agent

1. *Indemnification.* The Association shall indemnify every Director and officer, their respective successors, personal representatives and heirs, against all loss, costs and expenses, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding in which he may be made a party by reason of his being or having been a Director or officer of the Association, except as to matters as to which he 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 to 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, damage, cost and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses; provided, however, that nothing in the Article VII contained shall be deemed to obligate the Association to indemnify any member or owner of a condominium unit who is or has been a Director or officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him as an owner of a condominium unit under and by virtue of the Declaration.
2. *Other.* Contracts or other commitments made by the Board of Directors or officers shall be made as agent for the unit owners, and they shall have no personal responsibility on any such contract or commitment (except as unit owners), and the liability of any unit owner on any such contract or commitment shall be limited to such proportionate share of the total liability thereof as provided in Paragraph 33 of the Declaration, except that any losses incurred because of an in-



ability to collect such proportionate amount of the total liability owed by an owner shall be shared proportionately by the owners.

## **ARTICLE EIGHT**

### **Amendments of the By-Laws**

1. *Amendments by the Members.* These By-Laws may be amended by the affirmative vote of three-fourths of the members present or represented by proxy at any regular or special meeting, provided that a quorum as prescribed in Section 4, Article II herein is present at any such meeting. Amendments may be proposed by the Board of Directors or petition signed by at least fifty-one percent (51%) of the members. A statement of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment shall be voted upon. These By-Laws may not be amended insofar as such amendment would be inconsistent with the recorded restrictions of the property.

## **ARTICLE NINE**

### **Mortgages**

1. *Notice to Association.* An owner who mortgages his unit shall notify the Association through the Managing Agent, if any, or the Association Secretary, giving the name and address of his mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Units".

2. *Notice of Unpaid Common Assessments.* The Association, whenever so requested in writing by a mortgagee of a condominium unit, shall promptly report any then unpaid common assessments due from, or any other default by, the owner of a mortgaged unit.

3. *Notice of Default.* When giving notice to a unit owner of a default in paying common assessments or other default, the Board shall send a copy of such notice to each holder of a mortgage covering such condominium unit whose name and address has theretofore been furnished to the Board.

4. *Examination of Books.* Each unit owner and each mortgagee of a condominium unit shall be permitted to examine the books of account of the Association at convenient week-day business hours.

## **ARTICLE TEN**

### **Evidence of Ownership, Registration of Mailing Address and Designation of Voting Representative**

1. *Proof of Ownership.* Except for those owners who initially purchase a condominium unit from Declarant, any person acquiring an interest in a condominium unit shall furnish to the Board a copy of the recorded instrument vesting that person with an interest in the condominium unit.

ium unit. The copy furnished to the Association shall be maintained in the files of the Association.

2. *Registration of Mailing Address.* The owners or several owners of each condominium unit shall have one and the same registered mailing address to be used by the Association for mailing of monthly statements, notices, demands and all other communications, and such registered address shall be the only mailing address of a person or persons, firms, corporation, partnership, association or other legal entity or any combination thereof to be used by the Association. Such registered address of a condominium unit owner or owners shall be furnished by such owners to the Managing Agent or Board within fifteen-(15) days after transfer of title, or after a change of address, and such registration shall be in writing and signed by all of the owners of the condominium unit or by such persons as are authorized by law to represent the interest of (all of) the owners thereof.

3. *Designation of Voting Representative - Proxy.* If the condominium unit is owned by one person, his right to vote shall be established by the record title thereto. If the interest in a condominium unit is held by more than one person or by a firm, corporation, partnership, association or other legal entity, or any combination thereof, such owners shall execute a proxy appointing and authorizing one person or alternate persons to attend all annual and special meetings of members and thereat to cast whatever vote the owner himself might cast if he were personally present. Such proxy shall be effective and remain in force unless voluntarily revoked, amended or sooner terminated by operation of law; provided, however, that within thirty (30) days after such revocation, amendment or termination, the owner shall reappoint and authorize one person or alternate persons to attend all annual and special meetings as provided by this Section 3.

The requirements herein contained in this Article X shall be first met before an owner of a condominium unit shall be deemed in good standing and entitled to vote at any annual or special meeting of members.

## ARTICLE ELEVEN

### Obligations of the Owners

1. *Assessments.* All owners shall be obligated to pay the monthly or quarterly assessments imposed by the Association to meet the common expenses and to maintain the reserves as provided in the Declaration. Assessments shall be due in advance. A member shall be deemed in good standing and entitled to vote at any annual or at a special meeting of members within the meaning of these By-Laws, if, and only if, he shall have fully paid all assessments made or levied against him and the condominium unit owned by him including the assessment reserves required by Paragraph 29 of the Declaration.

