

**BYLAWS  
OF  
MINEOLA TOWNHOME OWNERS ASSOCIATION, INC.**

The following Bylaws correctly set forth the provisions of the Bylaws of **MINEOLA TOWNHOME OWNERS ASSOCIATION, INC.**, and were duly adopted pursuant to the Colorado Revised Nonprofit Corporation Act:

**ARTICLE I  
NAME AND LOCATION**

The name of the corporation is **MINEOLA TOWNHOME OWNERS ASSOCIATION, INC.**, hereinafter referred to as the “Association”. The Association has been incorporated as a Colorado nonprofit corporation pursuant to its Articles of Incorporation (which are incorporated herein by this reference and hereafter called the “Articles”). The principal office of the corporation shall be located at such location as determined by the Board, but meetings of Members and Directors may be held at such places within the County of El Paso as may be designated by the Board of Directors, which shall also be known and referred to sometimes herein as the “Board”.

**ARTICLE II  
DEFINITIONS AND STATUS**

All terms which are defined in the Declaration of Covenants, Conditions and Restrictions of Mineola Townhomes (which is incorporated herein by this reference and hereinafter called the “Declaration” and incorporated herein by this reference) or in the Colorado Revised Nonprofit Corporation Act, C.R.S. §7-121-101 et seq. (hereinafter called the “Nonprofit Act”), shall have the same meaning herein. The Project is a “planned community” as defined by the Colorado Common Interest Ownership Act, but pursuant to C.R.S. §38-33.3-116, the Association, the Declarant, the Owners and the Project shall not be subject to that Act except to be subject only to C.R.S. §38-33.3-105, §38-33.3-106 and §38-33.3-107.

**ARTICLE III  
MEETING OF MEMBERS**

3.1. Membership and Voting Rights. The requirements and conditions of Membership and of voting rights shall be as provided in the Declaration and the Articles of Incorporation. By acquiring title to a Lot, a person or entity automatically consents to becoming a Member of the Association and to be subject to the rights and duties set forth in the Declaration, the Articles, Bylaws and applicable laws and statutes. Different rights and obligations with respect to voting and all other matters may be set forth in the Declaration, which shall be controlling over C.R.S. §7-127-202 or otherwise. Members may only transfer their Memberships and any right arising therefrom as permitted by the Declaration, Articles, and these Bylaws and in accordance

therewith. A Member may not resign from the Association, but may be suspended or have Membership terminated as provided by the Declaration, Articles of Incorporation and C.R.S. §7-126-302; a Member shall remain liable for all assessments, fees, charges and sums, whether past, present or future, despite such suspension or termination. Members who are not in good standing shall not have voting or other rights and shall not be counted for quorum or approval percentages under the Declaration, Articles of Incorporation and Bylaws. No votes allocated to a Lot owned by the Association may be cast.

3.2. Annual Meetings. The first annual meeting of the Members shall be held within one year of the date of incorporation, and each subsequent annual meeting of the Members shall be held during the same month of each year thereafter at a place, date and time, within the State of Colorado, as the Board of Directors may determine.

3.3. Special Meetings.

(a) The Association shall hold a special meeting of its Members:

(i) On call of its President or a majority of its Board of Directors; or

(ii) If the Association receives one or more written demands for the meeting, stating the purpose or purposes for which it is to be held, signed and dated by Members holding at least twenty percent (20%) of all votes (based upon Proportionate Interests) entitled pursuant to the Bylaws to be cast on any issues proposed to be considered at the meeting.

(b) If not otherwise fixed under C.R.S. §7-127-103 or §7-127-106, the record date for determining the Members entitled to demand a special meeting pursuant to paragraph (a)(ii) above is the date of the earliest of any of the demands pursuant to which the meeting is called, or the date that is sixty (60) days before the date the first such demands is received by the Association, whichever is later.

(c) If a notice for a special meeting demanded pursuant to paragraph (a)(ii) above is not given pursuant to C.R.S. §7-127-104 within thirty (30) days after the date the written demand or demands are delivered to a corporate Officer, regardless of the requirements of paragraph (d) below, a person signing the demand or demands may set the time and place of the meeting and give notice pursuant to C.R.S. §7-127-104.

(d) Special meetings of the Members may be held in or out of this state at the place stated in or fixed in accordance with these Bylaws, or, if not so stated or fixed, at a place stated or fixed in accordance with a resolution of the Board of Directors. If no place is so stated or fixed, special meetings shall be held at the Association's principal office.

(e) Only business within the purpose or purposes described in the notice of the meeting required by C.R.S. §7-127-104(3) may be conducted as a special meeting of the Members.

### 3.4. Notice of Meetings.

(a) The Association shall give to each Member who is entitled to vote at the meeting notice consistent with its Declaration, Bylaws and Rules of meetings of Members in a fair and reasonable manner.

(b) Any notice that conforms to the requirements of paragraph (c) below is fair and reasonable, but other means of giving notice may also be fair and reasonable when all the circumstances are considered.

