

## BYLAWS

OF

## ARMELLA ARMS II CONDOMINIUM ASSOCIATION, INC.

I

Board of Directors

Section 1. Number and Term of Office. The affairs of the Association shall be managed by a Board of Directors composed of not less than three (3) persons from among the Unit Owners. The initial Board shall consist of three (3) persons which need not be elected or chosen from among the Unit Owners. The initial Board members shall be WILLIAM GERBER, SR., ARMELLA GERBER, and JUDY A. O'BRIEN. The number of Directors comprising the Board shall not be changed until after the third annual meeting without one hundred percent (100%) approval of the membership votes. At the first annual meeting of members, the members shall elect at least one (1) Director for a term of one (1) year, at least one (1) Director for a term of two (2) years, and at least one (1) Director for a term of three (3) years. The terms of at least one-third (1/3) of the members of the Board shall expire annually.

Section 2. Powers and Duties. The Board of Directors of the Association shall carry on the duties and manage the affairs of the Condominium known as ARMELLA ARMS II pursuant to and in accordance with the Condominium Declaration of ARMELLA ARMS II, which Condominium Declaration covers the real property described in Schedule A hereto attached. The powers and duties of the Board shall include the power to: (a) adopt and publish rules and regulations governing the use of the Common Elements and Condominium facilities, and the personal conduct of the members of the Association and their guests thereon, and to establish penalties for the infraction thereof; (b) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Condominium Declaration; (c) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and (d) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties, but in no event shall any management contract have a term of more than three (3) years, and any such contract shall provide for termination by the Board, without cause, upon ninety (90) days' notice by the board of its decision to terminate such management agreement. In the event that a manager is employed, the Board of Directors may delegate to the manager any of its powers and duties; provided, however, that the Board when so delegating shall not be relieved of its responsibilities under the Condominium Declaration. The Board shall also have the general authority to maintain the project, provide the services referred to in the Condominium Declaration, employ legal and ac-

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counting assistance and pay for the same as a general common expense of the project. The Board may require that the officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association as a general common expense of the project.

Section 3. 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 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 the death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor. Except for the members of the original Board of Directors, the term of office of any Director shall be declared vacant when such Director ceases to be a member of the Association by reason of the sale of his condominium unit.

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

Section 6. Nomination and Election of Directors.

(a) Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

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

Section 7. Meetings of Directors.

(a) 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 Board members, but at least two (2) such meetings shall be held during each fiscal year and one (1) such meeting shall be held immediately following the annual meeting of owners.

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

(c) Notice to Mortgagees. Written notice of meetings shall be mailed to Mortgagees at least ten (10) days prior to regular meetings and at least three (3) days prior to special meetings. Mortgagees shall have the right to designate a representative to attend such meetings.

(d) Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting. At any adjourned meeting any business that might have been transacted at the meeting as originally called may be transacted without further notice.

## II

### Members

Section 1. Owners - Members. Any person upon becoming an Owner of a Condominium unit in ARMELLA ARMS II, Jefferson County, Colorado, shall automatically become a member of this Association and become subject to these Bylaws. The terms "Owner" and "Member" shall be synonymous. If such unit shall be owned by more than one (1) person, all such persons shall be members. Holders of encumbrances shall not be eligible for membership nor become members of this Association. The transfer of an ownership in a unit by a member shall terminate such membership in the Association.

Section 2. Annual Meetings. The first annual meeting of the Members of the Association shall be held on the second Thursday of March, 1981, at such time and place as may be fixed by the Board of Directors. And each subsequent regular annual meeting of the Members shall be held on the same day of the month of each year thereafter. Should said meeting fall upon a Sunday or a legal holiday, then that meeting shall be held at the same time on the next day which is not a Sunday or a legal holiday.

Section 3. Special Meetings. Special meetings of the members may be called at any time by the President or the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes.

Section 4. Notice of Meetings. Written notice

tice 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 (15) days, but not more than sixty (60) days, before such meeting to each Member entitled to vote thereat. Notices of meetings shall be in writing and shall state the date, time and place of the meeting and shall indicate each matter to be voted on at the meeting which is known to the Association at the time notice of the meeting is given. Any notice shall be deemed given and any information or material shall be deemed furnished or delivered to a party at the time a copy thereof is deposited in the mail or at a telegraph office, postage or charges prepaid, addressed to the party, and in any event, when such party actually receives such notice, information or material. Any notice, information or material shall be deemed properly addressed to an Owner if it is addressed to the name and address shown on the Association Registered Address Form to be completed by such Owner and furnished to the Association or, if a name and address is not so furnished, if it is addressed "To the Owner" at the address of the Condominium Unit of such Owner.

Section 4. Voting Rights. The right to cast votes, and the number of votes which may be cast, for election of persons to the Board of Directors of the corporation and on all other matters to be voted on by the Members shall be calculated as follows:

(a) The Owner of a Condominium Unit shall be entitled to cast votes based on the appurtenant percentage undivided interest in the general common elements assigned to his Unit by the Condominium Declaration.

