

**BYLAWS OF
VILLAGE AT DRY CREEK PROPERTY OWNERS ASSOCIATION, INC.**

The name of the Colorado nonprofit corporation shall be VILLAGE AT DRY CREEK PROPERTY OWNERS ASSOCIATION, INC. (hereinafter referred to as the “Association”).

ARTICLE I
OBJECT AND DEFINITIONS

Section 1.01 Purpose. The purpose for which this Association is formed is to govern the property (the ‘Property’) situated in the County of Routt, State of Colorado, which property is described further within the corresponding Declaration and any amendments thereto which by this reference is made a part hereof, and which Property has been submitted to the provisions of the Declaration of Covenants, Conditions, and Restrictions for Village at Dry Creek, Filing No. 1, Town of Hayden, Colorado, a Common Interest Ownership Community recorded with the Clerk and Recorder of Routt County at Reception No. 670530 as amended (hereinafter referred to as the “Declaration”).

Section 1.02. Assent. All present or future Owners, tenants, future tenants, or any other person using the facilities of the Property in any manner are subject to the regulations set forth in these Bylaws. The mere acquisition or rental of any of the Property or the mere act of occupancy of said Property shall constitute an acceptance and ratification of these Bylaws.

Section 1.03. Definitions. Unless otherwise specified, terms shall have the same meaning in these Bylaws as such terms have in the Declaration.

ARTICLE II
MEMBERSHIP AND COMPLIANCE

Section 2.01. Membership. The total number of memberships shall be equal to the number of Lots in the Property as defined by the Declaration. Ownership of a Lot is required in order to qualify for membership in the Association, and the Owners of the Lots, as members, will constitute the Association. Any person, on becoming an Owner of a Lot, shall automatically become a member of the Association and be subject to these Bylaws. Voting shall be one (1) vote per Lot, and the vote to which each membership is entitled is the vote assigned to its Lot in the Declaration of the Common Interest Community. If a Lot is owned by more than one (1) person, those persons shall agree among themselves how a vote for that Lot’s memberships to be cast. Individual co-Owners may not cast fractional votes. A vote by a co-Owner for the entire Lot’s membership interest shall be deemed to be pursuant to a valid proxy, unless another co-Owner of the same Lot objects at the time the vote is cast, in which case such membership’s vote shall not be counted. Such membership shall terminate without any formal Association action whenever any member ceases to own a Lot, but such termination shall not relieve or release any

such former member from any liability or obligation incurred under, or in any way connected with, the Association during the period of such ownership, or impair any rights or remedies which the Executive Board of the Association or others may have against such former Owner and member arising out of or in any way connected with ownership and membership and the covenants and obligations incident thereto. No certificates of stock shall be issued by the Association, but the Executive Board may, if it so elects, issue membership cards to Owners of Lots. Such membership card shall be surrendered to the Secretary whenever ownership of the Lot by such Owner designated thereon shall terminate.

Section 2.02. Classes of Membership. There shall be one (1) class of membership. Each membership may have more than one (1) member but each membership shall only have one (1) vote.

ARTICLE III MEETINGS OF MEMBERS

Section 3.01. Place of Meeting. Meetings of the members shall be held at such place, within Routt County, Colorado, as the Executive Board may determine at its discretion from time to time.

Section 3.02. Annual Meeting. The annual meetings of the Association shall be held in October or November each year at a date as determined by the Executive Board in each year at its discretion. The purpose of the annual meetings is the ratification and election of the Executive Board and the transaction of such other business of the Association as may properly come before the meeting, including approval of the Association budget for the ensuing year.

Section 3.03. Special Meeting. Special meetings of the members may be called by the President of the Executive Board, a majority of the Executive Board, or by members having votes representing one-half of the members entitled to vote at such meeting.