2. *Notice of Lien or Suit.* An owner shall give notice to the Association of every lien or encumbrance upon his condominium unit, other than for taxes and special assessments, and notice of every suit or other proceeding, which may affect the title to his condominium unit, and such notice shall be given in writing within five (5) days after the owner has knowledge thereof.

3. *Mechanic's Lien.* Each owner agrees to indemnify and to hold each of the other owners herein harmless from any and all claims of mechanic's lien filed against other condominium

ium units and the appurtenant general common elements for labor, materials, services or other products incorporated in the owner's condominium unit. In the event such a lien is filed and/or a suit for foreclosure of mechanic's lien is commenced, then within ten (10) days thereafter such owner shall be required to deposit with the Association cash or negotiable securities equal to one and one-half of the amount of such claim plus interest for one year together with a sum equal to ten percent (10%) of the amount of such claim, but not less than \$150.00, which latter sum may be used by the Association for any costs and expenses incurred, including attorney's fees incurred for legal advice and counsel. Except as is otherwise provided, such sum or securities shall be held by the Association pending final adjudication or settlement of the claim or litigation. Disbursement of such funds or proceeds shall be made by the Association to insure payment of or on account of such final judgment or settlement. Any deficiency, including attorney's fees incurred by the Association, shall be paid forthwith by the subject owner, and his failure to so pay shall entitle the Association to make such payment, and the amount thereof shall be a debt of the owner and a lien against his condominium unit which may be foreclosed as is provided in the Declaration. All advancements, payments, costs and expenses, including attorney's fees, incurred by the Association shall be forthwith reimbursed to it by such owner(s), and the owner shall be liable to the Association for the payment of interest at the rate of twelve percent (12%) per annum on all such sums paid or incurred by the Association. The provisions in this Section 3 shall supplement the relevant provisions of the Declaration.

4. *Maintenance and Repair.*

- (a) every owner must perform promptly, at his own expense, all maintenance and repair work within his own unit, which, if omitted, would affect the appearance of the aesthetic integrity of part or all of the condominium project.
- (b) all the repairs of internal installations of the unit such as water, light, gas, power, sewage, telephone, sanitary installations, doors, windows, electrical fixtures and all other accessories, equipment and fixtures shall be at the owner's expense.
- (c) an owner shall be obligated to reimburse the Association promptly upon receipt of its statement for any expenditures incurred by it in repairing or replacing any general or limited common element damaged by his negligence or by the negligence of his tenants or agents or guests.

5. *General.*

- (a) each owner shall comply strictly with the provisions of the recorded Declaration and these By-Laws and amendments thereto.
- (b) each owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which this condominium project was built.

6. *Uses of Units - Internal Chances.*

- (a) all units shall be utilized only for the purposes as are provided in the Declaration.

- (b) an owner shall not make structural modifications or alterations to his unit or installations located therein without the written approval of the Board. The Board shall be notified in writing of the intended modifications through the Managing Agent or, if no Managing Agent is employed, then through the President of the Board. The Association shall have the obligation to answer an owner's request within thirty (30) days after such notice, and failure to do so within such time shall mean that there is no objection to the proposed modifications or alterations.

7. *Use of General Common Elements and Limited Common Elements.* Each owner may use the general common elements, the limited common elements, sidewalks, pathways, roads, parking area, and streets and other common elements located within the entire condominium project in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other owners, and subject to the rules and regulations contained in these By-Laws and established by the Board as is provided in Section 9 of this Article.

8. *Right of Entry.*

- (a) an owner shall and does grant the right of entry to the Managing Agent or to any other person authorized by the Board in case of an emergency originating in or threatening his unit, whether the owner is present at the time or not.
- (b) an owner shall permit other owners, or their representatives, to enter his unit for the purpose of performing installations, alterations or repairs to the mechanical, electrical or utility services which, if not performed, would affect the use of other units, provided that requests for entry are made in advance and that such entry is at a time convenient to the owner. In case of an emergency, such right of entry shall be immediate.

9. *Rules and Regulations.*

- (a) the initial rules and regulations, which shall be effective until amended or supplemented by the Board, are annexed hereto and made a part hereof as Schedule A.
- (b) the Board reserves the power to establish, make and enforce compliance with such additional rules and regulations as may be necessary for the operation, use and occupancy of this condominium project with the right to amend same from time to time. Copies of such rules and regulations shall be furnished to each unit owner prior to the date when the same shall become effective.

