

*BYLAWS  
OF THE  
CORONADO VILLAS  
CONDOMINIUM I ASSOCIATION, INC.,  
A COLORADO NONPROFIT CORPORATION*

**ARTICLE I  
INTRODUCTION AND PURPOSE**

Section 1.1 Introduction. These are the Bylaws of Coronado Villas Condominium I Association, Inc., a Colorado nonprofit corporation (the "Association"), which Association shall operate under the Colorado nonprofit Corporation Act (the "Corporation Act"), as amended, and the Colorado Common Interest Ownership Act, as amended ("Act").

Section 1.2 Purposes. The purposes for which the Association was formed are to preserve and enhance the value of the properties of Association Members (as that term is defined below) and to govern the Common Elements and affairs of "The Coronado Villas Condominium I", a Colorado Condominium Common Interest Community situated in the County of Mesa, State of Colorado (the "Community"), as the Community was created pursuant to the Declaration. Terms which are defined in the Declaration shall have the same meaning herein, unless defined otherwise in these Bylaws.

Section 1.3 Persons Subject to Bylaws. All present or future Owners, tenants, future tenants, guests or any person that might use or occupy, in any matter, the facilities within the Community, are subject to the terms and provisions of these Bylaws, and the other governing documents of the Community. The mere acquisition, rental or use of a Unit will signify that the Documents of the Community are acceptable, ratified and will be complied with.

**ARTICLE II  
BOARD**

Section 2.1 Number and Qualification.

a. The affairs of the Common Interest Community and the Association shall be governed by an Executive Board which, until the termination of the period of Declarant control, shall consist of three persons. If any Unit is owned by a partnership or corporation, any officer, partner or employee of that Unit Owner shall be eligible to serve as a Director and shall be deemed to be a Unit Owner for the purposes of these Bylaws. At any meeting at which Directors are to be elected, the Owners may, by resolution, adopt specific procedures which are not inconsistent with these Bylaws, Corporation Act or for conducting the elections.

- b. The terms of at least one-third of the Directors shall expire annually.
- c. The Declaration shall govern appointment of Directors of the Executive Board during the period of Declarant control.
- d. The Executive Board shall elect the officers. The Directors and officers shall take office upon election.

Section 2.2 Powers and Duties. The Executive Board may act in all instances on behalf of the Association, except as provided in the Declaration, these Bylaws or the Act. The Executive Board shall have, subject to the limitations contained in the Declaration and the Act, the powers and duties necessary for the administration of the affairs of the Association and the Community, including the following powers and duties:

- a. Adopt and amend Bylaws and Rules and Regulations;
- b. Adopt and amend budgets for revenues, expenditures and reserves;
- c. Collect assessments for Common Expenses from Unit Owners;
- d. Hire and discharge managing agents of either the Association and/or on behalf of individual unit owners;
- e. Hire and discharge employees, independent contractors and agents other than managing agents of either the Association and/or on behalf of individual Unit Owners;
- f. Institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violations of the Declaration, Bylaws or Rules in the Association's name, on behalf of the Association or two or more Unit Owners on matters affecting the Community;
- g. Make contracts and incur liabilities, both on behalf of the Association and any individual Unit Owners engaging the Association for such purposes;
- h. Regulate the use, maintenance, repair, replacement and modification of Community Common Elements;
- i. Cause additional improvements to be made as a part of the Community Common Elements;
- j. Acquire, hold, encumber and convey, in the Association's name, any right, title or interest to real estate or personal property; provided that Community Common Elements may be conveyed or subjected to a security interest only pursuant to Section 312 of the Act;

k. Grant easements for any period of time, including permanent easements, and grant leases, licenses and concessions for no more than one year, through or over the Community Common Elements;

l. Impose and receive a payment, fee or charge for services provided to Unit Owners and for the use, rental or operation of the Community Common Elements, other than Limited Common Elements described in Subsections 202(1)(b) and (d) of the Act;

m. Impose a reasonable charge for late payment of assessments and, after notice and hearing, levy reasonable fines for violation of the Declaration, these Bylaws, and/or the Rules and Regulations of the Association;

n. Impose a reasonable charge for the preparation and recording of amendments to the Declaration or statements of unpaid assessments;

o. Provide for the indemnification of the Association's officers and the Executive Board and maintain Directors' and officers' liability insurance;

p. Exercise any other powers conferred by the Declaration or these Bylaws;

q. Exercise any other power that may be exercised in the state by a legal entity of the same type as the Association;

r. Exercise any other power necessary and proper for the governance and operation of the Association; and

s. By resolution, establish committees of Directors, permanent and standing, to perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee. All committees must maintain and publish notice of their actions to Unit Owners and the Executive Board. However, actions taken by a committee may be appealed to the Executive Board by any Unit Owner within 15 days after publication of notice of that action, and the committee's action must be ratified, modified or rejected by the Executive Board at its next regular meeting.