Section 3.04. Notice of Meeting. Written notice stating the place, day and hour of each meeting, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the Executive Board, the President, or the Secretary, or the persons calling the meeting, to the registered mailing address of each member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the registered mailing address as it appears on the records of the Association, with postage thereon prepaid.

Notice of Lot Owner meeting shall be physically posted in a conspicuous place in addition to electronic or mail notices. Notice shall include the general nature of the meeting, and if applicable, any proposed amendment to the Declaration or Bylaws, any budget changes, and any proposal to remove an officer or member of the Executive Board. The Association is

encouraged to use electronic means to give notice of Lot Owner meetings and must use such method if the Lot Owner has submitted an email address and request for such purpose. Email notification is in addition to, not substitution of mail or personal service notification. At the Lot Owner meetings, Lot Owners must be allowed to speak prior to formal action being taken on an item under consideration. The Association, however, may reasonably limit the time persons are allowed to speak. The Association must provide for a reasonable number of persons to speak on each side of an issue.

Section 3.05. Adjourning Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting, from time to time, until a quorum is obtained.

Section 3.06. Voting. All members shall be entitled to vote on all matters and each membership shall be entitled to one (1) vote. Cumulative voting in the election of the Executive Board shall not be permitted.

Votes for Executive Board at annual meetings must be conducted by secret ballot. If requested by a Lot Owner, secret ballots must be used for a vote on any other matter on which all Lot Owners are entitled to vote. Ballots must be counted by a neutral third party or by a Lot Owner present at the meeting – not a candidate – who was chosen from a pool of such Lot Owners. Results of the vote must be announced without any identifying information. The secret ballots cannot contain any information or markings that would allow another to identify who voted the ballot.

Section 3.07. Action by Written Ballot. The Executive Board may decide that voting of the members shall be by written ballot with respect to any properly noticed matter including the election of the Executive Board or with respect to adoption of any proposed amendment to the Articles of Incorporation or adoption of a proposed plan or merger, consolidation, or dissolution.

Any action that may be taken at any annual, regular, or special meeting of members may be taken without a meeting if the nonprofit corporation delivers a written ballot to every member entitled to vote on the matter.

A written ballot shall: state each proposed action; and provide an opportunity to vote for or against each proposed action.

Approval by written ballot pursuant to this section 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.

All solicitations for votes by written ballot shall: indicate the number of responses needed to meet the quorum requirements; state the percentage of approvals necessary to approve each matter other than election of directors; state the time by which a ballot must be received by the nonprofit corporation in order to be counted; and be accompanied by written information sufficient to permit each person casting such ballot to reach an informed decision on the matter.

A written ballot may not be revoked.

Action taken under this section has the same effect as action taken at a meeting of members and may be described as such in any document.

Delivery of a vote in writing to the principal office of the corporation shall be equivalent to receipt of a vote by mail at such address for the purpose of this Section 3.07.

Section 3.08. Proxies. Votes may be cast in person or by proxy. Proxies may be filed with the Secretary at or before the appointed time of each meeting.

The following shall constitute valid means of such appointment:

- a. A member may appoint a proxy by signing an appointment form provided by the Association, either personally or by member's attorney-in-fact.
- b. A member may appoint a proxy by transmitting or authorizing the transmission of a telegram, teletype, or other electronic transmission providing a written statement of the appointment to the proxy 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.

The Association may reject a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation if such rejection is done in good faith and has reasonable basis for doubt about its validity. Such rejection may not be made with malice, intent to defraud, or take unfair advantage. The Association and individuals acting for the Association in accepting or rejecting one of the above documents will not be liable for any damages if the acceptance or rejection is done in good faith. Any Association action based on the acceptance or rejection of one of the above documents is valid unless a court determines otherwise.

Proxies obtained through fraud or misrepresentations are invalid.

