

BYLAWS OF  
ARAPAHOE RIDGE TOWNHOUSE ASSOCIATION

OF COLORADO  
BOULDER

JUL 17 8 19 AM '78

Article I.

GENERAL

Section 1. The following paragraphs contain provisions for the regulation management of Arapahoe Ridge Townhouse Association, a Colorado nonprofit corporation.

Section 2. In the event that there is a conflict between a provision of these Bylaws and a mandatory provision of the Articles of Incorporation of this Corporation, or a mandatory provision of the laws of the State of Colorado, then, said mandatory provision of the laws of the State of Colorado or said mandatory provision of the Articles of Incorporation of this Corporation shall control.

Article II.

OFFICES

The principal office of the Corporation in the State of Colorado shall be located in the City of Boulder, County of Boulder. The registered office of the Corporation required by the laws of the State of Colorado to be maintained in the State of Colorado shall be as set forth in the Articles of Incorporation and may be, but need not be, identical with the principal office in the State of Colorado. The address of the registered office may be changed from time to time by the Board of Directors.

Article III.

OBJECT

1. The purpose for which this nonprofit Corporation is formed is to govern that property situate in the County of Boulder, State of Colorado, known as the Arapahoe Ridge Townhouse Area, the management of such property is limited by the recorded Declaration of Covenants, Conditions, Restrictions and Easements, hereinafter referred to as "Declaration".

2. All present or future owners, tenants, and any other persons who might use such property in any manner are subject to the regulations set forth in these Bylaws. Acquisition of a fee or leasehold interest in any of the lots of the project, shall constitute ratification and acceptance of these Bylaws and an agreement to comply herewith.

Article IV.

MEMBERSHIP, VOTING, QUORUM, PROXIES

1. Members. Every owner of a lot shown in the Arapahoe Ridge Adult Housing Area shall be a member of the Association. Membership shall be appurtenant to any may not be separated from ownership of a lot. Any, person, firm, corporation, or other equity which shall become an owner of any lot, whether through foreclosure or any other legal proceedings or by deed or conveyance shall automatically thereupon become a member of the Association.

2. Voting. Each member being present in person or by proxy shall, except as may be provided in the Declaration, be entitled to one vote for each lot owned by said member. Cumulative voting is prohibited.

3. Classes of Membership. The Association shall have two classes of voting members whose designations are as follows:

a. Class A. Class A members shall be all owners of lots as shown on the map of Arapahoe Ridge Townhouse Area, with the exception of Granite Homes Inc., and each owner shall be entitled to vote for each lot owned by him. When more than one person owns an interest in such lot, the membership as to such lot shall be joint and a single membership for such lot shall be issued in the names of all owners, and they shall designate to the Association in writing at the time of issuance, one person who shall hold the membership and have the power to vote said membership.

b. Class B. The only Class B member shall be Granite Homes, Inc., which shall be entitled to three votes times the number of units located on the property owned by it or to be built on lots owned by it. Class B membership shall cease to exist and be converted to Class A membership on the happening of the first of either of the following events:

- (1) When the total number of votes outstanding in Class A membership equals the total number of votes outstanding in Class B membership; or
- (2) On September 30, 1981

4. In no case shall the Association have the right, power or authority, to dictate or direct construction policies, procedures, or design of the builder during the construction phase.

5. Change of Membership. A change of membership in the Association shall be established by recording in the office of the Boulder County Clerk and Recorder a deed establishing record title and the delivery to the Association of a certified copy of such instrument. The owner(s) designated by such instrument shall thereby become a member of the Association. The membership of the prior owner shall thereby be terminated.

6. Quorum. The presence either in person or by proxy of at least fifty-one percent of the member of record shall constitute a quorum of the Association for all purposes unless the representation of a large group shall be required by law, by the Articles of Incorporation, or by these Bylaws, and in that event representation of the number so required shall constitute a quorum.

If a quorum is present, the affirmative vote of a majority of the units represented at the meeting and entitled to vote on the subject matter shall be the act of the Association; unless the vote of a greater number is required by law or the Articles of Incorporation.