(c) Notice is fair and reasonable if:

(i) The Association notifies by hand delivery or U.S. mail sent prepaid to the mailing address of each Member (either to the Member's unit or other mailing address designated in writing by the Member) of the place, date, and time of each annual, regular, and special meeting of Members no fewer than ten (10) days nor more than fifty (50) days before the meeting date, or to the extent allowed or required by statute, or sent by electronic transmittal to the number designated in writing by the Owner with a written confirmation of receipt, not less than ten (10) nor more than fifty (50) days in advance of a meeting. The date notice is sent shall be the date received by the recipient or three (3) days after placing the notice in the United States mail. No action shall be taken at a special meeting except as stated in the notice. If notice is mailed by other than first class or registered mail, no fewer than thirty (30) days, nor more than fifty (50) days before the meeting date, and if notice is given by newspaper as provided in C.R.S. §7-121-402(2), the notice must be published five (5) separate times with the first such publication no more than sixty (60) days, and the last such publication no fewer than ten (10) days, before the meeting date.

(ii) Notice of an annual or regular meeting should include a description of any matter or matters that must be approved by the Members or for which the Members' approval is sought under C.R.S. §7-128-501, §7-129-110, §7-130-103, §7-130-201, §7-131-102, and §7-134-102. The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, and any proposal to remove a Director from the Board. Notwithstanding any provision of these Bylaws, any notices required by the CCIOA or the Nonprofit Act shall be given and the meetings held in accordance with any applicable statutory requirement; and

(d) Unless otherwise provided by articles 121 to 137 of the Nonprofit Act or these Bylaws, notice of a special meeting includes a description of the purpose or purposes for

which the meeting is called.

(e) Members may waive notice as provided by C.R.S. §7-127-105.

(f) If an annual, regular, or special meeting of Members is adjourned to a different date, time, or place, notice need not be given of the new date, time, or place, if the new date, time, or place is announced at the meeting before adjournment. If a new record date for the adjourned meeting is or must be fixed under C.R.S. §7-127-106, however, notice of the adjourned meeting must be given under this section to the Members of record as of the new record date.

(g) When giving notice of an annual, regular, or special meeting of Members, the Association shall give notice of a matter a Member intends to raise at the meeting if:

(i) Requested in writing to do so by a person entitled to call a special meeting; and

(ii) The request is received by the Secretary or President of the Association at least ten (10) days before the Association gives notice of the meeting.

(h) The Board may fix the record date for determining the Members entitled to notice or to vote at any Members' meeting or to exercise any rights in respect to any lawful action pursuant to C.R.S. §7-127-106 or otherwise. Such record date may not be more than seventy (70) days before the meeting or action requiring a determination of Members occurs. Unless otherwise directed by the Board, the Association shall not be required to prepare the list of names described in C.R.S. §7-127-201.

3.5. Action Taken Without Meeting or by Telecommunication. Notwithstanding any provision to the contrary, any action required or permitted to be taken at any meeting of Members may be taken without a meeting, prior notice or vote, if Members entitled to vote thereon unanimously agree and consent to such action in writing; such action shall be taken in accordance with C.R.S. §7-127-107 of the Nonprofit Act. Action may also be taken by means of telecommunication (including e-mail) pursuant to C.R.S. §7-127-108.

### 3.6. Quorum.

(a) The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, seventy-five percent (75%) of the votes (based upon Proportionate Interests) in the Association 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.

(b) Once a Member is represented for any purpose at a meeting, including the purpose of determining that a quorum exists, the Member is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting, unless a new record date is or shall be set for that adjourned meeting.

### 3.7. Voting.

(a) Each Lot is allocated the voting rights as set forth in the Declaration.

(b) The vote of a corporation, limited liability company, trust or other entity may be cast by a person authorized in writing to cast such vote. The individual presiding at the meeting may require reasonable evidence that a person voting on behalf of an Owner who is a corporation, limited liability company, limited liability partnership, limited partnership, general partnership or any other type of entity recognized by Colorado is qualified to vote.

(c) The Board is entitled to reject a vote, consent, written ballot, waiver, proxy appointment or proxy appointment revocation if the Secretary or other Officer or agent authorized to tabulate the votes, acting in good faith, has a reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the Owner. The Association and its Officer or agent and the Board and its members who accept or reject a vote, consent, written ballot, waiver, proxy appointment or proxy appointment revocation in good faith and in accordance with the standards of the Nonprofit Act, and these Bylaws are not liable in damages for the consequences of the acceptance or rejection.

### 3.8. Proxies.

(a) If only one of the multiple Owners of a Lot is present at a meeting of the Association, such Owner is entitled to cast all the votes allocated to that Lot. If more than one of the multiple Owners are present, the votes allocated to that Lot may be cast only in accordance with the agreement of a majority in interest of the Owners, unless the Declaration expressly provides otherwise. There is majority agreement if any one of the multiple Owners casts the votes allocated to that Lot without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Lot.

