

**AMENDED AND RESTATED
BY-LAWS OF
SAWMILL CREEK CONDOMINIUM ASSOCIATION**

Sawmill Creek Condominium Association, a Colorado nonprofit corporation (“Association”), certifies that:

- (1) The Association and its Members desire to amend and restate the Bylaws currently in effect as set forth below.
- (2) The provisions set forth in these Amended and Restated By-Laws supersede and replace the existing By-Laws and all amendments.

The By-Laws of the Association are hereby amended by striking in their entirety Articles One through Seventeen, inclusive, and by substituting the following:

**ARTICLE ONE
(Object)
Plan of Ownership**

These Amended and Restated By-Laws are adopted for the regulation, management and governance of the affairs of the Association. The Association was organized as a Colorado nonprofit corporation under Colorado law to act as the Association under the Declaration and Map of Sawmill Creek Condominiums, as may be amended (the “Declaration”).

The purposes for which the Association is formed are:

- (a) to protect the value and desirability of the Sawmill Creek Condominiums (“Common Interest Community”) and the units;
- (b) to further the interests of the residents of the Common Interest Community and Members of the Association;
- (c) to be the owners association provided for in the Declaration;
- (d) to operate and govern the Common Interest Community;
- (e) to provide for the administration, maintenance, preservation and architectural review of the units and Common Elements within the Common Interest Community; and
- (f) to promote the health, safety, welfare and recreation of the owners within the Common Interest Community.

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 and Map for Sawmill Creek Condominiums (hereinafter "Declaration").

ARTICLE TWO

Membership, Voting, Majority of Owners, Quorum, Proxies

1. *Membership.* Except as otherwise provided in these By-Laws, fee simple title 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 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 business of the meeting.

5. *Resolution of Voting Disputes.* In the event of any dispute as to the entitlement of any Member to vote or as to the results of any vote of Members, the Board of Directors of the Association shall act as arbitrators and the decision of a disinterested majority of the Board of Directors shall, when rendered in writing, be final and binding as an arbitration award and may be acted upon in accordance with the *Colorado Uniform Arbitration Act of 1975*, as the same may be amended; provided, however, that the Board of Directors shall have no authority or jurisdiction to determine matters relating to the entitlement of Declarant to vote or relating to the manner of exercise by Declarant of its voting rights. No dispute as to the entitlement of any

Member to vote shall postpone or delay any vote for which a meeting of Members has been duly called pursuant to the provisions of these By-laws and a quorum is present.

6. *Suspension of Voting Rights.* The Board of Directors may suspend, after notice and hearing, the voting rights of a Member during any period of breach by such Member of any provision of the Declaration or of any Rule or Regulation adopted by the Association including, but not limited to, the failure to pay any assessment pursuant to the Declaration, and for a period up to ten (10) days following the cure of any such breach by such Member; provided, however, such notice and hearing shall not be required where a Member has failed to pay any assessment levied in accordance with the provisions of the Declaration.

7. *Determination of Member Voting Percentage.* Notwithstanding anything to the contrary contained herein, only Members whose voting rights are in good standing (e.g., voting rights which have not been suspended as provided herein) shall be entitled to vote on Association matters. In accordance therewith, any and all provisions contained herein requiring the approval of a requisite percentage of Members of the Association shall be deemed satisfied when the requisite percentage of Members entitled to vote has been met.

8. *Transfer of Memberships on Association Books.* Transfer of Membership shall be made on the books of the Association only upon presentation of evidence, satisfactory to the Association, of the transfer of ownership of the unit to which the Membership is appurtenant. Prior to presentation of such evidence, the Association may treat the previous owner of the Membership as the owner of the Membership entitled to all rights in connection therewith, including the rights to vote and to receive notice.

9. *Assignment of Voting Rights to Tenants and Mortgagees.* A Member may assign the owner's right to vote to a tenant occupying the owner's unit or to a Mortgagee of the owner's unit for the term of the lease or the Mortgage and any sale, transfer or conveyance of the unit shall, unless otherwise provided in the document of sale, transfer or conveyance, be subject to any such assignment of voting rights to any tenant or Mortgagee. Any such assignment of voting rights and any revocation or termination of any assignment of voting rights shall be in writing and shall be filed with the Secretary of the Association.

