

BY-LAWS  
OF  
LAS COLINAS PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE I

**NAME AND LOCATION**

The name of the corporation is Las Colinas Property Owners Association, Inc., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 6000 Greenwood Plaza Blvd., Suite 120, Greenwood Village, Colorado, 80111 but meetings of members and directors may be held at such places within the State of Colorado as may be designated by the Board of Directors.

ARTICLE II

**DEFINITIONS**

Section 1. "Articles" shall mean the Articles of Incorporation of the Association.

Section 2. "Association" shall mean and refer to Las Colinas Property Owners Association, Inc., its successors and assigns.

Section 3. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for Las Colinas recorded in the office of the Clerk and Recorder, Chaffee County, Colorado, on August 21, 2002, Reception No. 328288.

Section 4. "Declarant" shall mean and refer to Las Colinas, LLC, a Colorado limited liability company, its successors and assigns if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.

Section 5. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners, if any.

Section 6. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Subdivision with the exception of any Common Areas.

Section 7. "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 Subdivision, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration, and the Articles.

Section 9. "Subdivision" shall mean and refer to that certain real property described in the Declaration together with any other real property made subject to the provisions of the Declaration.

Section 10. "Vote" shall mean the right for the Owner, or Owner's of a lot to cast a vote in all matters of the Association. There shall only be one vote allowed for each lot no matter how many persons may jointly own said lot.

### ARTICLE III

#### MEMBERSHIP AND VOTING RIGHTS

Section 1. Classes of Members. There shall be one class of membership. A purchaser of a lot from Declarant or its successor in the subdivision shall automatically become a Member of the association.

Section 2. Voting Right. Each Member shall be entitled to one vote per Lot it owns for elections or other matters held or conducted in accordance with the Declaration and/or these Bylaws.

### ARTICLE IV

#### MEETING OF MEMBERS

Section 1. Annual Meetings. Regular annual meetings of the Members shall be held at a time specified by the Board of Directors ("Board") in a written notice thereof. 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, or upon written request of the Members who are entitled to vote three-fourths (75%) of the votes of all Members.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (30) 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. For the purpose of issuing such notices, the Board may establish a record date for determination of membership, in accordance with the laws of Colorado.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of Members holding proxies and, entitled to cast, twenty-five percent (25%) of the votes of all classes of membership shall constitute a quorum for any action, except as otherwise provided in the Articles, the Declaration, or these By-laws. If

however, such quorum is not present or represented at any meeting, the Members entitled to vote thereat shall have 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 at least twenty-four (24) hours prior to the commencement of the meeting of Members at which such proxy is sought to be utilized. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot, and shall also cease upon attendance in person by the Member who previously gave a proxy. No proxy shall be valid after the expiration of eleven (11) months from the date of its execution unless otherwise specifically provided in the proxy.

Section 6. Majority Vote. At any meeting of Members at which a quorum is present, the affirmative vote of Members representing one (1) vote more than fifty percent (50%) of the votes present in person or by proxy and entitled to be voted of all classes of Members shall be the act of the Members, unless the vote of a greater number is required by law, the Declaration, the Articles, or these By-laws.

## ARTICLE V

### BOARD OF DIRECTORS: ELECTION: TERM OF OFFICE

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

Section 2. Initial Board of Directors. The initial Board of Directors, who shall serve until the first meeting of members, shall be elected by the incorporators of the association at the organizational meeting.

Section 3. Term of Office. At the first annual meeting the Members shall elect three directors for a term of two (2) years, and at annual meetings thereafter for vacancies that occur after the completion or other termination of a term the members shall elect a new director for a term of two (2) years.

Section 4. 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 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. Every director whose removal is voted upon by the members shall be entitled to speak and be heard prior to the vote for removal.

Section 5. Resignations, Vacancies. Any director may resign at any time by giving written notice to the president or to the secretary of the Association. Each resignation shall become effective at the time specified therein, and acceptance of the resignation shall not be necessary to make the resignation effective. Any vacancy occurring in the Board owing to resignation or death shall be filled by the affirmative vote of a majority of the directors then in office, even though less than a quorum. A director so elected to fill a vacancy shall serve until the next annual meeting of Members.

Section 6. 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 7. Meetings by Telephone. The directors may hold meetings via a telephone conference call, and any action taken by the Board at such a telephone conference call meeting shall have the same force and effect as such action taken at a meeting at which a quorum of the Board was physically present.

\* Section 8. Action Taken Without A Meeting. The directors shall have the right to take any action in the absence of 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.