(b) Votes allocated to a Lot may be cast pursuant to a proxy duly executed by a Lot Owner. If a Lot is owned by more than one person, each Owner of the Lot may vote or register protest to the casting of votes by the other Owners of the Lot through a duly executed proxy. A Lot Owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the Association or as otherwise provided in Section 3.7(e) of these Bylaws. A proxy is void if it is not dated or purports to be

revocable without notice. A proxy terminates eleven (11) months after its date, unless it provides otherwise.

(c) A Member may appoint a proxy by transmitting or authorizing the transmission of a fax, e-mail, or other electronic transmission providing a written statement of the appointment to the proxy, to a proxy solicitor, proxy support service organization, or other person duly authorized by the proxy to receive appointments as agent for the proxy or to the Association; except that the transmitted appointment shall set forth or be transmitted with written evidence from which it can be determined that the Member transmitted or authorized the transmission of the appointment.

(d) An appointment of a proxy is revocable by the Member.

(e) Appointment of a proxy is revoked by the person appointing the proxy:

(i) Attending any meeting and voting in person; or

(ii) Signing and delivering to the Secretary or other Officer or agent authorized to tabulate proxy votes either a writing stating that the appointment of the proxy is revoked or a subsequent appointment form.

3.9. Majority of Members. As used in these Bylaws, the term “majority of Members” shall mean Owners of Lots to which at least seventy-five percent (75%) of the votes (based upon Proportionate Interests) in the Association are attached, present at a meeting containing a quorum. Unless otherwise provided herein, or in the Declaration, an affirmative vote of seventy-five percent (75%) of the Members present, in person or by proxy, shall be required to transact the business of the meeting and shall be valid and binding upon all Members.

3.10. Voting by Mail. Except for removal of a Director under Section 4.4, the Board may decide that voting of the Owners on any matter required or permitted by the statutes of Colorado, the Declaration, the Articles of Incorporation, or these Bylaws shall be by written ballot. Pursuant to C.R.S. §7-127-109 of the Nonprofit Act, and subject to any amendments thereof, any action that may be taken at any meeting of Members may be taken without a meeting if the Secretary delivers a written ballot to every Member entitled to vote on the matter. “Delivery” to the Member of the ballot, and the Member’s return of the completed ballot shall be made by the same methods available for providing notice to a Member set forth in Section 3.3 above, or by e-mail attachment if the address has been provided to the Association.

(a) A written ballot shall: (i) set forth each proposed action; and (ii) provide an opportunity to vote for or against each proposed action.

(b) Approval by written ballot shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

(c) All solicitations for votes by written ballot shall: (i) indicate the number of responses needed to meet the quorum requirements; (ii) state the percentage of approvals necessary to approve each matter other than the election of member(s) of the Board; (iii) specify the time by which a ballot must be received by the Association in order to be counted; and (iv) be accompanied by written information sufficient to permit each person casting such ballot to reach an informed decision on the matter.

(d) A written ballot, once received by the Association, may not be revoked.

(e) The Board may adopt reasonable Rules for voting by mail, including that a Member who fails to respond to a written ballot within thirty (30) days shall be deemed to have voted in the affirmative.

3.11 Order of Business. The order of business at all meetings of the Members shall be as determined by the Board.

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

4.1. Number. The property, business and affairs of the Association shall be managed by a Board of Directors. The Board shall be composed of four (4) Directors; the Owners of each Lot shall appoint one Director to represent that Lot. Only Owners, eligible to vote and otherwise in good standing, may be elected or appointed to fill a vacancy on the Board; provided, however, Declarant shall have the right to appoint and remove Directors who may not be Owners to the Board as provided in the Declaration during the Period of Declarant Rights. In the case where, through removal or resignation, the total number of Directors is less than three, the Board will be considered properly constituted until such vacancies are filled.

#### 4.2. Term of Office.

(a) At each annual meeting after the termination of the Period of Declarant Rights, each Director shall be appointed to serve a one (1) year term. The term of any Director filling a vacancy expires at the end of the unexpired term that such Director is filling. Vacancies shall be filled as provided by C.R.S. §7-128-120 of the Nonprofit Act.

(b) Despite the expiration of a Director's term, a Director continues to serve until the Director's successor is elected, appointed, or designated and qualifies, or until there is a decrease in the number of Directors.

4.3. Vacancies. Vacancies created by removal of a Director of the Board by the Owners pursuant to Section 4.4 shall be filled by a majority of the Board (at a regular or special meeting) remaining after such vote to remove even though the members of the Board present at such a meeting may constitute less than a quorum; provided, however, if a majority of the Board is removed at once, an election shall be held immediately thereafter at the same meeting and the Owners shall appoint new Board members. Each person elected or appointed to the Board shall serve out the term of the Member he or she replaced. Notwithstanding any provision in Sections 4.3 and 4.4 to the contrary, vacancies of members of the Board who are appointed by the Declarant shall be filled by the Declarant.

4.4. Removal.

(a) Notwithstanding any provision of the Declaration or Bylaws to the contrary, the Owners by a vote of seventy-five percent (75%) of all Proportionate Interests present and entitled to vote at any meeting of the Owners at which a quorum is present, may remove any member of the Board with or without cause, other than a member appointed by the Declarant. Directors appointed by the Owners may be removed as follows:

(i) The voting Members may remove one or more Directors elected by them with or without cause.