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.* Annual meetings of the Association shall be in June of each year at such time of day as is fixed by the Board of Directors and specified in the notice of

meeting or such other date as the Board of Directors may from time to time determine by resolution. 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 the meeting.

4. *Special Meetings.* The President may call a special meeting, or the owners on their own initiative, or as directed by resolution of the Board or upon receipt of a petition signed by at least one-third (1/3) of the votes of all owners entitled to vote. 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 (2/3) of the votes of all 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 ten (10) days, but not more than fifty (50) 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 but not in excess of thirty (30) days after the date set for the original meeting. At any adjourned meeting which is held without notice other than announcement at the meeting, the quorum requirement shall not be reduced or changed, but if the originally required quorum is present in person or by proxy, any business may be transacted which might have been transacted at the meeting originally called.

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 waive 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. *Proxies.* A Member entitled to vote may vote in person or by proxy executed in writing by the Member or his duly authorized attorney-in-fact and filed with the Chairman of the meeting prior to the time the proxy is exercised. Any proxy may be revocable by attendance of a Member in person at a meeting or by revocation in writing filed with the Chairman of the meeting prior to the time the proxy is exercised. A proxy shall automatically cease upon the conveyance by a Member of the unit of the Member and the transfer of the Membership on the books of the Association. No proxy shall be valid: (a) sixty (60) days after the date of its execution unless otherwise provided in the proxy; and in any event, for no more than eleven (11) months after the date of its execution; (b) unless the signatures of the Members providing the proxy are notarized; (c) unless the proxy contains the signature of all Members entitled to vote such interest; and (d) unless the proxy states the specific purpose and the specific meeting for which it was granted. Any form of proxy furnished or solicited by the Association and any form of written ballot furnished by the Association shall afford an opportunity thereon for Members to specify a choice between approval and disapproval of each matter or group of related matters which is known at the time the form of proxy or written ballot is prepared, may come before the meeting and shall provide, subject to reasonably specified conditions, that if a Member specifies a choice with respect to any such matter, the vote shall be cast in accordance therewith.

9. *Chairman of Meetings.* At any meeting, the Members present shall select a Chairman and Secretary of the meeting.

10. *Expenses of Meetings.* The Association shall bear the expenses of food, beverage and room usage incurred at all annual meetings of Members and at special meetings of Members. The expenses shall not include the costs of Members for travel, lodging, transportation and related expenses in order to attend any meetings.

11. *Waiver of Notice.* A waiver of notice of any meeting of Members, signed by a Member, whether before or after the meeting, shall be equivalent to the giving of notice of the meeting to such Member. Attendance of a Member at a meeting, either in person or by proxy, shall constitute waiver of notice of such meeting except when the Member attends for the purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

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

ARTICLE FOUR

Board of Directors

1. *Number and Qualifications.* The number of Directors shall not be less than three (3) nor more than six (6), and no decrease in number shall have the effect of shortening the term of any incumbent Director. The number of Directors may be increased from time to time by a vote of the majority of the Board of Directors or as expressly provided herein. A Director may be any natural person and need not be an owner of a unit within the Common Interest Community; provided, however, at least a majority of the Directors shall be owners. A Director may be reelected and there shall be no limit on the number of terms a Director may serve.

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 Common Interest Community 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 and uses, limitations, obligations and all other provisions set forth in the Declaration submitting the property to the provisions of the *Colorado Common Interest Ownership Act*, C.R.S. § 38-33.3-101 *et seq.*, as it may be amended, and the By-Laws of the Association and supplements and amendments thereto;
- (b) To create, adopt, amend and enforce compliance with such rules and regulations and policies and procedures as may be necessary for the operation, use and occupancy of all the condominium units with the right to amend same from time to time. A copy of such rules and regulations shall be delivered, electronically communicated or mailed to each Member upon the adoption thereof. Alternatively, the rules and regulations may be posted on the Association's website or the website of the Association's manager;
- (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 Common Interest Community 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 Common Interest Community 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, in the Board's sole discretion, 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 fiscal 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;

- (f) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an owner as is provided in the Declaration, these By-Laws and any policies adopted by the Board related thereto; to enforce a late charge of not more than \$35.00 or collect interest at the rate of one and one-half percent (1½%) per month in connection with assessments remaining unpaid more than thirty (30) days from the 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 Common Interest Community 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 Common Interest Community 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 do all of those things necessary and reasonable in order to carry out the governing and operation of the Common Interest Community 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 (2) Directors shall be fixed for three (3) years; the term of office of two (2) Directors shall be fixed for two (2) years; and the term of office of two (2) 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 a quorum; and each person so elected or appointed shall be a Director for the unexpired term of his predecessor in office or until his successor is elected. Except as provided herein, a Directorship to be filled by reason of an increase in the number of Directors shall be filled only by vote of the Members.