Section 3.09. Designation of Voting Representative – Proxy. If title to a Lot is held by a firm, corporation, partnership, association or other legal entity, or any combination thereof, a proxy must be executed and filed with the Association appointing and authorizing one (1) person or alternate persons to attend all annual and special meetings of members and there at to cast

whatever vote the Owner would be entitled to vote as provided in the Declaration. Such proxy shall be effective and remain in force unless voluntarily revoked, amended, or sooner terminated by operation of law; provided, however, that within thirty (30) days after such revocation, amendment, or termination, the Owner shall reappoint and authorize one (1) person or alternate persons to attend all annual and special meetings as prescribed by this Section.

Section 3.10. Quorum. The present in person or by proxy of members representing fifty-one percent (51%) of the memberships shall constitute a quorum. An affirmative vote of more than one-half of the memberships constituting a quorum, either in person or by proxy, at a meeting at which a quorum is present, shall be necessary for the transaction of business and to adopt decisions binding on all Owners of Lots.

ARTICLE IV EXECUTIVE BOARD

Section 4.01. Number and Qualification. The affairs of the Association shall be initially governed by an Executive Board composed of three (3) persons. The Executive Board shall have not less than one (1) nor more than five (5) members, as shall be determined from time to time by the members.

Section 4.02. Removal of Board Members. At any regular or special meeting duly called, any one (1) or more of the Board Members may be removed with or without cause by a majority vote of the members constituting a quorum, and a successor may then and there be elected to fill the vacancy thus created. Any Board Member whose removal has been proposed shall be given an opportunity to be heard at the meeting.

Section 4.03. Vacancies. Any vacancy occurring in the Executive Board for any reason and any Board Membership to be filled by reason of an increase in the number of Board Members may be filled by the affirmative vote of a majority of the remaining Board Members, though less than a quorum of the Executive Board.

Section 4.04. Quorum of Board Members. A majority of the number of Board Members fixed by the Bylaws, shall constitute a quorum for the transaction of business. Any act by a quorum of the Board Members shall be an act of the Executive Board.

Section 4.05. Time, Place, and Notice of Board Members' Meetings. Meetings of the Executive Board, regular or special, may be held either within the County of Routt and upon such notice as the Board may prescribe but not less than two (2) days if a special meeting. Attendance of a Board Member at any meeting shall constitute a waiver of notice of such meeting except when a Board Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the

Executive Board need be specified in the waiver of notice of such meeting. The Executive Board shall designate by resolution or motion when the regular and special meetings shall be held.

Section 4.06. Telephonic Meetings of Board Members. The Executive Board or any committee designed by it may participate in any meeting of the board or committee by means of conference telephone or similar communications equipment that enables all participants in the meeting to hear each other at the same time. Such participation shall constitute presence in person at the meeting.

Section 4.07. Powers and Duties. The Executive Board shall have the powers and duties necessary for the administration of the affairs of the Association, and for the operating and maintenance of the Property. The Executive Board may do all such acts and things as by law or by the Articles of Incorporation, Declaration, Rules and Regulations, or these Bylaws directed to be exercised and done by the members.

Section 4.08. Other Powers and Duties. The Executive Board shall be empowered and shall have the following duties:

(a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration, recorded in the records of Routt County, Colorado, and Articles of Incorporation, Rules and Regulations, or these Bylaws, as amended from time to time.

(b) The Board by vote of at least a majority of the Board, may establish, make, and enforce compliance with such reasonable rules as may be necessary for the operation, use, and occupancy of the Property with the right to amend same from time to time. Without limiting the foregoing, such rules and regulations may include provisions regarding the exclusion of any and all animals from the Property or the limitation and control thereof and regarding rental of the Units. A copy of such Rules and Regulations shall be delivered to or mailed to each member promptly upon the adoption thereof.

(c) To keep, or cause to be kept, in good order, condition, and repair all of the Common Elements, Limited Common Elements and all items of personal property, if any, used in the enjoyment of the Lots. No approval of the Association is required for expenditure for these purposes.