7. Proxies. Votes may be cast in person or by proxy. Proxies must be filed with a Secretary before the appointed time of each meeting.

#### Article V.

##### ADMINISTRATION

1. General. The owners of the lots will constitute the Arapahoe Ridge Townhouse Association, hereinafter referred to as "Association", who will have the responsibility of administering the project through a Board of Directors as herein provided.

2. Place of Meeting. Meetings of the Association shall be held at such place as the Board of Directors may determine.

3. Annual Meetings. The first annual meeting of the Association shall be held on any day during the month of October, 1978. Thereafter,

the annual meetings of the Association shall be held on the first Tuesday in October, or at such other time as the Association may by majority vote approve. At such meeting, there shall be elected a Board of Directors in accordance with the requirements set forth herein. The Association may also transact such other business of the Association as may properly come before it.

4. Special Meetings. Special meetings of the Association for any purpose or purposes other than those regulated by statute may be called for by the President as directed by resolution of the Board of Directors, or upon a petition signed by a majority of the members of the Association. Such petition shall state the purpose or purposes of such proposed meeting. No business shall be transacted at a special meeting except as stated in the notice thereof unless by consent of two-thirds of the Association members present, either in person or by proxy.

5. Notice of Meetings. The President or Secretary shall give or cause to be given notice of the time, place, and purpose of holding each annual or special meeting by mailing or hand-delivering such notice at least ten days but not more than twenty days prior to such meeting to each Association member at the respective addresses of said members as they appear on the records of the Association.

6. Adjourned Meetings. If the number of Association members necessary to constitute a quorum shall fail to attend in person or by proxy at the time and place of meeting, the chairman of the meeting, or a majority in interest of the Association members present in person or by proxy, may adjourn the meeting from time to time until the necessary number of Association members shall be in attendance. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting.

7. Waiver of Notice. Any member may at any time waive any notice required to be given under these Bylaws, or by statute or otherwise, and the presence of a member in person at any meeting of the members shall be deemed such a waiver.

#### Article VI

##### BOARD OF DIRECTORS

#### 1. Number and Qualification.

(a) The affairs of this Association shall be governed by a Board of Directors consisting of not less than three nor more than seven members of the Association; provided, however, that the following persons shall act in such capacity until the first annual meeting of the members and until their successors are elected and shall qualify:

B.J. Lanning  
Jack C. Lippoldt  
Mary E. Palmer

(b) Where a member of the Association elected to the Board of Directors is other than a natural person, it shall designate one of its officers, principals, partners or agents to perform its duties as one of the members of the Board of Directors.

2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association, and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done by the members. The powers of the Board of Directors shall include, but not be limited to, all of the rights and duties of the Board of Directors as set forth elsewhere in these Bylaws and the Articles of Incorporation, and in the Declaration applicable to the property described in the Declaration and in Article IV above, and shall also include the power



to promulgate such rules and regulations pertaining to such rights and duties as may be deemed proper and which are consistent with the foregoing. The Board of Directors may delegate such duties as appear in the best interests of the Association and to the extent permitted by law.

The Board of Directors may, on contract, delegate the routine operation and management of the Association affairs to a Managing Agent to be selected by the Board of Directors. Such Managing Agent shall be responsible to the Board of Directors, and shall submit a comprehensive report on his activities at each annual meeting.

3. Election and Term of Office. The term of the Directors named in the Articles of Incorporation shall be until the first annual membership meeting or until their successors are duly chosen and qualify. Their successors shall be elected at the first annual meeting of the members of the Association. A new Board of Directors shall be elected by the members at each regular annual meeting thereafter and each Director shall hold office for a term of one year or until a successor shall be elected and shall qualify except as hereinafter otherwise provided. The number of Directors may be altered from time to time by the action of a majority of the members of the Association at any regular or special meeting called for such purpose. In the event of any increase in the number of Directors in advance of the annual meeting, each additional Director shall be elected by the then Board of Directors and hold office until his successor is elected and shall qualify.