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 removal has been proposed by the owners shall be given an opportunity to be heard at the meeting prior to voting thereon.

7. *Resignation of Directors.* Any Director may resign at any time by giving written notice to the President, to the Secretary or to the Board of Directors stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective.

8. *Annual Meeting of Directors.* Annual meetings of the Board of Directors shall be held on the same date as, or within ten (10) days following, the annual meeting of Members. The business to be conducted at the annual meeting of Directors shall consist of the appointment of officers of the Association and the transaction of such other business as may properly come before the meeting. No prior notice of the annual meeting of the Board of Directors shall be necessary if the meeting is held on the same day and at the same place as the annual meeting of Members at which the Board of Directors is elected or if the time and place of the annual meeting of the Board of Directors is announced at the annual meeting of such Members.

9. *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 and specified in the notice of meeting. Notice of regular meetings of the Board shall be given to each Director, personally or by mail, telephone, or electronic communication, not less than three (3) nor more than fifty (50) days prior to the day named for such meeting.

10. *Special Meetings.* Special meetings of the Board may be called by the President on not less than ten (10) days' notice to each Director, given personally or by mail, electronic communication, or telephone, 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 (2) or more Directors.

11. *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.

12. *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 a quorum present, the majority of those present may adjourn the meeting from time to time. At any adjourned meeting which is held without notice other than announcement at the meeting, the quorum requirement shall not be reduced or changed, but if the originally required quorum is present in person or by proxy, any business may be transacted which might have been transacted at the meeting as originally called.

13. *Executive Committee.* The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint an Executive Committee, which shall consist of two (2) Directors and which, unless otherwise provided in such resolution, shall have and exercise all the authority of the Board of Directors except authority with respect to the matters specified in the *Colorado Revised Nonprofit Corporation Act* and the *Colorado Common*

Interest Ownership Act as matters which such Committee may not have and exercise the authority of the Board of Directors.

14. *Other Committees of Association.* The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more other committees, which may consist of or include Members who are not Directors. Any such committee shall have and exercise such authority as shall be specified in the resolution creating such committee except such authority as can only be exercised by the Board of Directors.

15. *General Provisions Applicable to Committees.* The designation and appointment of any committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon it or him by law. The provisions of these By-Laws with respect to notice of meeting, waiver of notice, quorums, adjournments, vote required and action by consent applicable to meetings of Directors shall be applicable to meetings of committees of the Board of Directors.

16. *Proxies.* A Director shall not be entitled to vote by proxy at any meeting of Directors.

17. *Vote Required at Directors' Meeting.* At any meeting of Directors, if a quorum is present, a majority of the votes present in person and entitled to be cast in a matter shall be necessary for the adoption of the matter, unless a greater proportion is required by law, the Declaration, the Articles of Incorporation or these By-Laws.

18. *Order of Business.* The order of business at all meetings of Directors shall be as follows: (a) roll call; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) report of officers; (e) reports of committees; (f) unfinished business; and (g) new business.

19. *Officers at Meetings.* The President shall act as Chairman and the Board of Directors shall elect a Director to act as Secretary at all meetings of Directors. In the event of the President's absence, the President may nominate any Board member, or in the event of no such nomination, any Board member shall act as Chairman.

20. *Action of Directors without a Meeting.* Any action required to be taken or which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing (including electronic communication) setting forth the action so taken shall be signed or approved by all of the Directors.

21. *Telephone or Electronic Communication in Lieu of Attendance.* A Director may attend a meeting of the Board by using an electronic or telephonic communication method whereby the Director may be heard by the other Members and may hear the deliberations of the other Members on any matter properly brought before the Board. The Director's vote shall be counted and the presence noted as if that Director were present in person.