(d) To insure and keep insured all the insurable Common Elements of the Property in an amount equal to their maximum replacement value. Further, to obtain and maintain comprehensive liability insurance covering the common elements in such amount as is determined from time to time by the Executive Board and to insure and keep insured all fixtures, equipment, and personal property acquired by the Association for the benefit of the Association and the Owners of the Lots.

(e) To fix, determine, levy, and collect general assessments to be paid by each of the members to meet the common expense as defined in the Declaration, and to create a contingency reserve therefore, and to fix, determine, levy and collect special assessments. Special assessments may be levied and collected against an Owner of a Lot as liquidated damages for violation of any rule, regulation, provision or resolution with respect to management, operation, use and occupancy, by such Owner or his guests, invitees, agents or tenants. Special assessments may also be levied against and paid by each of the Owners whenever in the opinion of the Board it is necessary or advisable to do so (i) to meet increased operating or maintenance or repair expenses or costs, (ii) to provide for additional capital expenses or for replacement or improvement of common elements or for installation or construction of additional improvements on common elements, and/or limited common elements (iii) because of emergencies, or (iv) for any purpose allowed by the Declaration. Special assessments do not require prior approval of Owners. All general and special assessments (other than for violating any rule, regulation, provision or resolution) shall be in itemized statement form and shall set forth the detail of the various expenses for which the assessments are being made. It is acknowledged that if the Executive Board shall determine to construct recreational facilities or new or additional general or limited common elements, or lease or acquire property for common use, the Executive Board may assess the expense, costs and fees therefore to the Owners as special assessments, but such special assessments do not affect Owners ownership for voting rights or powers. The Executive Board may also set and determine use fees and charges for use of recreational or common facilities which shall be in addition to general or special assessments, but major recreational and common facilities shall be available to all Owners.

(f) To Adopt an Annual Budget. No longer than ninety (90) days before the annual meeting, the Executive Board shall adopt a proposed budget for the common interest community. The Executive Board shall mail, by first-class mail, or otherwise deliver, including posting the proposed budget on the association's website, a summary of the budget to all Lot Owners together with the notice of the annual meeting. The meeting must occur within the time for a meeting after notice per §3.04. The Executive Board shall give notice to the Lot Owners of the meeting as allowed for in the Bylaws.

The budget proposed by the Executive Board does not require approval from the Lot Owners and it will be deemed approved by the Lot Owners in the absence of a veto at the noticed meeting by a majority of all Lot Owners, whether or not a quorum is present. If the proposed budget is vetoed, the periodic budget last proposed by the Executive Board and not vetoed by the Lot Owners must be continued until a subsequent budget proposed by the Executive Board is not vetoed by the Lot Owners.

(g) To collect delinquent assessments by suit, foreclosure, or otherwise and to enjoin or seek damages from an Owner as is provided in the Declaration and these Bylaws. To enforce a late charge of not more than Twenty-Five and No/100 Dollars (\$25.00) per month and to collect interest at the rate of eighteen percent (18%) per annum relating to assessments remaining unpaid for more than thirty (30) days from due date for payment thereof, together with

all expenses, including attorneys' fees incurred. The Executive Board shall have the right, power, and authority to prohibit use of a Lot by the Owner thereof, his guests, tenants, lessee, and invitees in the event that any assessment made remains unpaid more than thirty (30) days from the due date for payment thereof, or to satisfy assessments by offset of net rental income, if applicable.

(h) To protect and defend the Property from loss and damage by suit or otherwise.

(i) To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration and to execute all such instruments evidencing such indebtedness as the Executive Board may deem necessary, and such indebtedness shall be the several obligation of all the Owners in the same proportion as they share the Common Expenses.

(j) To enter into contracts within the scope of their duties and powers.

(k) To establish a bank account for the treasury and for all separate funds which are required or may be deemed advisable by the Executive Board.

(l) To keep and maintain full and accurate books and records showing all of the receipts, expenses, or disbursements and to permit examination thereof by Lot Owners or their mortgagees at convenient weekday business hours.