4. Vacancies. Vacancies on the Board of Directors caused by any reason shall be filled by vote of the majority of the remaining Directors even though they may consist of less than a quorum and each member so elected shall be a Director until his successor is duly elected by the members of the Association at the next annual meeting or special meeting called for such purpose.

5. Removal of Directors. At any regular or special meeting of the Association, any one or more of the Directors may be removed with or without cause at any time by the affirmative two-thirds vote of the entire membership of record and a successor may then be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the members of the Association shall be given an opportunity to be heard at the meeting.

6. Compensation. No compensation shall be paid to Directors for their services as Directors. No remuneration shall be paid to a Director for services performed by him for the Association in any other capacity, unless a resolution authorizing such remuneration shall have been adopted by the Board of Directors before the services are undertaken.

7. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within thirty days of election at such time and place as shall be fixed at the meetings at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

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

9. Special Meetings. Special meetings of the Board of Directors may be called by the President on ten days' notice to each Director,

given personally or by mail, telephone or telegraph, which notice shall state the time and place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least fifty percent of the Directors.

10. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

11. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of Business, but if at any meeting of the Board there be less than a quorum present, a majority of those present may adjourn the meeting from time to time.

12. Adjournments. The Board of Directors may adjourn any meeting from day to day or for such other time as may be prudent or necessary in the interest of the Association, provided that no meeting may be adjourned for a period longer than thirty days.

13. Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

#### Article VII.

##### OFFICERS

1. Designation. The principal officers of the Association shall be a president, a secretary, and a treasurer, all of whom shall be elected by and from the Board of Directors. The Directors may appoint an Assistant Secretary and an Assistant Treasurer, and such other officers as in their judgment may be necessary.

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

3. Removal of Officers. Upon an affirmative vote of two-thirds of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the members and of the Board of Directors. He shall have all of the general powers and duties which are normally vested in the office of the President of a corporation, including but not limited to the power to appoint committees from among the members from time to time as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the Association.

5. Secretary. The Secretary shall keep the minutes of all meetings of the members; he shall have the custody of the Seal of the Association; he shall have charge of the membership books and such other books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

6. Treasurer. The Treasurer shall have the responsibility for

Association funds and securities and shall be responsible for keeping full and accurate records of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors.

7. Compensation. No compensation shall be paid to officers for their services as officers. No remuneration shall be paid to an officer for services performed by him for the Association in any other capacity, unless a resolution authorizing such remuneration shall have been adopted by the Board of Directors before the services are undertaken.

#### Article VIII.

##### INDEMNIFICATION OF OFFICERS AND DIRECTORS

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

#### Article IX.

##### POWERS, RIGHTS AND DUTIES OF THE ASSOCIATION AND MEMBERS THEREOF

1. The Association and its members shall have all the powers, rights, duties and obligations set forth in the Articles of Incorporation for the Association, these Bylaws, rules and regulations pursuant thereto, the Declaration, and as many of the same may be duly adopted or amended. No transfers of membership in the Association shall be made except as provided herein and no such transfer shall be made upon the books of the Association within ten days next preceding the annual meeting of the Association.

2. The members of the Association and Board of Directors, or each of them, shall have the express authorization, right and power to enter into one or more management agreements with third parties in order to facilitate efficient operation of the common elements, including the real property described in Article IV above. It shall be the primary purpose of such management agreements to provide for the administration, management, repair and maintenance of said property, all improvements thereon designated as project common elements, and the roofs and exterior walls of the residence units.

3. The terms of said management agreements shall be as determined



by the Board of Directors to be in the best interests of the Association, and shall be subject to the Articles of Incorporation, these Bylaws and the Declaration.

Article X.

CORPORATE SEAL

1. The Board of Directors shall provide a suitable corporate seal containing the name of the Association, which seal shall be in the custody and control of the Secretary.