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 a 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 Common Interest Community 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 annual meeting of each new Board and shall hold office at the pleasure of the Board until the next annual meeting of the Board of Directors or until their successors are appointed, whichever is later, unless the officer resigns, or is earlier removed.

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. *Resignation of Officers.* Any officer may resign at any time by giving written notice to the President, to the Secretary or to the Board of Directors of the Association stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective.

5. *Vacancies in Officers.* Any vacancy occurring in any position as an officer may be filled by the Board of Directors. An officer appointed to fill a vacancy shall be appointed for the unexpired term of his predecessor in office.

6. *President.* The President shall be the chief executive officer of the Association. He shall preside at all meetings of the 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.

7. *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.

8. *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 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 and 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 be maintained. The records referred to in this subsection may be maintained by the Managing Agent.

9. *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.

10. *Bonds – Segregation of Funds.* The Association shall obtain and keep in force at all times a fidelity bond or bonds for any person handling funds of the Association. Each such bond shall name the Association as obligee and shall be in an amount not less than \$50,000.00 or such higher amount as the Board of Directors may require. In addition to the foregoing, any person or Managing Agent managing any funds or accounts of the Association shall keep such funds or accounts separate from the funds and accounts of other associations managed by such person or Managing Agent and maintain all reserve accounts of each association so managed separate from operational accounts of the Association. The person or Managing Agent maintaining the funds and accounts of the Association shall prepare an annual accounting for

Association funds and a financial statement. Such documents may be prepared by the Managing Agent, a public accountant or a certified public accountant.

ARTICLE SEVEN
Indemnification of Officers, Directors and Managing Agent

1. *Obligation to Indemnify.*

(a) The Association shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a Director, officer or committee member of the Association; provided the person is or was serving at the request of the Association in such capacity, and provided that person:

- (i) acted in good faith, and;
- (ii) in a manner that the person reasonably believed to be in the best interests of the Association, and;
- (iii) with respect to any claimed criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful.

The determination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner reasonably believed to be in the best interests of the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful.

(b) Notwithstanding anything in subsection (a) above, unless a court of competent jurisdiction determines that, in view of all circumstances of the case, the person is fairly and reasonably entitled to expenses, no indemnification shall be made:

(i) In connection with a proceeding by or in the right of the Association, where the person has been adjudged to be liable to the Association; or

(ii) In connection with any other proceeding charging that the person received an improper personal benefit, whether or not involving action in an official capacity, the person has been adjudged liable on the basis the person received an improper personal benefit.

(c) To the extent that the person has been wholly successful on the merits in defense of any action, suit or proceeding as described above, the person shall be

indemnified against actual and reasonable expenses (including expert witness fees, attorney fees and costs) incurred in connection with the action, suit or proceeding.

2. *Determination Required.*

(a) The Board of Directors shall determine whether the person requesting indemnification has met the applicable standard of conduct set forth above. The determination shall be made by the Board of Directors by a majority vote of a quorum consisting of those members of the Board of Directors who were not parties to the action, suit or proceeding.

(b) If a quorum cannot be obtained as contemplated above or if a quorum has been obtained and the Board so directs, a determination may be made, at the discretion of the Board, by:

(i) independent legal counsel selected by a majority of the full Board;
or

(ii) by the voting members, but voting members who are also at the same time seeking indemnification may not vote on the determination.

3. *Payment in Advance of Final Disposition.* The Association shall pay for or reimburse the reasonable expenses as described above in advance of final disposition of the action, suit or proceeding if the person requesting indemnification provides the Board of Directors with:

(a) a written affirmation of that person's good faith belief that he or she has met the standard of conduct described above; and

(b) a written statement that the person shall repay the advance if it is ultimately determined that he or she did not meet the standard of conduct described above.

4. *No Limitation of Rights.* The indemnification provided in this Article shall not be deemed exclusive of nor a limitation upon any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of the Members or disinterested members of the Board of Directors, or otherwise, nor by any rights which are granted pursuant to C.R.S. § 38-33.3-101, *et seq.*, and the *Colorado Revised Nonprofit Corporation Act*, as those statutes may be amended from time to time.