(m) To prepare and deliver annually to each member a statement showing all receipts, expenses, or disbursements since the last such statement, including depreciation and other tax information.

(n) To designate and remove the personnel necessary for the operation, maintenance, repair and replacement of the Common Elements and/or Common Limited Elements.

(o) To impose an initial assessment on each Owner of up to three (3) months estimated monthly assessments to be used by the Association as working capital.

(p) On ten (10) days' notice and for receipt of Twenty-Five and No/100 Dollars (\$25.00) from the requesting party to furnish a certificate of Owner's account setting forth the amount of any unpaid amounts or other charges due and owing from such Owner.

(q) In general, to carry on the administration of this Association and to do all of those things necessary and reasonable in order to carry out the communal aspect of the Lot ownership.

(r) To authorize, and account for a common expense, reimbursement of the Executive Board for their actual and necessary expenses incurred in attending educational meetings and seminars on responsible governance of Lot Owners' association. The course content of such educational meetings and seminars shall be specific to Colorado, and shall make reference to applicable sections of The Colorado Common Interest Ownership Act. If first authorized by the Executive Board – for reimbursement – Executive Board members must show proof of attendance and provide an agenda of the program.

(s) To provide some type of education at no cost to its Lot Owners on such topics as the general operating of the Association and the rights and responsibilities of Lot Owners, the Association, and the Executive Board under Colorado law with the criteria for compliance to be determined by the Executive Board. The educational materials may be disseminated via email, U.S. Mail, or by posting the information to a website.

(t) Once the Executive board has resolved any matter for which they sought legal advice or concerned litigation, the Executive Board has the discretion to decide whether to disclose such communication at an open meeting or to preserve its attorney-client privilege as a matter of law.

Section 4.10 Managing Agent. The Executive Board may employ for the Association a Managing Agent (referred to herein as the “Managing Agent”) at a compensation established by the Executive Board, to perform such duties and services specified in Section 4 and as the Board shall authorize. Such management contract shall provide for termination by either party without cause and without payment of a termination fee on ninety (90) days' or less written notice, unless otherwise provided for in C.R.S. 38-33.3-305.

ARTICLE V **OFFICERS**

Section 5.01 Officers. The officers of the Association shall consist of a President, a Secretary/Treasurer, and such other officers and assistant officers as may be deemed necessary, each of whom shall be elected annually by and from the Executive Board.

Section 5.02 Removal of Officers. Any elected officer may be removed by the Executive Board whenever in its judgment the best interests of the Association will be served thereby. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer so removed. Election of an officer or agent shall not in itself create contract rights.

Section 5.03 President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and the Executive Board. He shall have all the general powers and duties which are usually vested in the office of President of a nonprofit corporation, including, but not limited to, the power to appoint committees from among the members from time to time as he may, in his discretion, decide is appropriate to assist

in the conduct of the affairs of the Association, or as may be established by the Board or by the members of the Association at any regular or special meetings.

Section 5.04 Vice-President. The Vice-President, if any, shall have all the powers and authority to perform all the functions and duties of the President, in the absence of the President, or his inability for any reason to exercise such powers and functions or perform such duties.

Section 5.05 Secretary. The Secretary shall keep all the minutes of the meetings of the Executive Board and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Executive Board may direct; and he shall, in general, perform all the duties incident to the office of Secretary. The Secretary shall compile and keep up to date at the principal office of the Association a complete list of members and their last-known addresses as shown on the records of the Association. Such list shall also show opposite each member's name the number or appropriate designation for the Lot owned by such member. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular hours.

5.06 Treasurer. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate amounts of all receipts and disbursements in books for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Executive Board, and shall pay all charges and obligations of the Association before the same shall become delinquent.

Section 5.07. Multiple Offices. The same individual may hold more than one office.