Section 2.3 Association Manager. The Executive Board may employ a manager for the Community, at a compensation established by the Executive Board, to perform duties and services authorized by the Executive Board. The Executive Board may delegate to this manager only the powers granted to the Executive Board by these Bylaws under Section 2.2, Subdivisions (c), (e), (g) and (h). Licenses, concessions and contracts may be executed by the manager pursuant to specific resolutions of the Executive Board and to fulfill the requirements of the budget. Regardless of any delegation to a manager or managing agent, the Directors of the Executive Board shall not be relieved of responsibilities under the Declaration, the Articles of Incorporation, these Bylaws or Colorado law.

Section 2.4 Individual Unit Owners' Manager. The Executive Board may also employ a manager or managers for such individual Unit Owners as shall designate the Association as their agent for purposes of engaging management of their Unit(s). In this capacity as the Unit Owner(s) agent, the Executive Board may employ such manager or managers to perform such services and duties and at a compensation established by the Executive Board with the consent of the Unit Owner.

Section 2.5 Removal of Directors. The Unit Owners, by a vote of at least two thirds of the votes at any meeting of the Unit Owners at which a quorum is present, may remove a Director, other than a Director appointed by Declarant pursuant to the Act, with or without cause.

Section 2.6 Vacancies. Vacancies in the Executive Board, caused by any reason other than the removal of a Director by a vote of the Unit Owners, may be filled at a special meeting of the Executive Board held for that purpose at any time after the occurrence of the vacancy, even though the Directors present at that meeting may constitute less than a quorum. These appointments shall be subject to the reserved rights of Declarant to appoint Directors, unless those rights have expired, in which event, appointments shall be made by a majority of the remaining elected Directors constituting the Executive Board. Each person so elected or appointed shall be a Director for the remainder of the term of the Director so replaced.

Section 2.7 Regular Meetings. The first regular meeting of the Executive Board following each annual meeting of the Unit Owners shall be held within 10 days after the annual meeting at a time and place to be set by the Unit Owners at the meeting at which the Executive Board shall have been elected. No notice shall be necessary to the newly elected Directors in order to legally constitute such meeting, provided a majority of the Directors are present. The Executive Board may set a schedule of additional regular meetings by resolution, and no further notice is necessary to constitute regular meetings.

Section 2.8 Special Meetings. Special meetings of the Executive Board may be called by the President or by a majority of the Directors on at least three business days' notice to each Director. The notice shall be hand-delivered or mailed and shall state the time, place and purpose of the meeting.

Section 2.9 Location of Meetings. All meetings of the Executive Board shall be held within Colorado, unless all Directors consent in writing to another location.

Section 2.10 Waiver of Notice. Any Director may waive notice of any meeting in writing. Attendance by a Director at any meeting of the Executive Board shall constitute a waiver of notice. If all the Directors are present at any meeting, no notice shall be required, and any business may be transacted at such meeting.

Section 2.11 Quorum of Directors. At all meetings of the Executive Board, a majority of the Directors shall constitute a quorum for the transaction of business. At a meeting at which a

quorum is present, the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute a decision of the Executive Board. If, at any meeting, there shall be less than a quorum present, a majority of those present may adjourn the meeting. At any adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 2.12 Consent to Corporate Action. If all the Directors or all Directors of a committee established for such purposes, as the case may be, severally or collectively consent in writing to any action taken or to be taken by the Association, and the number of the Directors constitutes a quorum, that action shall be a valid corporate action as though it had been authorized at a meeting of the Executive Board or the committee, as the case may be. The Secretary shall file these consents with the minutes of the meeting of the Executive Board.

Section 2.13 Telephone Communication in Lieu of Attendance. A Director may attend a meeting of the Executive 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 Executive Board. The Director's vote shall be counted and the presence noted as if that Director were present in person on that particular matter.