2. The corporate seal shall be in circular form, shall have inscribed thereon the name of the Association and the word "Colorado" in the circle and the word "Seal" in the middle. If and when so directed by the Board of Directors, a duplicate seal may be kept and used by such officer or other person as the Board of Directors shall name.

Article XI.

MISCELLANEOUS

1. Books and Accounts. Books and accounts of the Association shall be kept under the direction of the Treasurer and in accordance with the reasonable standards of accounting practice and procedure.

2. Auditing. At the closing of each fiscal year, the books and records of the Association shall be audited by a Certified Public Accountant, whose report will be prepared and certified. Based upon such reports the Association will have available for inspection by its members a statement of the income and disbursements of the Association for each fiscal year. Upon request, the holder and insurer of the first mortgage on a unit shall be entitled to receive such audited statement after 90 days following the end of the fiscal year.

3. Inspection of Books. Financial reports, such as are required to be furnished, the membership records of the Association, and copies of the Declaration, these Bylaws and the Articles of Incorporation, shall be available at the principal offices of the Association for inspection at convenient weekday business hours by any member, holder of the first mortgage on a unit, insurer of such mortgage or prospective purchaser.

4. Execution of Association Documents. With the prior authorization of the Board of Directors, all notes, checks and contract of other obligations shall be executed on behalf of the Association by any two officers of the Association.

5. Fiscal Year. The Fiscal year of the Association shall be determined by the Board of Directors should Association practice subsequently necessitate such change.

6. Depository. The depository of the Association shall be such bank or banks as shall be designated from time to time by the directors and in which the moneys of the Association shall be only by checks signed by such persons as are authorized by the Board of Directors.

7. Statement of Account. Upon payment of a reasonable fee, as determined from time to time by the Association, and upon 10 days written request of any owner or any mortgagee, prospective mortgagee or prospective purchaser of a unit, the Association shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such unit, the amount of the current yearly assessment and the date that such assessment shall become or become due, credit for advanced payments or prepaid items, including, but not limited to, an owner's share of prepaid insurance premiums, which statement shall be conclusive upon the Association in favor of persons who rely thereon in

good faith. Unless such request for a statement of account shall be complied with within twenty days, all unpaid assessments which became due prior to the date of making such request shall be subordinate to the lien of a mortgage which acquired its interest subsequent to requesting such statement. Where a prospective purchaser makes such request, both the lien for such unpaid assessments and the personal obligation of the purchaser shall be released automatically if the statement is not furnished within the twenty-day period provided herein and thereafter an additional written request is made by such purchaser and is not complied with within ten days, and the purchaser subsequently acquires the lot.

#### Article XII.

##### AMENDMENTS

1. Amendment by the Members. These Bylaws and any rules and regulations adopted by the Board of Directors may be amended by the affirmative vote of two-thirds of the members of the Association present or represented by proxy at any regular or special meeting, provided that a quorum as prescribed in Article V 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 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.

2. Limitation on Amendments. These Bylaws may not be amended insofar as such amendment would be inconsistent with the recorded restrictions of the property. No amendment shall discriminate against any owner or against any unit or class or group of units unless the owners so affected shall consent. The consent of the Lot Owners and, the written consent of three-fourths of the first mortgagees shall be required for any amendment of this Declaration effecting a change in (i) the boundaries of any Lot (ii) the interest in the Common Area appertaining to the Lot or the liability for common expenses appertaining thereto, (iii) the number of votes in the Association appertaining to the Lot, or (iv) the fundamental purposes to which any Lots or the Common Area are restricted.

3. Formality. A copy of each amendment shall be certified by the President and Secretary of the Association as having been duly adopted and shall be appended to the Bylaws and retained with the records of the Association.

#### Article XIII.

##### INSURANCE, DAMAGE, DESTRUCTION AND OBSOLESCENCE

1. Association to Maintain Insurance. The Association or its agent shall obtain and maintain at all times liability insurance, insurance coverage against loss or damage by fire and such other hazards as are covered under standard coverage provisions for the full replacement cost of the general common elements, and recreational facilities (including insurance against loss or damage by vandalism or malicious mischief) in the amount of the full replacement value, without deduction for depreciation, issued by a responsible insurance company authorized to do business in the State of Colorado. The insurance shall be carried in blanket policy form naming the Association as the insured.