(ii) Subject to C.R.S. §7-127-208(3), a Director may be removed only if the number of votes cast to remove the Director would be sufficient to elect the Director at a meeting to elect Directors.

(iii) A Director may be removed by the voting Members only at a meeting called for the purpose of removing that Director, and the meeting notice shall state that the purpose, or one of the purposes, of the meeting is removal of the Director. In the event of removal, the vacancy shall be filled as provided by Section 4.3 above.

(iv) A majority of the Board of Directors may be removed under paragraphs (i) to (iii) above, provided, however, if a majority of the Board is removed, the vacancies shall be filled by election of replacements at the same meeting as provided in Section 5.2 below.

(v) A Director elected by the Board of Directors may be removed with or without cause by the vote of a majority of the Directors then in office or such greater number as is set forth in the Bylaws; except that a Director elected by the Board of Directors to fill the



vacancy of a Director elected by the voting Members may be removed without cause by the voting Members, but not the Board of Directors.

(b) An appointed Director may be removed without cause by the Declarant appointing the Director. The person removing the Director shall do so by giving written notice of the removal to the Director and to the Association. A removal is effective when the notice is received by both the Director to be removed and the Association unless the notice specifies a future effective date.

(c) If, at the beginning of a Director's term on the Board, any Rules adopted by the Board pursuant to the Bylaws provide that a Director may be deemed to have resigned for failing to attend a specified number of Board meetings, or for failing to meet other specified obligations of Directors, and if such failure to attend or meet obligations is confirmed by an affirmative vote of the Board of Directors, then such failure to attend or meet obligations shall be effective as a resignation at the time of such vote of the Board.

4.5. Compensation. No Director shall receive compensation for any service he or she may render to the Association. However, any Director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties. Nothing herein shall prohibit the Association from compensating a member of the Board, or any entity with which a Director of the Board member is affiliated, for services or supplies furnished to the Association in a capacity other than as a member of the Board pursuant to a contract or agreement with the Association, provided that the interest of such Director of the Board was made known to the Board prior to entering into such contract and such contract was approved by a majority of the Board, excluding the interested Director of the Board.

## ARTICLE V ELECTION OF DIRECTORS

5.1. Election. After the termination of the Period of Declarant Rights, election to the Board of Directors may be by secret written ballot or other voting procedure set by the Board. At such election, Each Lot shall be entitled to appoint one Director to represent that Lot. be required for election to the Board of Directors.

## ARTICLE VI MEETINGS OF DIRECTORS

6.1. Regular Meetings. Regular meetings of the Board of Directors shall be held with such frequency and at such times and places as shall be determined by a majority of the Directors. Notice of regular meetings of the Board of Directors shall be given to each Director personally or by mail, telephone, fax or e-mail, at least three (3) days prior to the day named for such meeting.

6.2. Organizational Meeting. The first meeting of a newly elected Board of Directors following the annual meeting of the Members shall be held within ten (10) days thereafter at such place as shall be fixed by the Directors at the meeting at which such Directors were elected and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

6.3. Special Meetings. Special meetings of the Board of Directors may be called by the President of the Association, or by any two or more Directors, upon three (3) days' notice to each Director, given personally or by mail, telephone, fax or e-mail, which notice shall state the time, the place and the purpose of the meeting.

6.4. Notice of Meetings.

(a) Unless otherwise provided in articles 121 to 137 of the Nonprofit Act or in these Bylaws, regular meetings of the Board of Directors may be held without notice of the date, time, place, or purpose of the meeting. Any meeting may be held as allowed by C.R.S. §7-128-201.

(b) Unless the Bylaws provide for a longer or shorter period, special meetings of the Board of Directors shall be preceded by at least three (3) days' notice of the date, time, and place of the meeting. The notice need not describe the purpose of the special meeting unless otherwise required by articles 121 to 137 of the Nonprofit Act or these Bylaws.

6.5 Waiver of Notice.

(a) A Director may waive any notice of a meeting before or after the time and date of the meeting stated in the notice. Except as provided by paragraph (b) below, the waiver shall be in writing and signed by the Director entitled to the notice. Such waiver shall be delivered to the Association for filing with the corporate records, but such delivery and filing shall not be conditions of the effectiveness of the waiver.

(b) A Director's attendance at or participation in a meeting waives any required notice to that Director of the meeting unless:

(i) At the beginning of the meeting or promptly upon the Director's later arrival, the Director objects to holding the meeting or transacting business at the meeting because of lack of notice or defective notice and does not thereafter vote for or assent to action taken at the meeting; or

(ii) If special notice was required of a particular purpose pursuant to C.R.S. §7-128-203(2), the Director objects to transacting business with respect to the purpose for

which such special notice was required and does not thereafter vote for or assent to action taken at the meeting with respect to such purpose.