### **ARTICLE III UNIT OWNERS AND MEMBERSHIP**

Section 3.1 Membership. Ownership of a Unit is required in order to qualify for membership in this Association. Membership is more fully addressed in the Articles of Incorporation and the Declaration.

Section 3.2 Annual Meeting. Annual meetings of Unit Owners shall be held during each of the Association's fiscal years, at such time of the year and date as determined by the Executive Board and set forth in the notice. At these meetings, the Directors shall be elected by ballot of the Unit Owners, in accordance with the provisions of these Bylaws, the Declaration and the Articles of Incorporation. The Unit Owners may transact other business as may properly come before them at these meetings. Failure to hold an annual meeting shall not work a forfeiture or dissolution of the Association.

Section 3.3 Budget Meeting. Meetings of the Unit Owners to consider proposed budgets shall be called in accordance with the Act. The budget may be considered at Annual or Special Meetings called for other purposes as well.

Section 3.4 Special Meetings. Special meetings of the Association may be called by the President, by a majority of the Executive Board or by Unit Owners comprising 20% of the votes in the Association.

Section 3.5 Place of Meetings. Meetings of the Unit Owners shall be held anywhere (i) in the Community, (ii) the Town of Grand Junction, or (iii) the County of Mesa, Colorado, and may be adjourned to a suitable place convenient to the Unit Owners, as may be designated by the Executive Board or the President.

Section 3.6 Notice of Meetings. The Secretary or other officer specified in the Bylaws shall cause notice of meetings of the Unit Owners to be hand-delivered or sent prepaid by United States mail to the mailing address of each Unit or to the mailing address designated in writing by the Unit Owner, not less than 10 nor more than 50 days in advance of a meeting. No action shall be adopted at a meeting except as stated in the notice.

Section 3.7 Waiver of Notice. Any Unit Owner may, at any time, waive notice of any meeting of the Unit Owners in writing, and the waiver shall be deemed equivalent to the receipt of notice.

Section 3.8 Adjournment of Meeting. At any meeting of Unit Owners, a majority of the Unit Owners who are present at that meeting, either in person or by proxy, may adjourn the meeting to another time.

Section 3.9 Order of Business. The order of business at all meetings of the Unit Owners shall be as follows:

- a. Roll call (or check-in procedure);
- b. Proof of notice of meeting;
- c. Reading of minutes of preceding meeting;
- d. Reports;
- e. Establish number and term of Directors on the Executive Board (if required and noticed);
- f. Election of inspectors of election (when required);
- g. Election of Directors on the Executive Board (when required);
- h. Ratification of budget (if required and noticed);
- i. Unfinished business; and
- j. New business.

Section 3.10 Voting.

a. If only one of several Owners of a Unit is present at a meeting of the Association, the Owner present is entitled to cast all the votes allocated to the Unit. If more than one of the Owners are present, the votes allocated to the Unit may be cast only in accordance with the agreement of majority in interest of the Owners. There is majority agreement if any one of the Owners casts the votes allocated to the Unit without protest being made promptly to the person presiding over the meeting by another Owner of the Unit.

b. Votes allocated to a Unit may be cast under a proxy duly executed by a Unit Owner. If a Unit is owned by more than one person, each Owner of the Unit may vote or register protest to the casting of votes by the other Owners of the Unit through a duly executed proxy. A Unit Owner may revoke a proxy given under this section only by actual notice of revocation to the person presiding over a meeting of the Associations. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates one year after its date, unless it specifies a shorter term.

c. The vote of a corporation or business trust may be cast by any officer of that corporation or business trust in the absence of express notice of the designation of a specific person by the board of directors or bylaws of the owning corporation or business trust. The vote of a partnership may be cast by any general partner of the owning partnership in the absence of express notice of the designation of a specific person by the owning partnership. The moderator of the meeting may require reasonable evidence that a person voting on behalf of a corporation, partnership or business trust Owner is qualified to vote.

d. Votes allocated to a Unit owned by the Association may not be cast.

Section 3.11 Quorum. Except as otherwise provided in these Bylaws, the Unit Owners present in person or by proxy at any meeting of Unit Owners, but no less than 50% of the Unit Owners, shall constitute a quorum at that meeting.

