

BYLAWS OF FOUR ELK PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE I: NAME AND LOCATION

The name of the corporation is Four Elk Property Owners, Inc., hereinafter referred to as the "Association". The principal office of the corporation shall be located in Chaffee County, Colorado, but meetings of members and directors may be held at such places within the State of Colorado as may be designated by the Board of Directors.

ARTICLE II: DEFINITIONS

SECTION 1: "Association" shall mean and refer to Four Elk Property Owners, Inc., and its successors and assigns.

SECTION 2: "Common Areas" shall mean all real property including roads within the subdivision owned by the Association for the common use and enjoyment of its owners.

SECTION 3: "Properties" shall mean and refer to those certain real properties described in the Declaration of Covenants, Conditions, and Restrictions hereinafter defined and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

SECTION 4: "Owner" shall mean and refer to the record owner or owners of legal title to any lot which is part of the properties but excluding those having such interest merely as security for the performance of obligation.

SECTION 5: "Declarant" shall mean and refer to Four Elk Property Owners Association, Inc., a Colorado non-profit Corporation, its successors and assigns.

SECTION 6: "Declaration" shall mean and refer to the Amended Declaration of Covenants, Conditions, and Restrictions in force and effect applicable to Four Elk subdivision as recorded in the office of the Clerk and Recorder, Chaffee County, Salida, Colorado, Book ___, Page ___ to Page ___.

SECTION 7: "Member" shall mean and refer to those persons entitled to membership as provide in the Declaration.

ARTICLE III: PURPOSE

The purpose of the Association shall be to support the covenants, protect and preserve values of properties within the Four Elk subdivision comprising the Four Elk Property Owners Association, Inc., subject to the rules and regulations of the Association, to maintain common areas, and to provide for an equitable basis upon which owners therein may share the cost.

ARTICLE IV: MEMBERSHIP

SECTION 1: ASSOCIATION MEMBERS – as stipulated in the Declaration, every person who acquires legal title to any lot in the Four Elk subdivision shall become a member of Four Elk Property Owners Association, Inc.

SECTION 2: VOTING MEMBERSHIP – Each lot shown on the plat is entitled to one vote to be cast by the owner or owners of such lot provided the assessments against the lot are not in arrears more than ninety (90) days.

SECTION 3: MANNER OF ACTING - Except as otherwise provided, the act of the majority of the membership present at a meeting at which a quorum exists shall constitute the act of the members.

ARTICLE V: ANNUAL ASSESSMENTS AND LEASE VIOLATION FINES

SECTION 1: ANNUAL ASSESSMENTS

- a) Assessments as to each lot affected hereby shall not exceed one hundred dollars (\$100.00) annually unless an increase in said amount shall be authorized by vote at an Annual Meeting or any special meeting, or by mailed ballot, of at least 66 and two thirds percent (66 2/3%) of the members entitled to vote thereon and unless an emergency is declared to the Board of the Association provide in its Articles of Incorporation.
- b) Any assessments which are not paid when due shall become delinquent. No owner shall be excused from assessments provided for herein.
- c) All proper assessments as provided for herein shall be a lien in favor of the Association against any lot affected hereby until paid. To evidence such lien, the Association, after taking reasonable action to collect the delinquent account, and after notifying the property owner and/or owners of the action to be taken in thirty (30) days, shall prepare a written notice setting forth the amount of such unpaid indebtedness, the name of owner and the description of the property as to which the delinquency occurred. Such notice shall be signed and acknowledged by the President or the Vice-President of the Association and shall be recorded in the office of the Clerk and Recorder of Chaffee County, Colorado. Such lien shall attach from the due date of the assessment. The lien may be enforced by foreclosure by the Association in the same manner as a mortgage lien on real property. In any such foreclosure the delinquent owner shall be required to pay the costs, expenses, and reasonable attorney's fees for the filing of the notice of lien and those incurred in connection with foreclosure, all of which shall be secured by the lien being foreclosed.
- d) All assessments shall upon payment thereof constitute a fund for the use and benefit of the Association to be expended at the discretion of the Board of Directors in fulfilling its authorized obligations.

- e) The assessments shall be payable in full on or before May 31st of the fiscal year.