6.6. 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 complying with C.R.S. §7-128-202. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

6.7 Meeting by Telecommunication. Pursuant to C.R.S. §7-128-201(2), any Director may attend a meeting of the Board by: (i) using an electronic or telephonic communication method whereby the Director may be heard by the other Directors and may hear the deliberations of the other Directors on any matter properly brought before the Board; or (ii) by participating in “real time” e-mail communication when the Directors are participating in this form of communication. The vote of such Director shall be counted and the presence noted as if that Director were present in person on that particular matter.

6.8. Quorum.

(a) At all meetings of the Board of Directors, the presence of seventy-five percent (75%) of the Directors shall constitute a quorum for the transaction of business, and the acts of seventy-five (75%) of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board, there is less than a quorum present, those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

(b) For purposes of determining a quorum with respect to a particular proposal, and for purposes of casting a vote for or against a particular proposal, a Director may be deemed to be present at a meeting and to vote if the Director has granted a signed written proxy to another Director who is present at the meeting, authorizing the other Director to cast the vote that is directed to be cast by the written proxy with respect to the particular proposal that is described with reasonable specificity in the proxy. Except as provided in this paragraph and as permitted by C.R.S. §7-128-202, Directors may not vote or otherwise act by proxy.

(c) A Director who is present at a meeting of the Board of Directors when corporate action is taken is deemed to have assented to all action taken at the meeting unless:

(i) The Director objects at the beginning of the meeting, or promptly upon the Director’s arrival, to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to any action taken at the meeting;

(ii) The Director contemporaneously requests that the Director's dissent or abstention as to any specific action taken be entered in the minutes of the meeting; or

(iii) The Director causes written notice of the Director's dissent or abstention as to any specific action to be received by the presiding Officer of the meeting before adjournment of the meeting or by the Association promptly after adjournment of the meeting. The right of dissent or abstention pursuant to this paragraph as to a specific action is not available to a Director who votes in favor of the action taken.

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

7.1. Powers. The Board of Directors shall have power to:

(a) exercise all powers granted by the Declaration, the Association's Articles of Incorporation, the Nonprofit Act or other law or statutes allowed to boards of corporations;

(b) adopt and publish Rules and policies and to establish penalties for the infraction thereof. A rule or policy may interpret, enforce or implement, but not directly conflict with the Declaration or these Bylaws. A copy of such Rules and policies may be delivered by hand to each Lot or mailed to each Member upon the adoption thereof or published on the Association's website, if applicable, or notice thereof may be recorded in the real property records of El Paso County;

(c) suspend any Member's right to vote and the right to receive Association services and privileges and to use of any Association facilities during any period in which such Member shall be in default under the Declaration, including the non-payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing for each infraction of published Rules. A Member who is not in good standing because of any default shall not be entitled to serve on the Board and shall not be counted in computing any percentages required for quorum or any approval under the Association's Governing Documents;

(d) exercise for the Association all powers, duties and authority vested in or delegated to the Board or the Association and not reserved to the Membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration, and as necessary for the administration of the affairs of the Association and for the operation and maintenance of the Project;

(e) incur such costs and expenses as may be necessary to perform the Association's duties under the Declaration and to keep in good order, condition and repair any area or improvement which it is the Association's duty to maintain;

(f) declare the office of a Director of the Board of Directors to be vacant in the event such Director shall be absent from three (3) consecutive regular meetings of the Board unless excused by the Board;

(g) make such distributions as authorized by the Nonprofit Act and the Declaration;

(h) appoint plans of merger or dissolution as permitted by the Nonprofit Act;

(i) except as provided in the Declaration and Articles and C.R.S. §7-132-101 and 102, authorize sale and/or pledge or mortgage of any property of the Association including assessments or other sums owed to the Association;

(j) employ a property manager, an independent contractor or such other employees as they deem necessary, and to delegate any of the Board's powers to them and prescribe their duties; provided, however, the Board when so delegating shall not be relieved of its responsibilities under the Declaration;

(k) determine whether Members are in good standing for voting, quorum, approval and other purposes;

(l) provide such supervision of all Officers, agents and employees of this Association as the Board deems reasonably necessary and appropriate;

(m) as more fully provided in the Declaration, to adopt and amend budgets for revenues, expenditures and reserves in accordance with the Declaration to fix the amount of any assessment against each Lot and to collect any assessments by the remedies set forth in the Declaration or as provided by law or statute;

(n) issue, or to cause an appropriate Officer to issue 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;

(o) procure and maintain adequate liability and hazard insurance on the property owned by the Association, insure and keep insured all of the insurable common property or facilities and procure and maintain all other insurance required by the Declaration or deemed advisable by the Board of Directors;

(p) cause all Officers or employees having fiscal responsibilities to furnish adequate fidelity insurance or bonds as required by the Declaration. The premiums on such insurance or bonds shall be a common expense as may be deemed appropriate by the Board;

(q) fulfill all obligations of the Board under the Declaration and cause any area and/or improvement to be maintained and to make repairs, additions, alterations and improvements in the manner consistent with the Declaration to the extent that such are the Association's responsibility;