Section 3.12 Majority Vote. The Vote of a majority of the votes present in person or by proxy at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where a higher percentage vote is required in the Declaration, these Bylaws, the Articles of Incorporation or by law.

Section 3.13 Unit Owner Addresses for Notices. Unless a Unit Owner shall have notified the Association by registered or certified mail of a different address, any notice required to be given, or otherwise given by the Association under these Bylaws to any Unit Owner or any other written instrument to be given to any Unit Owner, may be mailed to such Unit Owner in a postage prepaid envelope and mailed by first class, registered or certified mail to the address of the Unit shown upon the Association's records as being owned by such Unit Owner. If more than one Unit Owner owns a particular Unit, then any notice or other written instrument may be addressed to all of such Owners

and may be mailed in one envelope in accordance with the foregoing. Any notice or other written instrument given by the Executive Board in accordance with the foregoing will be deemed to have been given on the date that it is mailed.

Section 3.14 Rules at Meeting. The Executive Board may prescribe reasonable rules for the conduct of all meetings of the Board and Unit Owners. In the absence of such rules, Robert's Rules of Order shall be used.

## ARTICLE IV OFFICERS

Section 4.1 Designation. The principal officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Executive Board. The Executive Board may appoint an assistant Treasurer, an assistant Secretary and other officers as it finds necessary. The President and Vice President, but no other officers, need to be Directors. Any two offices may be held by the same person, except the offices of President and Secretary. The office of Vice President may be vacant.

Section 4.2 Election of Officers. The officers of the Association shall be elected annually by the Executive Board at the organizational meeting of each new Executive Board. They shall hold office at the pleasure of the Executive Board.

Section 4.3 Removal of Officers. Upon the affirmative vote of a majority of the Directors, any officer may be removed, either with or without cause. A successor may be elected at any regular meeting of the Executive Board or at any special meeting of the Executive Board called for that purpose.

Section 4.4 President. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Unit Owners and the Executive Board. The President shall have all of the general powers and duties which are incident to the office of President of a nonprofit corporation organized under the laws of the State of Colorado, including but not limited to the power to appoint committees from among the Unit Owners from time to time as the President may decide is appropriate to assist in the conduct of the affairs of the Association. The President may fulfill the role of Treasurer in the absence of the Treasurer. The President may cause to be prepared and may execute amendments, attested by the Secretary, to the Declaration and these Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

Section 4.5 Vice President. The Vice President shall take the place of the President and perform the President's duties whenever the President is absent or unable to act. If neither the President nor the Vice President is able to act, the Executive Board shall appoint some other Director to act in the place of the President on an interim basis. The Vice President shall also perform other duties imposed by the Executive Board or by the President.



Section 4.6 Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners and the Executive Board. The Secretary shall have charge of the Association's books and papers as the Executive Board may direct and shall perform all the duties incident to the office of Secretary of a nonprofit corporation organized under the laws of the State of Colorado. The Secretary may cause to be prepared and may attest to execution of the President of amendments to the Declaration and the Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

Section 4.7 Treasurer. The Treasurer shall be responsible for Association funds and securities, for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. This officer shall be responsible for the deposit of all monies and other valuable effects in depositories designated by the Executive Board and shall perform all the duties incident to the office of Treasurer of a nonprofit corporation organized under the laws of the State of Colorado. The Treasurer may endorse on behalf of the Association, for collection only, checks, notes and other obligations and shall deposit the same and all monies in the name of and to the credit of the Association in banks designated by the Executive Board. Reserve funds of the Association shall be deposited in segregated accounts or in prudent investments, as the Executive Board decides. Funds may be withdrawn from these reserves for the purposes for which they were deposited, by check or order, authorized by the Treasurer, and executed by two Directors, one of whom may be the Treasurer if the Treasurer is also a Director.

Section 4.8 Agreements, Contracts, Deeds, Checks, etc. Except as provided in Sections 4.4, 4.6, and 4.9 of these Bylaws, all agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by any officer of the Association or by any other person or persons designated by the Executive Board.

Section 4.9 Statements of Unpaid Assessments. The Treasurer, assistant treasurer, a manager employed by the Association, if any, or, in their absence, any officer having access to the books and records of the Association may prepare, certify, and execute statements of unpaid assessments, in accordance with Section 316 of the Act.