Section 9. Election. Election to the Board shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles, the Declaration or these Bylaws. 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 from time to time as the Board by vote may determine, without written 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 legal holiday.

Section 2. Special Meetings. Special meetings of the Board shall be held when called by the president of the Association, or by any two (2) directors, after not less than seventy-two (72) hours notice to each director.

Section 3. Quorum, Majority Vote. The presence, in person or by proxy, at the meeting of the Board, of two Directors shall constitute a quorum, and the vote of a majority of those present and entitled to vote shall be an act of the Board. If, however, such quorum shall not be present or represented at any meeting, the Directors entitled to vote thereat shall have to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented.

Section 4. Waiver of Notice. Before, at, or after any meeting of the Board, any director may waive, in writing, notice of such meeting and such waiver shall be deemed equivalent to the giving and receipt of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him except when a director attends the meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

## ARTICLE VII

## POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

(a) suspend the voting rights of any member in default of the payment of dues or assessments. Such rights may also be suspended after notice and hearing before the Board, for a period not to exceed thirty (30) days, for infraction of published rules and regulations.

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

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

(d) employ a manager, independent contractors, or such other employees as it deems necessary, and to prescribe their duties.

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

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

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

(c) as more fully provided in the Declaration, to:

✕ (1) fix the amount of the assessments; and prepare a roster of the Lots and the assessments applicable thereto;

✕ (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 Lot 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, or both,

(d) issue, or cause an appropriate officer to issue, upon demand by any Owner, first mortgagee of a Lot, prospective Owner or prospective first mortgagee, a certificate setting forth whether 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) administer and enforce the Declaration;

(h) appoint members of the Architectural Control Committee described in the Declaration.

## ARTICLE VIII

### OFFICERS AND THEIR DUTIES

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

\* Section 2. Election of Officers. The election of officers shall take place at the Board of Directors meeting 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 said board member shall sooner resign, be removed, or otherwise be 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. Removal and Resignation. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president, or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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

Section 7. Multiple Offices. A person may hold more than one office simultaneously, except that no person shall simultaneously hold the offices of president and secretary.

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

#### President

The president shall preside at all meetings of the Board and of the Members; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments; shall co-sign all checks in

amounts greater than \$100.00 and promissory notes; and shall be the chief executive officer of the Association having general and active control of the affairs of the Association and general supervision of its officers, agents, and employees, subject to any management agreement authorized by the Board.

#### 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 or the president.

#### Secretary

The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board, its Executive Committee, and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve proper 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 the names and addresses of their mortgagees, if any, and shall perform such other duties as required by the Board.

#### 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; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members. He shall perform all other duties incident to the office of treasurer, and upon request of the Board shall post a bond satisfactory to the Board conditioned upon faithful performance of his duties. The cost of such bond shall be paid by the Association.

### ARTICLE IX

#### ARCHITECTURAL CONTROL

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Section 1. Architectural Control Committee. The Architectural Control Committee ("Committee") shall exercise its best judgment to see that all improvements, construction, landscaping and alterations on lands within the Subdivision conform to and harmonize with existing surroundings and structures, and the future development of the Subdivision in accordance with the Declaration.

Section 2. Review of Plans. No building, fence, wall, canopy, awning, structure or improvement, or change in landscaping shall be commenced, erected, altered, moved, removed or maintained upon the Subdivision, nor shall any exterior addition to, or change or alteration thereof be made until the plans and specifications showing the nature, kind, color, shape, height, materials and location of the same shall have been submitted to and approved in writing concerning compliance with the Declaration as to harmony of external design and location in

relation to surrounding structures and topography by the Committee composed of three (3) or more representatives appointed by the Board.

Section 3. Procedures. The Committee shall approve or disapprove all plans and requests within thirty (30) days after submission. In the event the Committee fails to take any action within thirty (30) days after requests have been submitted, approval will not be required, and this Article IX will be deemed to have been fully complied with.

Section 4. Majority Vote. Designated Representative. A majority vote of the Committee is required for approval or disapproval of proposed plans and specifications or a majority of the Committee may designate, in writing, a representative to act.

Section 5. Written Records. The Committee shall maintain written records of all applications submitted to it and of all actions it may have taken.

Section 6. No Liability. The Committee shall not be liable in damage to any person submitting requests for approval or to any Owner within the Subdivision by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove with regard to such requests.