(r) establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable and to keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the Lot Owners, and to cause an annual accounting for association funds and a financial statement to be prepared and presented to the Association by the managing agent, a public accountant, or a certified public accountant. If the Association employs a managing agent, that agent shall maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the other and shall maintain all reserve accounts of each association so managed separate from operational accounts of each association;

(s) meet as often as the Board deems reasonable and appropriate;

(t) grant easements for any period of time, including permanent easements, and grant leases, licenses, and concessions through or over the Property;

(u) provide for the indemnification of the Association's Officers and the Board to the extent provided by law, provide for the indemnification of committee members and others in accordance with these Bylaws to the extent the Board deems just and reasonable, and maintain directors' and officers' liability insurance;

(v) appoint any committee as required or permitted by the Declaration or these Bylaws or as may be deemed appropriate by the Board to carry out its purpose and duties and by resolution, establish committees, permanent and standing, to research, make recommendations or perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee;

(w) adopt Rules which shall be considered incorporated herein by reference as though set forth in full, and which provide for corporate actions and powers which are different than those set forth in the Nonprofit Act but which are permitted by the Nonprofit Act to be "otherwise set forth in the bylaws". Such Rules shall be given the same force and effect as if specifically enumerated in these Bylaws;

(x) exercise any other powers conferred by the Declaration, the Articles of Incorporation, these Bylaws, or the Nonprofit Act. In addition, the Board shall have the powers comparable to those set forth in C.R.S. §38-33.3-302 which are incorporated herein by this reference but shall be subject to the provisions and restrictions of the Declaration, the Articles of

Incorporation, these Bylaws and the Rules, which shall control in the event of any conflict;

(y) exercise any other power necessary and proper for the governance and operation of the Association; and

(z) exercise any other power that may be exercised in the state by a legal entity of the same type as the Association;

7.2 Duties. It shall be the duty of the Board of Directors to exercise reasonable business judgment in the performance of its duties, subject to the provisions and protections of the Declaration and Colorado law and statute.

7.3 No Waiver of Rights. The omission or failure of the Association or any Member to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provisions of the Declaration, these Bylaws or Rules adopted pursuant thereto, shall not constitute or be deemed a waiver, modification or release thereof, and the Board of Directors, the Association or any Member shall have the right to enforce the same thereafter.

## ARTICLE VIII OFFICERS AND THEIR DUTIES

8.1 Enumeration of Offices. The Officers of the Association shall be a President and a Vice-President, both of whom shall at all times be Members of the Board of Directors, and a Secretary and a Treasurer, and such other Officers as the Board of Directors shall, from time to time, elect. The office of Treasurer and Secretary may be held by the same person. The offices of Secretary and Treasurer need not be held by members of the Board of Directors. An Officer shall be a natural person who is eighteen (18) years of age or older.

8.2 Election of Officers. The initial Officers shall serve until the termination of the Period of Declarant Rights; thereafter, the election of Officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

8.3 Term. Each Officer of the Association shall be elected annually by the Board and each shall hold office for one (1) year, unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

8.4 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.

8.5. Resignation and Removal.

(a) Any Officer may be removed from office with or without cause by the Board.

(b) An Officer may resign at any time by giving written notice of resignation to the Association. A resignation of an Officer is effective when the notice is received by the Association unless the notice specifies a later effective date. If a resignation is made effective at a later date, the Board of Directors may permit the Officer to remain in office until the effective date and may fill the pending vacancy before the effective date with the provision that the successor does not take office until the effective date, or the Board of Directors may remove the Officer at any time before the effective date and may fill the resulting vacancy.

8.6. 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 or she replaces.

8.7. Duties. The duties of the Officers are as follows:

(a) 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 on behalf of the Association all leases, mortgages, deed and other written instruments, shall prepare, execute, certify and record amendments to the Declaration on behalf of the Association, and shall co-sign all checks (unless delegated to a managing agent). Further, subject to the limitations in the Association's operative documents, he or she shall have all of the general powers and duties which are usually vested in the office of president of a corporation, including the power to appoint committees from among the Members from time to time as he or she may, in his or her discretion, decide is appropriate to assist in the conduct of the affairs of the Association or as may be established by the Board or by the Members of the Association at any regular or special meetings. 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.

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

(c) 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 any 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) Except to the extent performed by any managing agent, the Treasurer shall receive and deposit in appropriate governmentally insured accounts all moneys of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign all checks and promissory notes of the Association; keep proper books of account; cause an annual accounting to be made as required by the Board and/or these Bylaws; 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. In the event a managing agent has the responsibility of collecting and disbursing funds, the Treasurer shall review the accounts of the managing agent not less often than once each calendar quarter.

## ARTICLE IX NON-LIABILITY OF OFFICERS AND DIRECTORS

9.1 Contracts. Contracts or other commitments made by the Board of Directors or Officers shall be made as agent for the Association, and they shall have no personal responsibility on any such contract or commitment.