Section 5.08 Declaration Amendment. The President and Secretary shall, upon proper enactment, prepare, execute, certify and record amendments to the Declaration on behalf of the Association in accordance with C.R.S. 38-33.3-217.

ARTICLE VI **INDEMNIFICATION OF BOARD MEMBERS AND OFFICERS**

Section 6.01 Indemnification. The Association shall indemnify every Board Member and Officer, their respective successors, personal representatives, and heirs, to the fullest extent permitted by law against all loss, costs and expenses, including counsel fees, reasonably incurred in connection with any action, suit, or proceeding to which he may be made a party by reason of his being or having been a Board Member or Officer of the Association, except as to matters as provided by Colorado law. The foregoing rights shall not be exclusive of other rights to which such Board Member or Officer may be entitled. All liability, loss, damage, cost, and expense incurred or suffered by the Association by reason of or arising out of or in connection with the

foregoing indemnification provisions shall be treated and handled by the Association as Common Expenses as defined by the Declaration.

ARTICLE VII **BYLAW AMENDMENT**

Section 7.01 Amendments. These bylaws may be amended by the Executive Board at a duly constituted meeting for such purpose or at a meeting of owners called for such purpose and approved by members representing an aggregate interest of at least sixty-seven percent (67%) of the memberships. The notice of such meeting shall contain a summary of the proposed changes or a copy of such proposed changes. No amendment shall serve to shorten the terms of any Board Member or conflict with Colorado law.

Section 7.02 By Executive Board. Except as by law, the Articles of Incorporation, the Declaration or these Bylaws committed to action only by the members, the Executive Board shall have power to make, amend and repeal the Bylaws of the Association at any regular meeting of the Board or at any special meeting called for that purpose at which a quorum is represented. However, if the members shall lawfully make, amend and repeal any Bylaw the directors shall not thereafter amend the same in such manner as to defeat or impair the object of the members in taking such action.

Section 7.03 Members. The members may, by the vote of at least sixty-seven percent (67%) of the votes of the members, unless expressly made subject to a higher voting requirement by law, amend the Articles of incorporation, the Declaration or these Bylaws, make, alter, amend and repeal the Bylaws of the Association at any annual meeting or at any special meeting called for that purpose at which a quorum shall be represented.

ARTICLE VIII **SERVICES**

Section 8.01 Services. Unless the Executive Board shall determine it then to be unnecessary, the Association shall initially provide the following services to be paid for from common expense assessments:

- (a) maintenance payroll;
- (b) building maintenance;
- (c) grounds maintenance;
- (d) building supplies;
- (e) electricity service for common area;
- (f) water and sewer services;
- (g) snow removal

- (h) trash removal;
- (i) Executive Board Members' reimbursable expenses;
- (j) insurance for common area;
- (k) management and administrative services;
- (l) replacement fund management;
- (m) administrative payroll;
- (n) accounting services;
- (o) office supplies;
- (p) real estate taxes.

ARTICLE IX **NONPROFIT CORPORATION**

Section 9.01 Nonprofit Corporation. This Association is not organized for profit. No member of the Executive Board or Association or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operations thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or insure to the benefit of, any member of the Executive Board. The foregoing, however, shall neither present nor restrict the following: (i) reasonable compensation may be paid to any member of the Executive Board acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association; and (ii) any member of the Executive Board may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

ARTICLE X **OBLIGATIONS OF THE OWNERS**

Section 10.1 Assessments. Each Owners shall promptly pay his share of all general assessments imposed by the Association to meet the common expenses, all assessments for a contingency reserve to meet common expenses, and all special assessments duly made and levied, including all special assessments constituting liquidated damage sums for violation of any rule, regulation, provision or resolution of the Association. In the discretion of the Executive Board, general assessments and assessments for a contingency reserve to meet common expenses may be made as a periodic annual billing of an annual budget, in which event the general common expenses shall be deemed to have been severally incurred as of the respective dates of the installment incurred as of the respective dates of the installment billings. Each annual budget shall be determined by reference to previous years' actual income and expenses, together with reasonable estimates of other expenses or modifications of expenses expected to occur in the ensuing year. Each general assessment, each assessment for a contingency reserve, and each special assessment (other than as liquidated damage sum for violation of rule, regulation, provision or resolution) shall be allocated among the Owners as set out in the Declaration. If a Lot is owned by two or more Owners, each of such co-Owners shall be jointly and severally