5. *Directors' and Officers' Insurance.* The Association shall purchase and maintain insurance on behalf of any person who is or was a member of the Board of Directors, the manager, committee members, or anyone acting at the direction of the Board, covering defense and liability expenses arising out of any action, suit or proceeding asserted against the person by virtue of the person's actions on behalf of the Association or at the direction of the Board,

whether or not the Association would have the power to indemnify the person against liability under the provisions of this Article.

ARTICLE EIGHT

Amendments of the By-Laws

1. *Amendments by the Members.* These By-Laws may be amended by a majority of votes present or represented by proxy at any regular or special meeting and entitled to vote hereunder, 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.

2. *Amendments by the Board of Directors.* Notwithstanding anything to the contrary in these By-laws, these By-Laws may be amended by the Board of Directors, without Member approval, to comply with any statutory or judicial requirements.

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". In the event an owner does not provide information with respect to any Mortgagees of Units, the Association shall not be obligated to send any notice to a holder of a mortgage whose name and address has not been furnished to the Association.

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 weekday business hours in accordance with any rules, regulations and policies adopted by the Board.

ARTICLE TEN
Evidence of Ownership, Registration of Mailing Address
and Designation of Voting Representative

1. *Proof of Ownership.* 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. The copy furnished to the Association shall be maintained in the files of the Association. Failure to provide a copy of such recorded instrument shall not obligate the Association to provide any notice required by the Declaration, these By-Laws, or the rules and regulations adopted by the Association or Board.

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 Ten 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 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 (1½) of the amount of such claim, but not less than \$500.00, 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 unit, which, if omitted, would affect the appearance of the aesthetic integrity of part or all of the Common Interest Community 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 Common Interest Community 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 the owner's unit or installations located therein without the written approval of the Board. The Board shall be notified in writing of the intended structural modifications or installations 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 structural modifications or alternations.

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 Common Interest Community 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 Common Interest Community 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 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 in 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; and (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 (2) persons who are members and who shall be appointed by the Board from 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, electronic communication, mail or personally, and a special meeting may be held by telephone or electronic communication.

3. *Nominating Committee.* Before each annual meeting, the Board may appoint a committee of three (3) 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 has been organized under the *Colorado Revised Nonprofit Corporation Act*. No Member, member of the Board, officer or person from whom the Association may receive any property or fund 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 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 Common Interest 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 the Common Interest Community as they may exist from time to time will be available for use by all unit owners and their guests, invitees 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.

ARTICLE EIGHTEEN

Notice and Hearing Procedures

1. *Power.* The Board of Directors shall have the power and duty to hear and make decisions regarding violations of the Association's Documents after a written Complaint is filed with the Board; and to impose fines or other sanctions, pursuant to the Association's Policies and Procedures. The Board may determine enforcement action on a case by case basis, and take such action as it may deem necessary and appropriate to assure compliance with the Declaration, the Association's Articles of Incorporation, By-Laws, and Rules and Regulations promulgated thereunder (collectively referred to as "Documents"), in order to create a safe and harmonious living environment.

This Article may be in addition to other specific provisions outlined in the Documents. The Association shall follow this Article before seeking such other remedies. The Association may choose a legal remedy or seek assistance from other enforcement authorities, such as police, fire or animal control, as it deems appropriate in the event of an emergency.

2. *Complaint.* A proceeding to determine if the Documents have been violated and any enforcement measures and remedies that may apply shall be initiated by the filing of a written Complaint with or by the Association's Board. The Complaint shall state the specific provision(s) of the Documents alleged to have been violated and as many specifics as are available as to time, date, location and persons involved.

3. *Notice of Complaint and Right to Hearing.* Upon receipt of a Complaint, if the Board determines that the allegations in the Complaint are sufficient to constitute a violation of the Documents and that action is warranted, the Association shall send a notice to the Member(s) (the "Respondent") alleged to have violated the Documents, by prepaid, first class United States

mail addressed to the mailing address of the Respondent appearing on the records of the Association. The notice shall advise the Respondent of the following: (1) a copy of the Complaint; (2) the action that may be taken; (3) the Respondent's right to be heard, either orally or in writing, by the Board at the next meeting of the Board which is at least fifteen (15) days after the date of the notice; (4) the date on which the hearing will be scheduled; and (5) if the Respondent fails to appear at the specified date and time, or otherwise respond to the Complaint, the Board's right to proceed, with or without a hearing, at its discretion, to make its determination of the allegations contained in the Complaint based on all relevant facts and circumstances. The Board may determine that the Respondent's failure to respond or appear at the hearing constitutes a no-contest plea to the Complaint, and enforce the provisions of the Documents.