9.2. Indemnification of Officers and Directors. Each Officer and Director of the Corporation, whether serving in any such capacity at this time or in the past or future, shall be indemnified by the Corporation against any and all claims and liabilities to which he or she has or shall become subject by reason of serving or having served in any such capacity, or by reason of any action alleged to have been taken, omitted, or neglected by him or her in any such capacity, to the fullest extent allowable by the Articles of Incorporation and/or law and statute, including the Nonprofit Act. The right of indemnification herein provided shall not be exclusive of any rights to which any Director or Officer of the Corporation may otherwise be entitled by law or statute, provided, however, this indemnification shall not reduce or impair any insurance coverage. No Director or Officer shall be personally liable to the Corporation or its Members except as otherwise provided by the Nonprofit Act. Directors and Officers shall be indemnified by the Association to the fullest extent allowed by the Declaration, Articles of Incorporation and these Bylaws and by law and statutes, including C.R.S. §7-129-101 through 107; in the event of any conflicting provision, the provision providing the broadest or greatest indemnity or non-liability shall prevail.

9.3. Non-Liability. The Directors, Officers, employees and Members of the Association are not, as such, personally liable for the acts, debts, or obligations of the Association and are not liable for any acts or omissions except for wanton and willful wrongful acts or omissions.

9.4. Standards. Except as may be allowed by the Declaration and the Nonprofit Act, Directors and Officers shall comply with the standards set forth in C.R.S. §7-128-401 and §7-

128-501 and shall be indemnified as provided therein.

9.5. Actions Other Than by or in the Right of the Association. The Association shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he or she is or was a member of the Board or Officer of the Association, who is or was serving at the request of the Association in such capacity, for expenses (including expert witness fees, attorney's fees and costs), judgments, fines, amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding, if he or she acted in good faith and in a manner which such individual reasonably believed to be in the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. Determination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner he or she reasonably believed to be in the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe his or her conduct was unlawful. Such liability shall be satisfied within thirty (30) days after request therefor if there exists adequate operating funds but, if not, the funds shall be raised by a special assessment of the Owners as quickly as possible, without the need of Owners' approval.

9.6. Actions by or in the Right of the Association. The Association shall indemnify any person who was or is a party or who is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure judgment in its favor by reason of the fact that such person is or was a member of the Board or Officer of the Association or is or was serving at the request of the Association in such capacity, against expenses (including expert witness fees, attorney's fees and costs) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner which he or she reasonably believed to be in the best interests of the Association; but no indemnification shall be made in respect of any claim, issue or matter as to which such person has been adjudged to be liable for negligence, recklessness, or willful misconduct in the performance of his or her duty in the Association unless, and to the extent that the court in which such action or suit was brought determines upon application that, despite the adjudication of liability, but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses if such court deems proper. Such liability shall be satisfied within thirty (30) days after request therefor if there exists adequate operating funds but, if not, the funds shall be raised by a special assessment of the Owners as quickly as practical, without the need of Owners' pre-approval.

9.7. Successful on the Merits. Although the indemnification in this Article IX do not require a final determination of non-culpability, to the extent that a member of the Board,

committee member, employee, fiduciary or agent of the Association (collectively or singularly as context requires, “appropriate person”) has been wholly successful on the merits in defense of any action, suit or proceeding referred to in this Article IX, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including expert witness fees, attorney’s fees and costs) actually and reasonably incurred by him or her in connection therewith.

9.8. Determination Required. Any indemnification under this Article IX (unless ordered by a court) shall be made by the Association only as authorized by the specific case upon a determination that indemnification of the member of the Board or other appropriate person proper in the circumstances because such individual has met the applicable standard of conduct set forth in this Article IX. Such determination shall be made by the Board by majority vote of a quorum consisting of those members of the Board who were not parties to such action, suit or proceeding or, if a majority of disinterested members of the Board so directs, by independent legal counsel or by Members entitled to vote thereon. Such determination shall be reasonable, based on substantial evidence of record, and supported by a written opinion. The Board shall provide a copy of its written opinion to the Officer or member of the Board or other appropriate person seeking indemnification.

9.9. Payment in Advance of Final Disposition. The Association shall pay for or reimburse the reasonable expenses incurred by a former or current member of the Board, Officer or other appropriate person who is a party to a claim or proceeding in advance of final disposition if: (i) the appropriate person furnishes to the Association a written affirmation of such person’s good faith belief that he or she has met the standard of conduct described in this Article IX; (ii) such appropriate person furnishes to the Association a written agreement, executed personally or on the Board member’s or Officer’s behalf to repay the advance if it is ultimately determined that the Board member or Officer did not meet the standard of conduct; and (iii) a determination is made that the facts then known to those who otherwise would make the determination would not preclude indemnification under this Article. The agreement required in this Article IX shall be an unlimited general obligation of the appropriate person of the Association and shall be in form, substance and security (if required by the Board) and upon such conditions (e.g. adequate financial ability to repay) as the Board deems appropriate. Such advances shall bear interest at the periodic prime rate, as published in the Wall Street Journal, plus ten (10) points. If the person is ultimately determined to be culpable and/or not entitled to indemnification and advances, all costs of the Association Board member, Officer, committee member, employee, fiduciary or agent shall be paid by the culpable person, plus interest as described above.