10. *Destruction.* Each owner, upon becoming an owner of a condominium unit, thereby grants his power of attorney in favor of the Association, irrevocably appointing the Association his attorney-in-fact to deal with the owner's condominium unit upon its damage or destruction, as is provided by the Declaration.

**ARTICLE TWELVE**  
**Abatement and Enjoyment of Violations by Unit Owners**

*Abatement and Enjoinment.* The violation of any rule or regulation adopted by the Board, or the breach of any By-Laws, or the breach of any provision of the Declaration, shall give the Board or the Managing Agent the right, in addition to any other rights set forth therein, (1) to enter the unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting unit owner, any person, structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions thereof, and the Board or Managing Agent shall not be deemed guilty in any manner of trespass, and to expel, remove and put out, using such force as may be necessary in so doing, without being liable to prosecution or in damages therefor; (2) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach and to recover reasonable attorney's fees incurred in such proceedings.

**ARTICLE THIRTEEN**  
**Committees**

1. *Designation.* The Board may, but shall not be required to, appoint an executive committee, and it may designate and create standing committees and appoint persons to all such committees.

2. *Executive Committee.* The executive committee shall consist of two persons who are members and who shall be appointed by the Board from the members of the Board. One member shall be the President. The executive committee shall supervise the affairs of the Association and shall regulate its internal economy, approve expenditures and commitments, act and carry out the established policies of the Association and report to the Directors at each meeting of the Board. The executive committee may hold regular meetings, monthly or as it may in its discretion determine. Special meetings may be called at any time by the chairman of the committee or by any of its members, either by telephone, telegraph, mail or personally, and a special meeting may be held by telephone.

3. *Nominating Committee.* Before each annual meeting, the Board may appoint a committee of three members who shall nominate candidates for the Board. The names of the candidates shall be submitted on or before thirty (30) days before the election. Members may submit names of candidates other than those submitted by the nominating committee prior to or at the annual meeting of the Board.

4. *Vacancies.* A vacancy in any committee shall be filled by the President until the next meeting of the Board.-

**ARTICLE FOURTEEN**  
**Association - Not For Profit**

*Association - Not For Profit.* This Association is not organized for profit. No member, member of the Board, 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 thereof, 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, or inure to the benefit of any member of the Board, officer or member; provided, however, always (1) that reasonable compensation may be paid to any member, Director 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 (2) 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. The provisions herein are not applicable to a Managing Agent, who shall perform its manager's duties and functions according to written agreement for the compensation stated therein.

#### **ARTICLE FIFTEEN**

##### **Mortgagees as Proxies**

*Mortgagees as Proxies.* Condominium unit owners shall have the right to irrevocably constitute and appoint the beneficiary of a trust deed, mortgage or other instrument which encumbers the owner's interest 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 his nominee any and all rights, privileges and powers that they have as unit owners under the Articles of Incorporation and By-Laws of this Association or by virtue of the recorded Declaration. Such proxy shall become effective upon the filing of a notice by the beneficiary with the Secretary of the Association at such time or times as the beneficiary shall deem its security in jeopardy by reason of the failure, neglect or refusal of the Association, the Managing Agent or the unit owners to carry out their duties as set forth in the Declaration. A release of the beneficiary's encumbrance shall operate to revoke such proxy. Nothing herein contained shall be construed to relieve condominium unit owners, as mortgagors, of their duties and obligations as condominium unit owners or to impose upon the beneficiary of the encumbrance the duties and obligations of a unit owner.

#### **ARTICLE SIXTEEN**

##### **Other Liens**

Declarant states in accordance with the requirements of the *Colorado Condominium Ownership Act*, that it is possible that liens other than mechanic's liens, assessment liens and tax liens may be obtained against the common elements, including judgment liens and purchase money mortgage liens.

#### **ARTICLE SEVENTEEN**

##### **Recreational Facilities**

The recreational facilities of Sawmill Creek Condominiums consist of a whirlpool, sauna and skating pond, which may be used for fishing and ice skating. Use of these facilities will be available of all unit owners and their guests or tenants, lessees or family members. There are no fees or charges for the use of these facilities which would be or are in addition to the regular assessment.

The undersigned Secretary of this Association does hereby certify that the above and foregoing By-Laws and rules and regulations were duly adopted by the Directors and the By-Laws and rules and regulations of said Association on this \_\_\_\_\_ day of March, 19\_\_\_\_.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

(Seal)