SECTION 2: LEASE VIOLATION FINES

- a) A lease violation shall occur each and every twenty-four (24) hour period and be fined at a rate of one-thousand dollars (\$1,000) per occurrence.
- b) Any fines which are not paid when due shall become delinquent. No owner shall be excused from the fines provided for herein.
- c) All fines as provided for herein shall be a lien in favor of the Association against any lot affected hereby until paid. To evidence such lien, the Association, after taking reasonable action to collect the delinquent account, and after notifying the property owner and/or owners of the action to be taken in thirty (30) days, shall prepare a written notice setting forth the amount of such unpaid indebtedness, the name of owner and the description of the property as to which the delinquency occurred. Such notice shall be signed and acknowledged by the President or the Vice-President of the Association and shall be recorded in the office of the Clerk and Recorder of Chaffee County, Colorado. Such lien shall attach from the due date of the assessment. The lien may be enforced by foreclosure by the Association in the same manner as a mortgage lien on real property. In any such foreclosure the delinquent owner shall be required to pay the costs, expenses, and reasonable attorney's fees for the filing of the notice of lien and those incurred in connection with foreclosure, all of which shall be secured by the lien being foreclosed.
- d) All fines shall upon payment thereof constitute a fund for the use and benefit of the Association to be expended at the discretion of the Board of Directors in fulfilling its authorized obligations.
- e) The fines shall be payable in full upon notification of the violation.

ARTICLE VI: BOARD OF DIRECTORS

SECTION 1: NUMBER – The Board of Directors shall consist of three (3) but not more than five (5) members of the Association to be elected as herein provided.

SECTION 2: POWERS AND DUTIES - The Board of Directors shall have management and supervision of the affairs of the Association and shall exercise all powers, duties, responsibilities and authority vested in or delegated to the Association and not reserved in these Bylaws, or Articles of Incorporation to the members. Such power, duties, responsibilities and authority shall specifically include the following:

- a) Establishing proper management and financial policies.
- b) Preparing yearly budgets to determine the annual assessments for the coming year.
- c) Procuring and maintaining hazard and liability insurance for common areas.

- d) Selecting a qualified independent party for the annual audit and, when deemed necessary, obtaining legal advice and instigating and prosecuting such legal action as may be necessary to effect and enforce the purposes of these Bylaws, the Articles of Incorporation and the Declaration.
- e) Establishing, in the judgement of the Board of Directors, proper operating rules and regulations for the common areas, and revising such rules and regulations. A copy of these and regulations and any revisions shall be posted on the Association website and sent to each lot owner.
- f) Providing year-round physical maintenance of all common areas including snow plowing of subdivision roads used by the residents.
- g) Contracting for materials and services required in the judgement of the Board of Directors to fulfill the obligations and responsibilities of the Association and supervising such work to insure performance standards and adherence to the budget.
- h) Appointing committees for such purposes as the Board of Directors may deem appropriate.
- i) Publishing and distributing a newsletter of interest to lot owners at intervals to be determined by the Board of Directors.

SECTION 3: ELECTION AND TERM OF OFFICE – A three (3) member Board of Directors shall be elected by the members for a term of four (4) years. Directors shall serve until their successors have been duly elected and qualified.

SECTION 4: ELIGIBILITY – All persons nominated for election to the Board of Directors shall be members in good standing and not delinquent in assessments of the Four Elk Property Owners Association. Where property is jointly held, one of the joint owners shall be designated by all of such owners as official representative to the Association.

SECTION 5: VACANCIES – Vacancies on the Board of Directors, for any reason, may be filled by vote of the majority of the remaining directors to serve until the next annual membership meeting; provided, however, that in the event more than two (2) vacancies exist at any time, all such vacancies shall be filled by a vote of a majority of the members at a special membership meeting called for that purpose.

SECTION 6: BOARD MEETING AND QUORUM – The Board of Directors shall hold its regular meeting immediately after the annual membership meeting. No notice of such regular meeting shall be required to be given to the directors. Special meetings may be called by the President or by any two (2) or more members of the Board of Directors upon ten (10) days'

notice to all directors. The purpose of any such special meeting shall be stated in the notice. At any meeting of the Board of Directors, a majority of the whole Board shall constitute a quorum.

SECTION 7: WAIVER – Notice of any meeting of the Board of Directors may be waived in writing whether before or after the time of such meeting. Attendance of a director at such meeting shall constitute a waiver of notice thereof except when a director attends a meeting for the purpose of objecting to the transaction of any business because such meeting is not lawfully convened.

SECTION 8: APPROVAL OF DISBURSEMENTS – The Board of Directors shall approve all expenditures of funds of the Association. Except where prior approval has been given by the membership, expenditures in excess of five hundred dollars (\$500.00) for any single project during any fiscal year shall require approval by a majority of the membership at an Annual Meeting, or any special meeting, or by emailed ballot. Disbursements shall be identified by name and amount in the minutes of the meeting of the Board and shall be paid by check or bank draft.

SECTION 9: MANNER OF ACTING – Except as otherwise provided, the act of the Directors at a meeting at which a quorum exists shall constitute the act of the Board.