9.10. No Limitation of Rights. The indemnification provided by this Article IX shall not be deemed exclusive of nor a limitation upon any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of the Members or disinterested members of the Board, or otherwise, nor by any rights which are granted pursuant to the Nonprofit Act. Upon

a vote of the Board, the Association may also indemnify a Member appointed by the Board to serve on a committee (when such committee member is not also a member of the Board) or any other volunteer upon such terms and conditions as the Board shall deem just and reasonable.

9.11. Directors and Officers Insurance. The Association shall purchase and maintain insurance on behalf of any person who is or was a member of the Board or an Officer of the Association or, in the Board's discretion, a member of a committee against any liability asserted against him or her and incurred by such individual in any such capacity or arising out of his or her status as such, whether or not the Association would have the power to indemnify such individual against such liability under provisions of this Article IX. Nothing in this Article IX shall impair or adversely affect any such insurance coverage.

#### ARTICLE X COMMITTEES

The Board of Directors may appoint such committees as deemed appropriate in carrying out its purpose, including committees pursuant to C.R.S. §7-128-206 of the Nonprofit Act or to appoint itself as any committee under the Declaration or the Nonprofit Act, and to adopt Rules, if any, for procedures and appeals from committees to the Board.

#### ARTICLE XI BOOKS AND RECORDS

The Association shall maintain all records, documents, books, records, and financial documents as required by the Nonprofit Act and make copies available as required by such statutes.

#### 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 any assessment is not paid when due, the Association may impose an administrative fee not to exceed a sum set forth in the Rules.

#### ARTICLE XIII CORPORATE SEAL

The Association may have a seal in circular form having within its circumference the words: MINEOLA TOWNHOME OWNERS ASSOCIATION, INC.

ARTICLE XIV  
AMENDMENTS

The Association's Articles of Incorporation or these Bylaws, or both, may be amended, at a regular or special meeting of the Members, with a quorum present, by a vote of seventy-five percent (75%) of the entire Membership. Notwithstanding any provision of the Association's Declaration, Articles of Incorporation, Bylaws or Rules, any amendment of said documents during the Period of Declarant Rights as set forth in the Declaration shall require the prior written consent of the Declarant in the Declarant's sole and absolute discretion. The Declarant reserves the right, until the termination of the Period of Declarant Rights, but without the vote of the Owners, to exercise the Declarant's rights under the Declaration, the Association's Articles of Incorporation, Bylaws or Rules, or to make amendments to the Association's Articles of Incorporation or these Bylaws, or both, as may be necessary to correct typographical errors or make clarifications in these Bylaws or as may be approved in writing by Federal National Mortgage Association or Federal Home Loan Mortgage Corporation so as to induce any of such organizations to make, purchase, sell, issue, or guarantee First Mortgages in the Project, and each Owner, by accepting a deed, mortgage or other instrument affecting a Lot appoints Declarant as his or her attorney-in-fact for purposes of executing in said Owner's name and recording any such amendments to these Bylaws, the Articles of Incorporation and the Declaration, and each deed, mortgage, trust deed, other evidence of obligation or other instrument affecting a Lot and the acceptance thereof shall be deemed to be a grant and acknowledgment of and a consent to the reservation of the power to the Declarant to make, execute and record any such amendments.

ARTICLE XV  
MISCELLANEOUS

15.1. Fiscal Year. Unless the Board otherwise determines, the fiscal year of the Association shall begin on the 1st 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.

15.2. Conflict of Documents. 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.

15.3. CCIOA Exemption. Notwithstanding any provision of the Declaration, the Association's Articles of Incorporation, these Bylaws or the Rules, the Association, the Declarant, the Owners, the Lots, and the Project shall not be subject to the Colorado Common Interest Ownership Act (C.R.S. §38-33.3-101, et seq.) because C.R.S. §38-33.3-116 specifically exempts from CCIOA any planned community which contains no more than twenty (20) units and is not subject to any Development Rights; such community is subject only to C.R.S. §38-33.3-105, 106 and 107. Any provision of the Declaration, the Association's Articles of Incorporation, these Bylaws or the Rules which refers to any section of CCIOA is for the

purposes of reference only and may thereby incorporate, by that reference, comparable provisions into those documents, but shall not cause CCIOA to apply to the Project generally or in any manner. Furthermore, to the extent that any provision of the Declaration, the Articles of Incorporation, these Bylaws or the Rules are inconsistent with any provision of CCIOA, the provisions of those documents shall control, unless otherwise specifically provided herein.

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**CERTIFICATION**

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of MINEOLA TOWNHOME OWNERS ASSOCIATION, INC., a Colorado nonprofit corporation, and,

That the foregoing Bylaws constitute the original Bylaws of said Corporation, as duly adopted at a meeting of the Board of Directors thereof, held on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Secretary