4. *Hearing.* The hearing shall be held at the scheduled time, place and date, unless the Respondent has failed to respond or appear at the hearing. The Board may grant continuance(s) for good cause. The Board may: (a) exercise its discretion as to the specific manner in which a hearing shall be conducted; (b) question witnesses and review evidence; and (c) act as it may deem appropriate or desirable to permit the Board to reach a just decision. Neither the Complainant nor the Respondent must be in attendance at the hearing, but both are encouraged to attend. Any party may elect not to present evidence at the hearing. The action taken by the Board shall be fair and reasonable taking into consideration all of the relevant facts and circumstances. The hearing shall be open to attendance by all Members of the Association.

5. *Decision.* If the Respondent does not appear, but a written response is filed, the Board shall render its decision based on the information contained in the Complaint and the written response, considering all of the relevant facts and circumstances. If neither an appearance nor a written response is made, the Board need not conduct a hearing or take any further evidence except that it may determine that the Respondent's failure to appear or respond constitutes a no-contest plea to the Complaint, and impose the sanctions provided herein or enforce the provisions of the Documents, or both. If an appearance or written response is made, then after all testimony and other evidence has been presented to the Board at a hearing, the Board shall make findings of fact and render its decision as to sanctions and enforcement, taking into consideration all of the relevant facts and circumstances. Except as provided herein, the Board's decision shall have an effective date no sooner than five (5) days after the hearing. If the Board does not inform the Respondent of its decision at the time of the hearing, or if no hearing is held, the Board will provide a written decision to the Respondent's address of record via regular United States mail within five (5) days after the hearing.

6. *Enforcement, Attorney's Fees and Fines/Sanctions.* The Association shall have all of the enforcement rights set forth in the Documents and as allowed by law, including, but not limited to, damages and injunction. The Association shall be entitled to reimbursement of all reasonable attorney's fees and costs incurred by the Association in connection with any enforcement action, including any proceeding under this Article. Without limiting the Association's remedies under the Documents, the Association may assess fines and suspend membership privileges (as provided in the Documents) in accordance with this Article. If the violation involves damage to Association property or the property of another Member, the violator shall pay the costs of repair or replacement. The Board may suspend the violator's

voting privileges for a period of time not to exceed ninety (90) days following any violation by such Member unless such violation is a continuing violation, in which case such suspension may continue for so long as such violation continues and for up to ninety (90) days thereafter.

- (a) Fines may be levied for violations of the Documents as follows:

<u>Number of Violations in a 12-Month Period</u>	<u>Fine Amount</u>
First Violation	Warning
Second Violation	\$25.00
Third Violation	\$50.00
Fourth Violation	\$100.00

A Member who accumulates more than four (4) violations within a twelve (12) month period shall be deemed to be a habitual offender. Without limiting the Board's ability to fine or suspend membership privileges (as allowed by the Documents) in accordance with this Article, habitual offenders, continuing violations, or violations which have an indefinite commencement or termination date shall all be subject to a fine of \$100.00 per month until the violation is corrected, and suspension of membership privileges (as allowed by the Documents) as determined by the Board. Further, in the event of a determination by the Board of a willful, wanton or flagrant disregard for the provisions of the Documents, or based on the severity of the violation, the Board may impose such additional fines as are deemed reasonable by the Board without regard to the schedule set forth above.

- (b) The Member shall have the obligation to pay fines imposed for the Member's actions and actions of the Member's tenants, family members, and guests. Fines imposed pursuant to these enforcement policies and procedures shall become an "assessment" imposed against the Member and the Member's unit and enforceable as provided in the Documents.

7. *Violations or Offenses that Constitute a Present Danger.* If, in its sole discretion, the Board deems that any violation is or may be an immediate or substantial threat to the health, safety or welfare of the community or an individual, the Board may impose any appropriate sanction or remedy as necessary to abate the threat to the health, safety or welfare of the community or individual without prior compliance with Sections 1 through 6 above. Provided, however, the Board shall commence the Complaint process as soon as reasonably practical thereafter.