The insurance described in this paragraph shall be inflation coverage insurance if such insurance is available which insurance at all times represents 100% of the replacement value of all facilities in the common area. If inflation coverage insurance is unavailable, the Association shall, at least every three years, obtain an appraisal for



insurance purposes which shall be maintained as a permanent record, showing that the insurance in any year represents 100% of the replacement value of the facilities in the common area.

2. Insurance to be Maintained by Owners. Liability insurance coverage against loss or damage by fire and such other hazards as are covered under standard coverage provisions for the full replacement cost of each unit shall be obtained by the owner of each unit. Insurance coverage on the furnishings and other items of personal property belonging to an owner shall be the responsibility of the owner.

3. Appointment of Attorney in Fact. All of the owners irrevocably constitute and appoint the Association their true and lawful attorney in their name, place and stead for the purpose of repairing and reconstruction improvements should they be damaged or destroyed as more fully hereinafter set forth. Repair and reconstruction of the improvements as used in this Article means restoring the improvements to substantially the same condition in which they existed prior to the damage, with each unit having the same boundaries as before. The proceeds of any insurance collected shall be available to the Association for the purpose of repair, restoration or replacements as is provided hereinafter. As attorney in fact, the Association shall have full and complete authorization, right and power to make, execute and deliver any contract deed or any other instrument with respect to the interest of any owner which may be necessary and appropriate to exercise the powers herein granted.

4. Damage or Destruction.

(a) In the event of damage or destruction due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the improvements, shall be applied by the Association to such reconstruction, and the improvements shall be promptly repaired and reconstructed. The Association shall have full authority, right and power to cause the repair and restoration of the improvements.

(b) If the insurance proceeds are insufficient to repair and reconstruct the improvements, such damage or destruction shall be promptly repaired and reconstructed by the Association using the proceeds of insurance on the units which have been damaged or destroyed and the proceeds of an assessment against all the owners whose units have been damaged or destroyed, each owner being assessed the difference between the insurance proceeds on his unit and the cost of repairing his unit. Any such assessments shall be made by the Board of Directors after consultation with such owners, appraisers, contractors and other persons as it deems appropriate. Any assessments so made shall be due and payable as provided by the Board of Directors' resolution. The Association shall have full authority, right and power to cause the repair or restoration of the improvements using all of the insurance proceeds for such purpose notwithstanding the failure of an owner to pay the assessment. Any assessment not paid shall be collected as provided in Article XIV.

Article XIV.

SALE OF UNIT

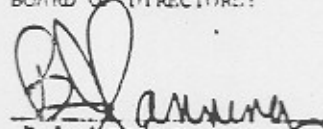
There shall be no restrictions upon the free alienability of each unit, provided, however that any alienation, conveyance or transfer of interest shall be subject to the provisions of the Declaration, the Articles of Incorporation and these Bylaws.

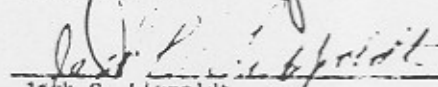
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IN WITNESS WHEREOF, the undersigned have hereunto set their hands  
this 13th day of July, 19 78

BOARD OF DIRECTORS:

  
\_\_\_\_\_  
R.J. Downing

  
\_\_\_\_\_  
Jack C. Lippoldt

  
\_\_\_\_\_  
Mary E. Palmer

KNOW ALL MEN BY THESE PRESENTS: That the undersigned Secretary of the Corporation does hereby certify that the above and foregoing Bylaws were duly adopted by the Board of Directors of said Corporation as the Bylaws of said Corporation on the 13th day of July, 1978, and that they do now constitute the Bylaws of said Corporation.

Dated: July 13, 1978

\_\_\_\_\_  
Secretary