(b) If any Condominium Unit is held jointly or in common by more than one (1) person, the vote to which the Owners of such Condominium Unit are entitled shall also be held jointly or in common in the same manner. However, the vote for such Condominium Unit shall be cast, if at all, as a Unit, and neither fractional votes nor split votes shall be allowed. In the event that such Joint or Common Owners are unable to agree among themselves as to how their vote shall be cast as a Unit, they shall lose their right to cast their vote on the matter in question. Any Joint or Common Owner shall be entitled to cast the vote belonging to the Joint or Common Owners unless another Joint or Common Owner shall have delivered to the Secretary of the corporation prior to the election a written statement to the effect that the Owner wishing to cast the vote has not been authorized to do so by the other Joint or Common Owner or Owners.

(c) Proxies. The proxy system of voting by Members of the corporation shall be permitted. Proxies shall be in writing, and the signatures must be witnessed or acknowledged. No proxies shall be valid for a period longer than eleven (11) months after the date thereof.

(d) Cumulative Voting. Cumulative voting shall not be used for any purpose.

Section 6. Quorum. Fifty-one percent (51%)

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of the members entitled to vote shall constitute a quorum for the transaction of any business of the Association. If a quorum is established, except as a greater percentage of votes is required under a specific provision of the Condominium Declaration, a majority of the votes cast on the matter, or in the case of election in which there are more than two (2) candidates, a plurality of votes cast, shall decide the matter, and shall be binding on all Unit Owners. If any meeting of the Members cannot be proceeded with by reason of the fact that a quorum is not present at said meeting, either in person or by proxy, the President may adjourn the meeting to a later date not more than ten (10) days from the time of the original meeting.

### III

#### Officers and Their Duties

Section 1. Enumeration of Officers. The officers of this Association shall be a President, who shall at all times be a member of the Board of Directors, a Secretary and a Treasurer, and such other officers as the Board may, from time to time by resolution, create.

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

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

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

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time 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. Duties. The duties of the officers are as follows:

(a) President. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments involving the Common Elements or facilities; shall co-sign all checks and promissory notes; shall have all the powers and duties which are generally vested in the office of President; and shall

have the power to appoint from among the Unit Owners such committees as he shall deem appropriate from time to time to assist in the conduct of the affairs of the Association.

(b) Secretary. The Secretary shall record the votes and keep the Minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members of the Association, together with their addresses; and shall perform such other duties as required by the Board.

(c) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association's books to be made by a public accountant at the completion of each fiscal year and furnish a copy of said audit to each Member and mortgagee within ninety (90) days following the end of any fiscal year of the Association; 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 furnish a copy of each to the Members.

(d) Authorization to Employ Maintenance Personnel. The Board of Directors shall have authority to designate and remove personnel necessary for the operation, maintenance, repair, and replacement of the common elements.

Section 7. Inspection of Books and Records. The Unit Owners and their mortgagees, if applicable, may inspect the records of receipts and expenditures of the Board of Directors pursuant to 1973, C.R.S., §38-33-107, at convenient weekday business hours.

#### IV

##### Ascertainability of Unpaid Common Expenses

Upon ten (10) days' written request for a statement of account by an Owner or his agent, prospective mortgagee or prospective grantee of a Condominium Unit, the Association shall furnish a written statement of the amount of any unpaid common expenses, the amount of any advance payments made, prepaid items, such as insurance premiums and reserves therefor, and deficiencies in reserve accounts, which statements shall be conclusive upon the Association in favor of all persons who rely thereon in good faith. Unless such request shall be complied with within ten (10) days after receipt of such written request, all unpaid common expenses which become due prior to the date of such request, shall be subordinate to the rights of the person requesting such statement. A service fee of not more than FIFTY DOLLARS (\$50.00) shall be paid for furnishing the statement of account.

## V

Association

Section 1. Not for Profit Corporation. The ARMELLA ARMS II CONDOMINIUM ASSOCIATION, INC., is a Colorado non-profit corporation.

## VI

Administrative Rules and Regulations

The Association may make, amend, and enforce reasonable and uniformly applied rules and regulations governing the use of Units and of the general and limited common elements. These rules and regulations shall be adopted by the Board of Directors, and may be amended by the Board of Directors by a majority vote thereof, and such rules and regulations shall be consistent with the rights and duties established in the Condominium Declaration. A copy of the initial Rules and Regulations of ARMELLA ARMS II CONDOMINIUM ASSOCIATION, INC., is hereto attached as Exhibit B and incorporated herein by reference. The Rules and Regulations are binding not only upon unit owners, present and future, but also on all tenants, present and future, and the mere act of occupying of the subject units shall constitute ratification of these Bylaws, as well as the Rules and Regulations. The Association may suspend any Owner's voting rights in the Association during any period or periods during which such Owner fails to comply with such rules and regulations, or with any other obligations of such Owner under the Condominium Declaration. The Association may also take judicial action against any Owner to enforce compliance with such rules, regulations, or other obligations or to obtain damages for non-compliance, all to the extent permitted by law.