liable for each assessment against and attributable to such Lot, except as otherwise provided in the Declaration. Assessments may be made not less frequently than annually and shall be billed on December 1st of the preceding year and due on the immediately following January 1st. An assessment shall be deemed mailed when in writing, place in an envelope addressed to the Owner at his last address show on the Secretary's books, postage prepaid, and deposited in the U.S. Mails. Payments of assessments shall be in cash or its equivalent. All assessments not paid by January 31 shall bear interest after such end of such month at the rate of eighteen percent (18%) per annum, together with all expenses, including attorneys' fees incurred. Further, all assessments not paid within thirty (30) days shall incur a late payment charge of \$25.00, in addition to interest. The Executive Board, or its manager or managing agent, is empowered to take any and all action for collection of assessments as are provided for in the Declaration, the Articles of Incorporation, these Bylaws or Responsible Governance Policies, or permitted at law or in equity, including the right to suspend an Owner's voting rights with five (5) days' written notice prior to any meeting whereupon the members may be called upon to vote.

Section 10.2 Registration of Mailing Address. All Owners of each Lot shall have one and the same registered mailing address to be used by the Association for mailing of statements, notices, demands, and all other communications; and such registered address shall be the only mailing address of a person or persons, firm, corporation, partnership, association, or other legal entity or such combination thereof to be used by the Association. Such registered address of an Owner or owners shall be furnished by such Owners to the Secretary within five (5) days after transfer of title; such registration shall be in written form and signed by all of the Owners of the Lot or by such persons as are authorized by law to represent the interests of all of the Owners thereof. If no address is registered or if all the Owners cannot agree, then the address of the Lot on the Routt County Assessor's office website shall be the registered address until another registered address is furnished as permitted under this Section. Registered addresses may be changed from time to time by similar designation.

Section 10.3 Use of General Common Elements. Each Owner shall use the general Common Elements as defined in the corresponding Declaration, in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other Owners.

Section 10.4 Assessments, Debts, and Other Obligations by Lot Owner. The assessments, debts, and other obligations assumed by the Owner are:

- (a) all of the obligations and assessments set out in the Declaration regarding assessments;
- (b) the duty to abide by the Restrictions on Use set out in the Declaration;
- (c) to use his/her respective Lot subject to the Easements and Licenses set out in the Declaration;

(d) to pay the separate tax assessments set forth in the Declaration;

(e) the duty to pay any assessments and a special assessment provided for in the Declaration and these Bylaws and to indemnify the Association and each of its members pursuant to the Declaration;

(f) to repair and maintain the Lots pursuant to the Declaration, as follows:

- i. Every Owner shall perform or cause to be performed at his own expense all maintenance and repair work within his own Lot necessary to maintain the Lot in a good state of repair;
- ii. All repairs of internal installations in a Unit such as water, light, gas, power, sewage, telephone, air conditions, sanitary installations, doors, windows, electrical fixtures and all other accessories, equipment and fixtures belonging to a Lot shall be at the Owner's expense and by contractor or repairmen approved by the Association;
- iii. Each Owner shall reimburse the Association promptly upon receipt of the statement for any expenditures incurred by it in repairing the replacing any common element damaged by the negligence or intentional acts of such Owner or his tenants, invitees, agents or guests.