## ARTICLE X

### INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Association shall indemnify every director and officer, and member of the Architectural Control Committee, and his or her heirs, executors and administrators against all loss, costs and expenses, including counsel fees, reasonably incurred in connection with any action, suit or proceeding to which such person may be made a party by reason of being or having been a director or officer of the Association, or member of the Committee, except as to matters for which such person shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement where the Association is advised by legal counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duties as such Director or officer, or member of the Committee. The foregoing rights shall not be exclusive of other rights to which such director or officer may be entitled. All liability, loss, damage, costs and expense incurred, if suffered by the Association by reason of, or arising out of, or in connection with the foregoing indemnification provisions, shall be treated and handled by the Association as a common expense. Nothing contained in this Article shall, however, be deemed to obligate the Association to indemnify any member who is, or has been, a director or officer of the Association or member of the Committee, with respect to any duties or obligations assumed, or liabilities incurred, as a member or owner of a Lot under or by virtue of the Declaration.

## ARTICLE XI

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

#### ARTICLE XII

#### **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 twelve percent (12%) 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 XIII

#### **CORPORATE SEAL**

The Association shall have a seal in circular form having within its circumference the words: Las Colinas Property Owners Association, Inc.

#### ARTICLE XIV

#### **ACCESS BY DECLARANT**

So long as the Declarant is a Member, the Declarant, its officers, agents, employees, contractors, subcontractors and suppliers shall have the right to use any Common Area, including without limiting the generality of the foregoing, all roads within the Subdivision, for marketing, construction, and inspection of all or any portion or the Subdivision.

#### ARTICLE XV

#### **ACCESS BY EMERGENCY**

All public safety and fire protection emergency vehicles, and ambulances, shall have the right to use the properties roads and common area as reasonably required to fulfill their purposes.

#### ARTICLE XVI

#### COMPLIANCE WITH INTERNAL REVENUE CODE

Anything in law, the Articles or these By-Laws to the contrary notwithstanding, the Association shall not be empowered to do or perform any act or thing not authorized to be done by a corporation exempt from federal income tax pursuant to Section 528 of the Internal Revenue Code of 1954, as amended, or the corresponding provisions of any subsequent internal revenue law.

#### ARTICLE XVII

#### AMENDMENTS, GOVERNING PROVISIONS AND SPECIAL BYLAWS

Section 1. Required Approval. Except as provided below, these By-Laws may only be amended, at a regular or special meeting of the Members, by a vote of two-thirds (2/3rds) of all Members of all classes of the Association who are entitled to vote.

Section 2. Governing Provisions. In the case of any conflict between the Articles and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and the Articles or these By-Laws, the Declaration shall control.

#### ARTICLE XVIII

#### NONCOMPLIANCE

Section 1. Suspension of Privileges. In the event of an alleged violation of the Declaration, the Articles of Incorporation, these Bylaws, or the rules and regulations of the Association, and after written notice of such alleged violation is given to the Owner (or to any person subject to the terms of any of the above documents) alleged to be in default ("Respondent") in the manner herein provided, the Board shall have the right, after affording the Respondent an opportunity for an appropriate hearing as hereinafter provided, and upon an affirmative vote of a majority of all directors on the Board, to take any one or more of the following actions: (1) to levy a fine as provided by these Bylaws; (2) to suspend or condition the right of said Owner to use the Subdivision or any recreational facilities owned, operated, or maintained by the Association; (3) to suspend said Owner's voting privileges as an Owner; or (4) to record a notice of noncompliance against the property of the Respondent in the real property records of the County of Fremont, State of Colorado. Any such suspension shall be for a period of not more than sixty (60) days for any noncontinuing infraction. If there is a continuing infraction (including nonpayment of any assessment after the same becomes delinquent), suspension may be imposed for so long as the violation continues. The failure of the Board to enforce the provisions of the Declaration, the Articles of Incorporation, these Bylaws, or the rules and regulations of the Association shall not constitute a waiver of the right to enforce the same thereafter. The remedies set forth above

and otherwise provided by these Bylaws shall be cumulative and none shall be exclusive. However, each Owner (and every other person subject to the terms of the above documents) must exhaust all available internal remedies of the Association prescribed by these Bylaws or by the rules and regulations of the Association before that person may resort to a court of law for relief with respect to any alleged violation of the Declaration, the Articles of Incorporation, these Bylaws, or the rules and regulations of the Association by another person, provided the foregoing limitation pertaining to exhausting administrative remedies shall not apply to the Board or to any Owner (or other person) where the complaint alleges nonpayment of any type of assessment.

#### ARTICLE XIX

#### SEVERABILITY

The invalidation of any one of the provisions of these Bylaws by judgment or Court decree shall in nowise affect any of the other provisions which shall remain in full force with effect.