## VII

Recreational Facilities

It is understood that ARMELLA ARMS II has no swimming pool, clubhouse, or other recreational facilities.

## VIII

New Additions

The ARMELLA ARMS CONDOMINIUM ASSOCIATION, INC., may make alterations, additions, or betterments to or on the general and limited common elements. No such new additions shall be made, however, which would increase the total assessments to all Unit Owners by more than FIVE THOUSAND DOLLARS (\$5,000.00) in any one (1) calendar year without the prior approval of a majority of the Unit Owners. Each Owner shall be required to pay his proportionate share of the costs and fees for such new construction, including costs and fees associated with any new recreational facilities. Neither the ownership interest nor the voting power in the Association

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of any Unit Owner shall be affected by any such new additions.

## IX

### Definitions

Unless otherwise specified, all terms used in these Bylaws shall have the same meanings as they have in the Condominium Declaration pertaining to this project. With regard to various matters not included herein, reference is made to the Condominium Declaration.

## X

### Indemnification

The members of the Board of Directors shall not be liable to the Owners of condominium units for any mistake of judgment, negligence, or otherwise except in the event of willful misconduct or malfeasance. The Association shall indemnify and hold harmless each of the members of the Board of Directors against all contractual liabilities to others arising out of contracts made by the Board of Directors on behalf of the Association and its members, and in connection with any acts performed pursuant to the Condominium Declaration hereinbefore referred to unless such Director or Directors are adjudged guilty of willful misconduct or malfeasance in the performance of their duties as Directors.

## XI

### Mortgages

Section 1. Notice to Association. An owner who mortgages his unit shall notify the Association through the Managing Agent, if any, or the President of the Board, giving the name and address of his mortgagee. The Association shall maintain such information in a book or list entitled "Mortgagees of Units."

Section 2. Notice of Unpaid Assessments. The Association shall at the written request of a mortgagee of a unit report any unpaid assessments due from the owner of such unit and any default by such owner pursuant to these Bylaws, the Condominium Declaration or the Articles of Incorporation of ARMELLA ARMS II CONDOMINIUM ASSOCIATION, INC., which is not cured within thirty (30) days.

## XII

### Evidence of Ownership

Any person on becoming an owner of a unit shall furnish to the Managing Agent or Board a photocopy of a certified copy of the recorded instrument vesting that person with an interest or ownership, which instrument shall remain in the files of the Association. A member shall not be deemed to be in good standing nor



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shall he be entitled to vote at any annual or at a special meeting of members unless this requirement is first met.

### XIII

#### Additional Liens

Section 1. An owner has the right to mortgage his unit, his percentage of the General Common Elements, and the Limited Common Elements associated with the said unit.

Section 2. An owner who mortgages his unit shall notify the Association through the Managing Agent or the secretary of the Board of Directors, giving the name and address of his mortgagee.

Section 3. An owner shall have no authority to place any other lien against the General or Limited Common Elements of the said project.

### ARTICLE XIV

#### Conflict With Declaration or Law

These Bylaws are intended to comply with and supplement the requirements of the Condominium Ownership Act, the Declaration and the Articles of Incorporation. If any of these Bylaws conflict with the provisions of said Declaration, the Condominium Ownership Act, or the Articles of Incorporation, the provisions of the Declaration, the Condominium Ownership Act, or the Articles of Incorporation, will apply.

### XV

#### Amendments

These Bylaws may be amended by the Board of Directors at a duly constituted meeting for such purpose or at a meeting of Owners called for such purpose and at which Owners' meeting the amendment is approved by Owners representing an aggregate interest of at least seventy-five percent (75%) of the general common elements. The notice of such meetings shall contain a summary of the proposed changes or a copy of such proposed changes. No amendment shall serve to shorten the term of any Director. No amendment shall be effective if it results in violation of C.R.S., 1973, §38-33-106, as amended.

IN WITNESS WHEREOF, we, being all of the Directors of the ARMELLA ARMS II CONDOMINIUM ASSOCIATION, INC., have hereunto set our hands this 27th day of

July, 1980.

William J. [Signature]  
Annella [Signature]  
John [Signature]

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly elected and acting Secretary of the ARMELLA ARMS II CONDOMINIUM ASSOCIATION, INC., a Colorado Non-Profit Corporation, and that the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 24th day of July, 1978.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association, this 24th day of July, 1978.

[Signature]  
Secretary

EXHIBIT A

County of Jefferson, State of Colorado, to-wit:

Beginning at a point 163 feet South of the Northeast corner of Block "E," ARVADA GARDENS, in Section 11, Township 3 South, Range 69 West; thence South 163 feet; thence West 267 feet; thence North 163 feet; thence East 267 feet to the point of beginning.