The Association may charge a reasonable fee for preparing statements of unpaid assessments. The amount of this fee and the time of payment shall be established by resolution of the Executive Board. Any unpaid fees may be assessed as a Common Expense against the Unit for which the certificate or statement is furnished.

## ARTICLE V ENFORCEMENT

Section 5.1 Abatement and Enjoinment of Violations by Unit Owners. The violation of any of the Rules and regulations adopted by the Executive Board the right, after notice and hearing, except in case of an emergency, in addition to any other rights set forth in these Bylaws:

a. To enter the Unit or Limited Common Element in which, or as to which, the violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition (except for additions or alterations of a permanent nature that may exist in that Unit) that is existing and creating a danger to the Community Common Elements contrary to the intent and meaning of the provisions of the Documents. The Executive Board shall not be deemed liable for any manner of trespass by this action; or

b. To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

Section 5.2 Fines for Violation. By resolution, following notice and hearing, the Executive Board may levy reasonable fines per day for each day that a violation of the Documents or Rules persists after notice and hearing, but this amount shall not exceed that amount necessary to insure compliance with the rule or order of the Executive Board.

## **ARTICLE VI INDEMNIFICATION**

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

## **ARTICLE VII RECORDS**

Section 7.1 Records and Audits. The Association shall maintain financial records. The cost of any audit shall be a Common Expense unless otherwise provided in the Community Documents.

Section 7.2 Examination. All records maintained by the Association or the Manager shall be available for examination and copying by any Unit Owner, any holder of a Security interest in a Unit or its insurer or guarantor, or by any of their duly authorized agents or attorneys, at the expense of the person examining the records, during normal business hours and after reasonable notice.

Section 7.3 Records. The Association or its manager or managing agent, if any, may keep the following records:

a. An account for each Unit, which shall designate the name and address of each Unit Owner, the name and address of each mortgagee who has given notice to the Association that it holds a mortgage on the Unit, the amount of each Common Expense assessment, the dates on which each assessment comes due, the amounts paid on the account and the balance due;

- Owner;
- b. An account for each Unit Owner showing any other fees payable by the Unit Owner;
  - c. A record of capital expenditures approved by the Executive Board.
  - d. A record of the amount and an accurate account of the current balance of any reserves for capital expenditures, replacement and emergency repairs, together with the amount of those portions of reserves designated by the Association for a specific project;
  - e. The most recent regularly prepared balance sheet and income and expense statement, if any, of the Association;
  - f. The current operating budget adopted pursuant to Section 315(1) of the Act and ratified pursuant to the procedures of Section 303(4) of the Act;
  - g. A record of any unsatisfied judgments against the Association and the existence of any pending suits in which the Association is a defendant.
  - h. A record of insurance coverage provided for the benefit of Unit Owners and the Association;
  - i. A record of any alterations or improvements to Units or Limited Common Elements which violate any provisions of the Declarations of which the Executive Board has knowledge;
  - j. A record of any violations, with respect to any portion of the Common Interest Community, of health, safety, fire or building codes or laws, ordinances, or regulations of which the Executive Board has knowledge;
  - k. A record of the actual cost, irrespective of discounts and allowances, of the maintenance of the Common Elements;
  - l. Balance sheets and other records required by Colorado corporation law;
  - m. Tax returns for state and federal income taxation;
  - n. Minutes of proceedings of Unit Owners, Directors, committees of Directors and waivers of notice; and
  - o. A copy of the most current versions of the Declaration, Articles of Incorporation, Bylaws, Rules, and resolutions of the Executive Board, along with their exhibits and schedules.

**ARTICLE VIII  
MISCELLANEOUS**

Section 8.1 Notices. All notices to the Association or the Executive Board shall be delivered to the office of the Manager, or, if there is no Manager, to the office of the Association, or to such other address as the Executive Board may designate by written notice to all Unit Owners and to all holders of security interests in the Units who have notified the Association that they hold a security interest in a Unit. Except as otherwise provided, all notices to any Unit Owners shall be sent to the Unit Owner's address as it appears in the records of the Association. All notices to holders of security interests in the Units shall be sent, except where a different manner of notice is specified elsewhere in the Documents, by registered or certified mail to their respective addresses, as designated by them in writing to the Association. All notices shall be deemed to have been given when mailed, except notices of change of address, which shall be deemed to have been given when received.

Section 8.2 Fiscal Year. The Executive Board shall establish the fiscal year of the Association.