8. Miscellaneous.

- (a) Failure by the Association to enforce any provision of this Article shall in no event be deemed a waiver of the right to do so thereafter.

(b) The provisions of this Article shall be independent and severable. The invalidity of any one or more provisions hereof by judgment or court order or decree shall in no way affect the validity or enforceability of any of the other provisions, which other provisions shall remain in full force and effect.

The undersigned Secretary of this Association does hereby certify that the above and foregoing Amended and Restated By-Laws and Rules and Regulations were adopted by the Directors of said Association on this 26th day of June, 2010.



President

ATTEST:



Secretary

(Seal)

SCHEDULE A

Rules and Regulations

1. Any common sidewalks, driveways, entrances and passageways shall not be obstructed or used by any unit owner for any other purpose than ingress and egress from the units.

2. Except as to the areas termed limited common elements and except as to vehicles subject to Rule #3 herein, no articles shall be placed on or in any of the general common elements except for those articles of personal property which are the common property of all of the unit owners.

3. No vehicles belonging to or under the control of a unit owner or a member of the family or a guest, tenant, lessee or employees of a unit owner shall be parked in such manner as to impede or prevent ready access to any part of the project. Vehicles shall be parked within designated parking areas. Any traffic flow markings and signs regulating traffic on the premises shall be strictly observed.

4. No work of any kind shall be done upon the exterior building walls or upon the general or limited common elements by any unit owner. Such work is the responsibility of the Association.

5. No owner, resident or lessee shall install wiring for electrical or telephone installation or for any other purpose, nor shall any television or radio antenna, machines or air conditioning units be installed on the exterior of the project, including any part of the balcony, or that protrudes through the walls or the roof of the Common Interest Community improvements except as may be expressly authorized by the Association.

6. Owners and occupants shall exercise care to avoid making or permitting to be made loud, disturbing or objectionable noises, and in using or playing or permitting to be used or played musical instruments, radios, phonographs, television sets, amplifiers and any other instruments or devices in such manner as may disturb owners, tenants or occupants of other units.

7. Disposition of garbage and trash shall be only by the use of garbage disposal units or by use of common trash and garbage facilities.

8. The Association assumes no liability for nor shall it be liable for any loss or damage to articles left or stored in any common or other area.

9. Any damage to the general common elements or common personal property caused by the owner or a child or children of a unit owner or their guests or the guests of a unit owner shall be repaired at the expense of that unit owner.

10. The Resident Manager, the Managing Agent or the Board of Directors shall retain a passkey to each unit. No owner shall alter any lock or install a new lock on any door leading into the unit without prior consent and, if such consent is given, the owner shall provide a key for the Managing Agent's or the Board of Director's use. All locks must be keyed to the Managing Agent's master key system.

11. The balconies and terraces, decks or patios shall be used only for the purpose intended and shall not be used for hanging garments or other articles or for cleaning rugs, household articles or other items. No rugs or other materials shall be dusted from windows, balconies, decks or patios by beating or shaking. Outdoor cooking on such areas shall be permitted only if such cooking can be accomplished without smoke.

12. No cats, dogs or other animal or bird or reptile (hereinafter for brevity "animal") shall be kept, maintained or harbored on any part of the Common Interest Community property and unit unless the same in each instance is expressly permitted in writing by the Managing Agent, Resident Manager or by the Board of Directors. Where such written permission is granted, such permission is revocable if the animal becomes obnoxious to other owners, in which event the owner or person having control of the animal shall be given a written notice and will be required to remove the animal from the project and unit. The written notices provided for herein shall be issued by the Managing Agent or Resident Manager or by one or more of the members of the Board of Directors.

13. Fireworks of any kind, whether explosive or non-explosive, shall not be stored, carried or brought or permitted on any part of this project, including within a unit, nor shall any fireworks be ignited, displayed or exploded on any part of the project.

14. The Board has the authority to create, adopt, enforce and amend policies, procedures and Rules and Regulations.

The foregoing Rules and Regulations are subject to amendment and to promulgation of further policies, procedures and Rules and Regulations.