ARTICLE VII: OFFICERS

SECTION 1: DESIGNATION – The officers of the Association shall be three (3); a President, a Vice-President, and a Secretary/Treasurer, all of whom may be elected by and from the Board of Directors.

SECTION 2: ELECTION OF OFFICERS – The officers of the Association shall be elected by the Board of Directors within seven (7) days of the Annual Meeting.

SECTION 3: RESIGNATION AND REMOVAL OF A BOARD MEMBER

- a) RESIGNATION: Any officer or member of the Board may resign at any time by giving notice to the Board, the President, or 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.

- b) **REMOVAL:** If it becomes necessary to consider the removal of an officer or Board member, the remaining members of the Board may vote to suspend that individual based on the consideration of the facts and information regarding the cause of suspension, including participation by the individual in question. If suspended, the individual shall remain suspended until the next annual meeting of the membership. The officer or Board member may then be removed or reinstated by an affirmative vote of the majority of the membership present or by proxy. The vacancy shall then be filled by an affirmative vote of the majority of the membership present or by proxy.

SECTION 4: PRESIDENT – The President shall be the chief executive officer of the Association. He shall preside as chairman at all meetings of the members and the Board of Directors.

SECTION 5: VICE-PRESIDENT – The Vice-President shall act in the place of the President during his absence or disability to act. If both the President and Vice-President are absent, the Board of Directors shall appoint the other member of the Board to act as chairman on an interim basis.

SECTION 6: TREASURER

- a) The Treasurer shall be bonded and shall receive all monies and be responsible for keeping full and accurate accounts of all receipts and disbursements. All monies shall be deposited in a bank designated by the Board of Directors.
- b) The Treasurer shall bill each lot owner for the annual assessment as prescribed in Article V and will provide the Board with the name of any member who is more than sixty (60) days in arrears.
- c) The Treasurer shall maintain the financial records of the Association and shall submit a Treasurer's report at the annual meeting. The Treasurer shall present a concise financial statement at each meeting of the Board or whenever requested by the Board.
- d) The fiscal year of the Association shall be from June 1st to May 31st. The Treasurer shall have the financial records prepared at the end of the fiscal year for auditing by a qualified independent party selected by the Board of Directors.

SECTION 7: SECRETARY – The Secretary shall attend all membership and Board of Directors' meetings, keep the minutes of the meetings, maintain the official records of the Association and shall handle the correspondence as directed by the Board of Directors.

ARTICLE VIII: MEMBERSHIP ASSOCIATION MEETINGS

SECTION 1: NOTICE OF MEETINGS – The Board of Directors shall give written notice of the annual meeting to all members at least thirty (30) days in advance of the annual meeting, and fourteen (14) days in advance of a special meeting.

SECTION 2: ANNUAL MEETING – The meeting date shall be selected by the Board of Directors. The meeting shall be for the purpose of electing Directors, hearing reports of the previous years' business, and for the transaction of any other business that may properly come before the meeting.

SECTION 3: SPECIAL MEETINGS – Special meetings may be called by the Board, or shall be called by the Board upon written request of a majority of the members.

SECTION 4: REPORTS – Annual reports shall be submitted by the Board of Directors and the Treasurer at the annual meeting. Committee reports shall also be presented when requested by the Board of Directors.

SECTION 5: QUORUM – The presence, either in person or by proxy, of thirty-five percent (35%) of the membership shall constitute a quorum.

SECTION 6: PROXIES – A member may appoint as his or her proxy another member of the Association and any such authorization must be filed in writing with the Secretary at least five (5) days prior to the appointed meeting.

ARTICLE IX: COMMITTEES

The President, with approval of the Board of Directors, may appoint such standing committees as are needed to carry on the work of the Association. The appointments shall be confirmed and accepted in writing.

ARTICLE X: AUDIT

The books and records of the Association shall be audited by an independent party. The books shall be closed at the end of the fiscal year, May 31st. The audit shall take place annually after the books have been closed, or within ten (10) days of a new Treasurer taking office.

ARTICLE XI: AMENDMENT OF THE BYLAWS

These Bylaws may be amended at any annual meeting or special meeting called for such purpose by a majority vote of the members present or voting by proxy at the meeting. Any amendment to be submitted to the general membership shall be presented in writing to the Board of Directors at least sixty (60) days prior to the annual meeting or thirty (30) days prior to any special meeting. The board shall notify members of the Association of such proposed amendments at least ten (10) days before the annual or special meeting. Proposed amendments shall be signed by the member making the motion and at least five (5) members who support the motion, all of whom must be members in good standing.

ARTICLE XII: ROBERT'S RULES OF ORDER

All business proceedings not provided for in these Bylaws shall be governed by Robert's Rules of Order, revised.