Section 8.3 Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 8.4 Office. The principal office of the Association shall be at such place as the Executive Board may from time to time designate.

Section 8.5 Working Capital. A working capital fund is established pursuant to the Declaration. Any amounts paid into this fund shall not be considered as advance payment of assessments. Each Unit's share of the working capital fund may be collected and then contributed to the Association by the Declarant at the time the sale of the Unit is closed or at the termination of Declarant control. Until paid to the Association, the contribution to the working capital shall be considered an unpaid Common Expense Assessment.

Section 8.6 Reserves. As a part of the adoption of the regular budget the Executive Board shall include an amount which, in its reasonable business judgment, will establish and maintain an adequate reserve fund for the replacement of improvements to the Common Elements and those Limited Common Elements that it is obligated to maintain, based upon age, remaining life and quantity and replacement cost of major Community Common Element improvements.

**ARTICLE IX  
AMENDMENTS TO BYLAWS**

Section 9.1 Vote of Executive Board. The Bylaws may be amended only by vote of two-thirds of the Directors of the Executive Board, following notice and opportunity to comment to all Unit Owners, at any meeting duly called for such purpose.

Section 9.2 Restrictions on Amendments. No amendment of the Bylaws of this Declaration shall be adopted which would affect or impair the validity or priority of any security interest covering any Unit or which would materially change the provisions of the Bylaws with respect to a first lien security interest or the interest of any mortgagees or liens of record.

ATTEST: Certified to be the Bylaws adopted by consent of the Directors of the Association dated this 10 day of August, 2003.



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Signature

**BYLAWS**  
**OF**  
**CORONADO VILLAS ASSOCIATION, INC.**

**ARTICLE I**  
**NAME AND LOCATION**

Section 1. The name of the corporation is Coronado Villas Association, Inc., hereinafter referred to as the "Association."

The principal office of the corporation shall be located at ~~Coronado~~ 496 Coronado Ct. Grand Junction, CO 815 01, but meetings of members and directors may be held at such places within the State of Colorado, County of Mesa, as may be designated by the Board of Directors.

**ARTICLE II**  
**DEFINITIONS**

Section 1. "Association" shall mean and refer to Coronado Villas Association, Inc., its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions of Coronado Villas Condominiums, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

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

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

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

Section 6. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of Clerk and Recorder of Mesa County, Colorado.

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

### **ARTICLE III MEETING OF MEMBERS**

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

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

Section 3. Notice of Meeting. Written notice of each meeting of the members shall be given by, or at the discretion of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies to cast, five-sevenths (5/7) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

### **ARTICLE IV BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE**

Section 1. Number. The affairs of this Association shall be managed by a Board of three (3) directors.

Section 2. Term of Office. At the first annual meeting, the members shall elect directors for a term of one year.

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

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

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

## ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting until the close of the next annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or nonmembers.

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

## ARTICLE VI MEETINGS OF DIRECTORS

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

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



Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

**ARTICLE VII  
POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

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

- a. adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- b. suspend the voting rights and right to use of the irrigation facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;
- c. exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- d. declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- e. employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

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

- a. cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by five-sevenths (5/7) of the members who are entitled to vote;
- b. supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- c. as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same.

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

e. procure and maintain adequate liability and hazard insurance on property owned by the Association;

f. cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

g. cause the Common Area to be maintained.

## **ARTICLE VIII OFFICERS AND THEIR DUTIES**

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

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

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

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

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board,

the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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

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

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

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

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

c. Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses; and shall perform such other duties as required by the Board.

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

## ARTICLE IX COMMITTEES

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

**ARTICLE X  
BOOKS AND RECORDS**

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

**ARTICLE XI  
ASSESSMENTS**

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 12 percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

**ARTICLE XII  
CORPORATE SEAL**

The Association shall have a seal in circular form having within its circumference the words: Coronado Villas Association, Inc.

**ARTICLE XIII  
AMENDMENTS**

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

**ARTICLE XIV  
MISCELLANEOUS**

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

IN WITNESS WHEREOF, we, being all of the directors of the Coronado Villas Association, Inc., have hereunto set our hands this 10 day of August, 2003.

  
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CERTIFICATION

THAT I am the duly elected and acting secretary of Coronado Villas Association, Inc., a Colorado corporation, and,

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
Secretary