(g) to abide by obligations and agreements set out in the Declaration, including the designation of the Association as attorney-in-fact and the obligation to pay for repair, if repair is required, if the insurance funds are insufficient;

(h) to assume any other assessments, debts, or other obligations set out in the Articles, Declaration, Bylaws, and Rules and Regulations of this Association. Each member acknowledges and shall comply with all of the provisions of the Declaration, the Articles of Incorporation and Bylaws of the Association and any rules, regulations, provisions, resolutions, and decisions issued by the Executive Board. If a member fails to comply, the Association shall have all powers provided for in the Declaration, including the power during the period of any failure of compliance, (i) to revoke the right of such delinquent member and his guests and invitees and tenants to use common elements, (ii) to cause utility service to a delinquent member's Lot to be suspended, and (iii) to suspend a member's voting privileges.

Section 10.4 Sale of a Unit – Seller's Disclosure to Buyer. The seller of a Lot within the Association must mail or deliver to the buyer on or before the title deadline, the most current copies of the following: 1) Bylaws and Rules and Regulations of the Association, including these Policies and Procedures; 2) the Declaration as amended; 3) minutes of the most recent Executive Board and annual Lot Owners meeting held within the preceding six (6) months of the title

deadline; 4) the operating budget; 5) the Association's annual income and expenditures statement; and 6) the Association annual balance sheet. The Association must use its best efforts to furnish said documents under its control at the Seller's request. The Association shall charge Lot Owners "actual costs" for copying requested documents relating to the Seller's disclosure.

The seller must provide the buyer with a disclosure statement in bold face type that substantially states that the buyer understands his or her responsibilities as members of the Association. The disclosure statement shall conform to the following:

The buyer hereby acknowledges that the buyer has received copies of the Declaration, Covenants, Bylaws, Responsible Governance Policies and Rules and Regulations of the homeowner's association, in which the property is located, and the buyer understands that these documents constitute an agreement between the association and the buyer. By signing this statement, the buyer acknowledges that the buyer has read and understands the association's Declaration, Covenants, Bylaws, Responsible Governance Policies and Rules and Regulations. The buyer also understands that by completing this purchase, the buyer is responsible for paying assessments to the association. If the buyer does not pay these assessments, the association could place a lien on the property and possibly sell it to collect the debt. The buyer also understands that any change to the exterior of the property may be subject to architectural review and approval. Failure to secure such review and approval could be a violation of the Declaration and could result in remedial action being taken by the association.

The seller Lot Owner is responsible for obtaining from the buyer a signed acknowledgment of receipt of the information and disclosure statement and delivering it to the Association within three (3) days after closing. If the seller Lot Owner fails to provide such information and disclosure statement, the buyer has a claim for relief against the seller Lot Owner for all damages and court costs incurred by the buyer that may be brought by the Association, or however otherwise related. The Association suggests that all sales contracts signed by Lot Owners contain within them the disclosure statement.

ARTICLE XI
NO SEAL

Section 11.1 No Seal. This corporation shall have no seal.

ARTICLE XII
FISCAL YEAR

Section 12.1 Fiscal Year. The fiscal year of the Association shall be the calendar year.

Section 12.2 Address of the Association. The address of the Association shall be P.O. Box 93, Hayden, Colorado 81639. Such address may change from time to time upon written notice to all members.

ARTICLE XIII
RIGHT OF ENTRY

Section 13.1 Right of Entry. The manager or managing agent and any person authorized by the Executive Board shall have the right to enter each Lot to inspect for any necessary maintenance or repair to common elements, to perform maintenance and repair to common elements, or in case of any emergency originating in or threatening such Lot if the Owner or occupant is present at the time.

The undersigned, being the Executive Board of VILLAGE AT DRY CREEK PROPERTY OWNERS ASSOCIATION, INC., a Colorado nonprofit corporation, does hereby certify that the above and foregoing Bylaws were duly adopted by the Executive Board as the Bylaws of said corporation as of the _____ day of _____, 2017, and that they do now constitute the Bylaws of said corporation.

DATED effective _____, 2017.

